

June 19, 2007

**MINUTES OF A REGULAR JOINT MEETING  
OF THE EXECUTIVE COMMITTEE  
AND THE USER COMMITTEE**

1. **CALL TO ORDER**

The Executive Committee and the User Committee convened in a regular session at 2:04 p.m. on Tuesday, June 19, 2007, in the second floor conference room of the South Bay Regional Public Communications Authority, 4440 W. Broadway, Hawthorne, CA.

**ROLL CALL**

Present: City Manager Steve Burrell, City of Hermosa Beach  
City Manager Geoff Dolan, City of Manhattan Beach  
City Manager Mitch Lansdell, City of Gardena  
City Manager Jag Pathirana, City of Hawthorne  
Interim Chief Jerry Gomez, Hermosa Beach Fire Department  
Chief Dennis Groat, Manhattan Beach Fire Department  
Chief Mike Heffner, Hawthorne Police Department  
Chief Ed Medrano, Gardena Police Department  
Chief Greg Savelli, Hermosa Beach Police Department

Absent: Chief Rod Uyeda, Manhattan Beach Police Department

Also Present: Executive Director Ralph Mailloux  
Personnel/Training Manager Bonnie Agee  
Finance Manager Agnes Walker  
Technical Services Manager Jose Rivera  
Mr. Kunle Aderonmu, Legal Counsel for the Authority

2. **PUBLIC DISCUSSION**

None.

3a. **APPROVAL OF MINUTES – MAY 15, 2007**

The minutes of the joint meeting of the Board of Directors, Executive Committee and User Committee on May 15, 2007 were approved as written, with City Manager Dolan abstaining due to his absence from that meeting.

3b. **BID AWARD FOR AUDIT SERVICES**

Finance Manager Walker introduced Mr. Gary Caporicci, Caporicci & Larson, Certified Public Accountants. She advised that the request for proposal for the Authority's audit services was sent to six accounting firms and that two firms, Moreland, and Caporicci & Larson, submitted proposals; that the member cities were invited to participate in the selection process along with Authority staff, and the City of Hawthorne served on the interview panel; that the interview panel concluded that both firms met the Authority's requirements and the decision came down to price;

and that the panel recommended Caporicci & Larson, whose fee is \$3,200 per year, which is \$9,900 less over three years than Moreland's and \$3,200 less than the Authority's former auditors, Vavrinek, Trine & Day's fee for one year.

City Managers Dolan and Pathirana related their concurrence with the recommendation in favor of Caporicci & Larson.

**MOTION:** City Manager Dolan moved to appoint Caporicci & Larson as the Authority's audit firm beginning with Fiscal Year 2006-2007, with an additional two-year option, and to authorize the Executive Director to sign the Professional Services Agreement between the Authority and Caporicci & Larson. The motion was seconded by City Manager Pathirana and passed by unanimous voice vote.

Finance Manager Walker noted that, assuming the Executive Committee's approval of the agreement with Caporicci & Larson, she and Mr. Caporicci outlined an audit schedule with the intent to publish the Authority's financial statements for Fiscal Year 2006-2007 in November or December.

3c. **BUDGET PERFORMANCE REPORT – MAY 2007**

Finance Manager Walker related that the Authority's expenses as of May 31, 2007 are on track with the budget; that some line accounts are overdrawn but should be offset by savings in other accounts; that all of the member cities' assessments for the year have been received; and that staff estimates a savings of \$220,000 at year end (mostly from salaries and benefits).

**MOTION:** City Manager Dolan moved to receive and file the Budget Performance Report as of May 31, 2007. The motion was seconded by City Manager Pathirana and passed by unanimous voice vote.

3d. **RECOMMENDATION RE YEAR-END/ MONTHLY BUDGET PERFORMANCE REPORTS**

Finance Manager Walker explained staff's recommendation that, due to year-end closing activities, the transition to the EDEN accounting system and staff vacation schedules, the Executive Committee consider postponing the Monthly Budget Performance Report as of June 30, 2007 and approving the submission of a preliminary Budget Performance Report as of June 30<sup>th</sup> at the meeting in September. She also recommended that the Budget Performance Report for the first quarter of Fiscal Year 2007-2008 be postponed to the October Executive Committee meeting, in that the first quarter financial activities are somewhat limited, staff will be adjusting entries chargeable to the previous fiscal year and staff will be involved in the year-end audit. She verified that the recommendation to postpone the submission of the Budget Performance Report for the first quarter of Fiscal Year 2007-2008 until the October meeting would apply only to this year.

City Managers Dolan, Burrell and Pathirana said that they could support the staff recommendations since they apply only to this year.

The Executive Committee unanimously approved the staff recommendations, with the caveat that the postponing of the Monthly Budget Performance Report as of June 30, 2007 would apply only to this year.

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3e. **RESOLUTION RE BUDGETARY POLICY**

Executive Director Mailloux advised that Finance Manager Walker has been examining resolutions pertaining to the Authority's financial operations to bring them more in line with current practices.

Finance Manager Walker explained that the proposed budgetary policy more clearly defines responsibilities, reflects current practices and outlines some of the terms that were not defined in the old resolution.

City Manager Dolan related his understanding that the proposed resolution better defines some of the terms and how the Authority is structured and that it clarifies that the Director can transfer monies between line accounts, but an overall increase in the budget must be approved by the Executive Committee. As he has stated at previous meetings, Mr. Dolan expressed his opinion that monies should not be transferred to balance line items and that the line items should remain as overspent, as long as the total expenses stay within the budget. In this way, good budget practices can be developed and an understanding of true expenses can be obtained so the budget for the next year can more accurately reflect reality.

