

November 21, 2006

**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 joint session at 2:10 p.m. on Tuesday, November 21, 2006, 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
Chief Dennis Groat, Manhattan Beach Fire Department
Interim Chief Mike Heffner, Hawthorne Police Department
Chief Rodney Lyons, Gardena Police Department
Chief Greg Savelli, Hermosa Beach Police Department
Chief Russell Tingley, Hermosa Beach Fire Department
Chief Rod Uyeda, Manhattan Beach Police Department

Absent: None.

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

2. **PUBLIC DISCUSSION**

None.

3. **ACTION ITEMS**

3a. **APPROVAL OF MINUTES – OCTOBER 17, 2006**

The October 17, 2006 minutes of the joint Executive Committee and User Committee meeting were unanimously approved as written.

3b. **BUDGET PERFORMANCE REPORT – OCTOBER 2006**

Finance Manager Walker advised that, as of October 31, 2006, revenues and expenditures are in line with the FY 2006-2007 Budget and exceptions are as noted in

the staff report; that the bond transactions are once again being recorded and the procedures for doing so were approved by the trustee, BNY; and that a separate account for bond revenues/expenditures will be included in the new EDEN system. Finance Manager Walker explained that the new GASB requirements pertaining to the Authority will become effective during FY 2008-2009 and that funds for GASB were included in the FY 2004-2005 Budget and will be carried forward in future budgets.

In response to questions from the Executive and User Committee members, Ms. Walker shared information about budgeted funds for the Teamsters' and CWA salary increases as of July 1st, as included in the memorandums of understanding; the GASB requirements; and the status of the transition to the EDEN system.

Executive Director Mailloux noted that negotiations for the Management/Confidential bargaining group are still pending.

The Budget Performance Report as of October 31, 2006 was received and filed as written.

Executive Director Mailloux mentioned that the Authority has approximately 10% in reserve funds and another \$685,000 in undesignated reserves. He asked when the Executive Committee would like to hold a joint meeting with the Board of Directors for the mid-year budget review.

The Executive Committee directed staff to obtain input on the date requirements for the mid-year budget reviews with the Board of Directors and report back at the next meeting.

3c. **CASH & INVESTMENT REPORT/SEPTEMBER 2006**

Finance Manager Walker advised that the Authority's cash flow is expected to be sufficient to fund expenses for the next few months. She asked how often the Executive Committee would like to receive the Cash & Investment Report.

The Executive Committee asked to receive the Cash & Investment Reports on a quarterly basis.

The Cash & Investment Report as of September 2006 was received and filed as written.

3d. **RESPONSES TO COMMENTS RE FINANCE AT LAST EXECUTIVE COMMITTEE MEETING**

In response to comments made at the last meeting, Finance Manager Walker affirmed that the audit for fiscal year ending June 30, 2006 is scheduled to begin December 18th and the completed audit report should be received by spring 2007.

City Manager Dolan recommended that Authority staff ask to be put in the cue for an earlier audit date for fiscal year ending June 30, 2007.

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Executive Director Mailloux explained that the actions of former Finance Manager John Gilbert necessitated a special audit and delayed the audit for fiscal year ending June 30, 2006. He pointed out that the contract with the Authority's auditors, Vavrinek, Trine, Day & Co. (VTD) is due to be re-negotiated and that a report related thereto could be provided at the next meeting.

City Manager Dolan explained that the City of Manhattan Beach's finance policy requires going out to bid for auditors every three years, but one-year extensions are acceptable, and that VTD could be used for another year, or new proposals for auditors could be solicited since the Authority will be implementing the new EDEN accounting system in 2007.

At the suggestion of City Manager Burrell, it was agreed that the topic of the Authority's auditors will be placed on the next meeting agenda.

4. **NEW BUSINESS**

4a. Executive Director Mailloux provided information about a recent meeting with representatives from the Manhattan Beach Finance Department and the Technical Services Department to discuss the Authority's billing procedures. He advised that quotes and invoices will now be identical and asked for input on the topic of charging the member cities late fees for past due accounts.

The Executive Committee agreed that the member cities should be charged late fees for past due accounts.

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Interim Chief Heffner and City Manager Pathirana departed the meeting at 2:25 p.m.

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4b. With regard to a suggestion made by Chief Uyeda at a previous meeting, Personnel/Training Manager Agee provided input about a crisis negotiations course in which the communications operators will be enrolled.

4c. Finance Manager Walker proposed the idea of streamlining the Authority's budget format.

City Manager Burrell agreed that the amount of detail in the budget could be reduced.

City Manager Dolan related his hesitancy to reduce the amount of budget detail due to the Executive Committee's obligations to oversee activities at the Authority, including the budget process. He stated his preference that the Executive Committee receive more budget detail than the Board of Directors.

City Manager Burrell observed that some of the information in the current budget format is redundant. However, he agreed with City Manager Dolan's comment about the Executive Committee's obligations.

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The Executive Committee asked staff to present a sample of the new proposed budget format at a future meeting.

5. **EXECUTIVE DIRECTOR'S REPORT**

5a. Updated information on the Grandview and Gardena Infrastructure Upgrade Projects was provided by Executive Director Mailloux. He anticipated that the Grandview Project will begin in approximately two months and the Gardena Project will begin in December.

5b. Executive Director Mailloux confirmed that the special audit report prompted by the actions of former Finance Manager John Gilbert will be provided at the next meeting.

5c. Executive Director Mailloux reported on T-Mobile's efforts to take over one of the Authority's microwave band frequencies, which the Authority plans to utilize in 2007.

5d. Executive Director Mailloux advised that a contract with Palos Verdes Estates Police Department for mobile data computer service will be presented for review at a future meeting.

6. **CLOSED SESSION**

At 2:41 p.m., the Executive Committee entered into a closed session pursuant to Government Code Section 54957.6 to discuss labor issues (Executive Director) and labor negotiations (Management Confidential Group). The meeting returned to open session at 3:10 p.m.

7. **ADJOURNMENT**

At 3:11 p.m., the meeting was adjourned.