

November 20, 2007

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

1. **CALL TO ORDER**

The Executive Committee and the User Committee convened in a regular joint session at 2:00 p.m. on Tuesday, November 18, 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 Geoff Dolan, City of Manhattan Beach
City Manager Mitch Lansdell, City of Gardena
City Manager Jag Pathirana, City of Hawthorne
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
Chief Rod Uyeda, Manhattan Beach Police Department

Absent: Interim Chief Jerry Gomez, Hermosa Beach Fire Department

Also Present: Executive Director Ralph Mailloux
Operations Manager Shannon Kauffman
Personnel/Training Manager Bonnie Agee
Finance Manager Agnes Walker
Technical Services Manager Jose Rivera
Mr. Kunle Aderonmu, Legal Counsel for the Authority
Mr. Henry Chen, Caporicci & Larson

2. **PUBLIC DISCUSSION**

None.

3. **ACTION ITEMS**

3a. **APPROVAL OF MINUTES – OCTOBER 16, 2007**

The minutes of the October 16, 2007 joint meeting of the Executive Committee and the User Committee were unanimously approved as written.

City Manager Dolan related his hope that, because the assessment methodology must be approved by the Board of Directors, the information reflected in Agenda Item No. 3d (Assessment Methodology) of the October 16th minutes will be included in the staff report when this topic is considered by the elected officials in the member cities.

3b. **BUDGET PERFORMANCE REPORT – OCTOBER 31, 2007**

Finance Manager Walker advised that revenues and expenses for the period ended October 31, 2007 are on track with the adopted budget; that exceptions are the parts' billing and reimbursements, which should offset one another; and that year-to-date revenues over expenses are \$2,400,000, which could fund expenses through the end of the second quarter.

The Budget Performance Report as of October 31, 2007 was received and filed as written.

3c. **FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED JUNE 30, 2007**

Finance Manager Walker introduced Mr. Henry Chen, Audit Manager, Caporicci & Larson. She explained that the auditors rendered an unqualified opinion on the Authority's financial statements for Fiscal Year 2006-2007; that the estimated fund balance at the end of year end is approximately \$606,000; that Authority staff is in the process of developing the budget for Fiscal Year 2008-2009; and that potential consideration is set aside for future replacement of capital assets or other post-employment benefits (GASB 45). She asked that the Executive Committee consider adopting financial policies on the use of the available fund balance in the future.

3d. **INTERNAL CONTROL REPORT**

Mr. Henry Chen, Caporicci & Larson, provided information on the Internal Control Report.

Finance Manager Walker explained that the recommendations are meant to enhance the Authority's internal control procedures; that some items can be easily resolved, that some may not be cost-effective due to the small size of the organization and that some will be implemented after EDEN is fully operational; and that staff will continue to examine means to mitigate internal control weaknesses.

City Manager Dolan stated his opinion that several of the Authority's internal control weaknesses should be addressed sooner rather than later.

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In answer to questions from the Executive Committee, Finance Manager Walker shared information on the Authority's time keeping, payroll, accounts payable/check issuance and inventory procedures; She verified her intent to look into whether EDEN generates an exceptions report for payroll processing and assured the Executive Committee that Authority staff will continue to monitor and improve operations.

The Executive Committee agreed that changes to payroll processing and rate changes should be implemented after the EDEN system is up and running.

City Manager Dolan related the Executive Committee's appreciation of the sophistication that Finance Manager Walker has brought to the financial aspects of the Authority.

The Executive Committee received and filed the Internal Control Report for Fiscal Year 2006-2007 as written.

3e. **OPEB/GASB 45 VALUATION**

Finance Manager Walker estimated that, per Mr. Richard Hogue, Actuary, the Authority's unfunded frozen actuarial accrued liability (UFAAL) as of July 1, 2005 is approximately \$3,100,000, with an annual required contribution of approximately \$380,000. She noted that this actuarial valuation cannot be used when the Authority must implement the GASB 45 requirement in 2009-2010 because actuarial valuations are required every two to three years; that, because the Authority has less than 100 employees, an actuarial valuation is not mandatory and a computer software could be used to perform the calculation; and that, if the Authority decides to pre-fund the Other Post-Employment Benefits (OPEB) liability and participate in CalPERS' California Retiree Benefit Trust (CERTBT), it would be necessary to see what type of report PERS requires. She recommended that this information be received and filed and that \$6,000 be carried over to the current fiscal year to cover Mr. Hogue's fee.

Executive Director Mailloux clarified that this valuation was performed in 2005 in conjunction with discussions regarding retiree medical benefits.

The Executive Committee received and filed the Actuarial Valuation Report for Other Post-Employment Benefits (OPEB) and approved a \$6,000 budget carry over from Fiscal Year 2006-2007 to Fiscal Year 2007-2008.

3f. **RESOLUTION RE RECORDS DESTRUCTION**

Executive Director Mailloux advised that the Authority's legal counsel, Mr. Kunle Aderonmu, reviewed the list of items to be shredded by a commercial shredding company.

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MOTION: City Manager Dolan moved to approve the list of records to be shredded and adopt Resolution No. 260. The motion was seconded by City Manager Lansdell and passed by unanimous vote.

RESOLUTION NO. 260

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY AUTHORIZING DESTRUCTION OF PERSONNEL FILES AND RECORDS

3g. RESOLUTION RE JOB RECLASSIFICATIONS

Executive Director Mailloux introduced newly-appointed Operations Manager Shannon Kauffman. He explained the recommendation that the Operations and Personnel/Training Manager positions be reclassified to Assistant Director, effective December 15, 2007. He provided information on the responsibilities of the new positions, including that the Assistant Director-Administration would oversee the Technical Services Department.

The Executive Committee related their desire to view an existing organizational chart in addition to the one attached to the staff report showing the new proposed structure.

Chiefs Heffner and Medrano expressed their support for the staff recommendation, particularly the idea of placing the Technical Services Department under the Assistant Director-Administration.

The Executive Committee continued this item to the next meeting.

4. EXECUTIVE DIRECTOR'S REPORT

4a. Executive Director Mailloux reported on the following: the status of the preliminary drawings for the Punta Place site; his attendance at a leadership meeting in Hermosa Beach to provide information about the Authority; a forthcoming meeting with Manhattan Beach Engineering staff to discuss work to be done on the Manhattan Beach Water Tower; staffs recommendation that the joint meeting with the Board of Directors for the mid-year budget review be held in January; that the communications center is fully staffed and the newly-hired Communications Operators are scheduled to complete training in December; and that Authority staff recently met with Torrance Police Department personnel to discuss ways to improve promotability within their dispatch center.

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4b. Executive Director Mailloux mentioned that, per the Executive Committee's direction, he recently attended a financial course, but it did not coincide with his needs. He will sign up for another course and report back to the Committee.

4c. Executive Director Mailloux related his intent to compile a report on Automatic Vehicle Location (AVL) in the near future. He indicated that it would be possible for the member agencies to utilize different options and that licensing information is forthcoming.

5. **NEW BUSINESS**

5a. Chief Groat related his understanding with regard to a potential change in management at Hermosa Beach Fire Department. The Executive and User Committee members discussed this topic.

5b. On behalf of the Executive Committee, City Manager Pathirana presented a plaque and paperweight to retiring Chief Groat in appreciation of his dedicated service.

6. **CLOSED SESSION**

At 2:55 p.m. the Executive Committee entered into closed session pursuant to Government Code Section 54957.6 to discuss the Executive Director's annual review. The meeting returned to open session at 3:30 p.m., with no action taken in closed session.

7. **ADJOURNMENT**

The meeting was adjourned at 3:31 p.m.