City Manager Burrell entertained the idea of approving the proposed resolution as written, with the understanding that the track record for the accounts would be provided to the Executive Committee to ensure that the budget for the next year is adjusted for accounts that ran over.

Finance Manager Walker pointed out that the Budget Performance Report shows line items that are overdrawn, as well as those that are under spent.

City Manager Dolan voiced his interest in defining the accountability at the fund level.

Executive Director Mailloux recommended that the resolution be written to reflect the desired practices.

City Manager Burrell agreed that the resolution should be modified to spell out the desired practices.

Finance Manager Walker affirmed that staff will re-write the resolution to reflect the legal level of budgetary authority and present it for the Executive Committee's consideration at the next meeting.

Agenda Item No. 3e, "Resolution Re Budgetary Policy," was continued to the next meeting.

3f. **RESOLUTION RE INVESTMENT POLICY**

Finance Manager Walker related staff's recommendation that the Executive Committee adopt the proposed resolution approving the Annual Statement of Investment Policy for Fiscal Year 2007-2008 and clarifying the role of the Finance Manager as the designee of the Authority's Treasurer to perform investment functions. She suggested that future Statements of Investment Policy be provided for the Executive Committee's consideration in June. In answer to a question from City Manager Dolan, Ms. Walker indicated that the proposed resolution had not been reviewed by the Authority's Treasurer.

The Executive Committee agreed to continue Agenda Item No. 3f, "Resolution Re Investment Policy," in order for it to be reviewed by the Authority's Treasurer.

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3g. **EL CAMINO COMMUNICATIONS EQUIPMENT MAINTENANCE CONTRACT**

Executive Director Mailloux explained that the current contract between the Authority and El Camino College for mobile data computer (MDC) maintenance services expires June 30, 2007; that the proposed contract, which was reviewed by the Authority's legal counsel, is more applicable and includes a list of equipment to be covered under the contract; and that El Camino uses the Authority's link to CLETS.

Mr. Kunle Aderonmu, legal counsel for the Authority, clarified that the proposed rates for the services are approximately 20% over those charged the member agencies.

City Manager Dolan said that the proposed contract looks fine to him; but, he needs more information to vote in favor of it. He related his feeling that the Authority should collect as much revenue as possible from El Camino and suggested that this item be continued for staff to obtain information on how much it would cost El Camino to obtain these services from the private sector.

Executive Director Mailloux affirmed that the contract with El Camino can be on a month-to-month basis until such time as a new contract is approved.

City Manager Burrell entertained the idea of approving a one-year contract, with the understanding that costs would be looked at more closely prior to approving another contract next year.

The Executive Committee agreed to continue Agenda Item No. 3g, "El Camino Communications Equipment Maintenance Contract," to the next meeting.

3h. **ELECTION OF EXECUTIVE COMMITTEE CHAIRMAN & VICE-CHAIRMAN FOR FY 2007- 2008**

It was agreed that City Manager Pathirana will serve as Chairman of the Executive Committee, and City Manager Lansdell will serve as Vice-Chairman, during Fiscal Year 2007-2008.

3i. **ELECTION OF USER COMMITTEE CHAIRMAN & VICE-CHAIRMAN FOR FY 2007- 2008**

It was agreed that Chief Medrano will serve as Chairman of the User Committee, and Chief Heffner will serve as Vice-Chairman, during Fiscal Year 2007-2008.

4. **EXECUTIVE DIRECTOR'S REPORT**

4a. Executive Director Mailloux reported on the status of the Punta Place Infrastructure Upgrade Project, which will be reviewed soon at a pre-Planning Commission meeting in the City of Palos Verdes Estates. He further reported that the Grandview Infrastructure Upgrade Project will begin in July and that, because of the delay in beginning the Project, the contractor will provide the tower for free, which will save approximately \$10,000.

4b. Executive Director Mailloux recommended that, because he will be out of town at the time of the next joint meeting in July, the next Executive Committee/User Committee meeting be held in August.

The Executive Committee agreed to forego the meeting in July, with the next joint meeting to be held on Tuesday, August 21, 2007, 2:00 p.m.

4c. Executive Director Mailloux advised that the options and related costs for safeguards to help prevent a Verizon failure such as the one that recently occurred in Redondo Beach are being examined. He noted that the Authority's facility was constructed to accommodate an alternate source of 9-1-1 lines coming into the communications center from an alternate position, which will be examined as well.

4d. Executive Director Mailloux mentioned that Authority staff is exploring the idea of implementing an internet wireless system that allows for the transmission of text messages and videos, such as the one Los Angeles Police Department uses. This idea will be considered through a Strategic Action Plan. In response to a question from Chief Medrano, Mr. Mailloux related his lack of knowledge regarding the purpose of implementing this type of capability.

4e. Executive Director Mailloux indicated that Authority staff would like to discuss the Cops More Grant with the City of Gardena, since they are the only member city that qualifies for the Grant.

Chief Medrano related his intent to advise Authority staff if Gardena intends to pursue the Cops More Grant.

4f. Chief Medrano requested input on the Authority's position concerning L.A. rapid intervention crew (RIC) versus the inter-agency communications interoperability system (ICIS).

Executive Director Mailloux explained the User Committee's consensus that the L.A. RIC is more compatible with the Authority's communications system than ICIS.

4g. Chief Groat welcomed Hermosa Beach Interim Fire Chief Jerry Gomez to the meeting.

5. **NEW BUSINESS**

None.

6. **ADJOURNMENT**

At 2:50 p.m., the meeting was adjourned to Tuesday, August 21, 2007, 2:00 p.m.