

March 16, 2010

**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 2:03 p.m. on Tuesday, March 16, 2010, 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  
Assistant City Manager Chris Hach, City of Gardena  
City Manager Jag Pathirana, City of Hawthorne  
Interim City Manager Richard Thompson, City of Manhattan Beach  
Chief David Cummings, El Segundo Police Department  
Chief Mike Heffner, Hawthorne Police Department  
Chief Ed Medrano, Gardena Police Department  
Chief Greg Savelli, Hermosa Beach Police Department  
Interim Chief Ken Shuck, Manhattan Beach Fire Department  
Chief Kevin Smith, El Segundo Fire Department  
Chief Rod Uyeda, Manhattan Beach Police Department

Absent: City Manager Mitch Lansdell, City of Gardena  
Chief David Lantzer, Hermosa Beach Fire Department

Also Present: Executive Director Ralph Mailloux  
Administration Manager Bonnie Agee  
Operations Manager Shannon Kauffman  
Mr. Kunle Aderonmu, Legal Counsel for the Authority  
Ms. Michelle Blumenthal, El Segundo Communications Operator  
Councilman Carl Jacobson, City of El Segundo  
Staff Services John Krok  
Lt. Carlos Mendoza, El Segundo Police Department  
Captain Robert Turnbull, El Segundo Police Department  
Communications Operator Bob Basinger  
Communications Operator Jeff Williams

2. **PUBLIC DISCUSSION**

Communications Operator Bob Basinger related concern over the potentially negative effect the merger of El Segundo communications staff into the South Bay Regional Public Communications Authority (Authority) would have on the Authority's communications staff. Referring to written material distributed at the meeting by Communications Operator Jeff Williams, Operator Basinger discussed the potential impact on shift selections and the precedent this could set for other agencies which join the Authority in the future.

3. **ACTION ITEMS**

3a. **APPROVAL OF MINUTES – FEBRUARY 16, 2010**

**MOTION:** City Manager Pathirana moved for the approval of the minutes of February 16, 2010 as written. The motion was seconded by Interim City Manager Thompson and passed by unanimous vote.

3b. **BUDGET PERFORMANCE REPORT – FEBRUARY 28, 2010**

Finance Manager Walker related staff's recommendation to receive and file the Budget Performance Report as of February 28, 2010 as written. She explained that revenues and expenses are on track with the budget, but no savings at the end of the fiscal year are projected.

**MOTION:** City Manager Pathirana moved to receive and file the Budget Performance Report as of February 28, 2010 as written. The motion was seconded by Interim City Manager Thompson and passed by unanimous vote.

3c. **GASB 45 ACTUARIAL VALUATION REPORT AS OF JULY 1, 2009**

Finance Manager Walker related staff's recommendation to discuss and receive and file the staff report. She advised that the approximately \$3,000 cost of the valuation is in the budget; that the valuation determined that the Authority's Unfunded Accrued Actuarial Liability (UAAL) for Other Post Employment Benefits (OPEB) is approximately \$1,700,000; and that the actuarial valuation performed in 2005 indicated that the Authority's UAAL was \$3,136,929 and the annual required contribution was \$379,305, a decrease of approximately \$1,500,000 and \$192,000 respectively, which could be attributed to the Authority's success in revising retiree medical benefits during the most recent contract negotiations. She pointed out that, in the near future, the Authority should develop a funding strategy to cover the UAAL.

Assistant City Manager Hach suggested that Authority staff make a note for the Executive Committee to discuss this topic for inclusion in the budget for Fiscal Year 2011-2012. The Executive Committee agreed.

Finance Manager Walker noted that, because of the different scenarios for the various bargaining groups within the Authority, the actuarial said this is one of the more difficult actuaries they have performed.

The GASB 45 Actuarial Valuation Report as of July 1, 2009 was received and filed.

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3d. **FISCAL YEAR 2010-2011 PRELIMINARY BUDGET**

Executive Director Mailloux reviewed the highlights of the Authority's preliminary Fiscal Year 2010-2011 Budget. He explained that one new junior communications technician is proposed; that Hawthorne Police Department was awarded State Homeland Security Grant Program (SHSGP) funds in the amount of \$825,000, which is being used for the Punta Place Infrastructure Upgrade Project and will eventually be reimbursed to the Authority; that El Segundo's possible return to the Authority could eventually provide some revenue, but not a lot at the beginning; and that no capital improvement projects (CIPs) are requested this year. He explained three options presented for determining the member cities' assessments for Fiscal Year 2010-2011, including the use of approximately \$450,000 of available fund balance in Option C, resulting in a -0.16% decrease in the assessments for Fiscal Year 2010-2011. Mr. Mailloux outlined the accomplishments during Fiscal Year 2009-2010 and goals for Fiscal year 2010-2011. He noted that narrow banding must be completed by 2013 and that the Authority will schedule a meeting with the member police and fire chiefs to discuss related costs.

Finance Manager Walker offered input on the available fund balance of approximately \$450,000, which could be applied to Assessment Option C to reduce the member cities' assessments. She advised that the Fiscal Year 2010-2011 Preliminary Budget in the amount of \$7,413,305 reflects a decrease of approximately \$118,130, or 1.57% less than the current budget and that, even though the Authority has been submitting the SHSGP reimbursements in a timely manner, those funds should not be included in reserves at this time because grants are subject to audits and the total amount to be realized will not be known until all the funds have been received.

City Manager Burrell advised against relying on the SHSGP funds until they are received. The Executive Committee agreed.

Chief Uyeda entertained the idea of renegotiating the bargaining group contracts for Authority employees to reduce expenses in these difficult economic times.

Assistant City Manager Hach shared information about the difficult economic situation in the City of Gardena.

Chief Medrano noted that employee salaries in Gardena have been frozen, and he felt that the message should be consistent. He related his understanding that SHSGP funds must be reimbursed by October 2010 and he agreed that they should not be included in reserves until they are received.

Executive Director Mailloux explained that the Authority's medical benefit retirement package was revised to the Authority's benefit and that the employees' salary increases were part of the negotiation package.

City Manager Pathirana recalled that an assessment method similar to Option C was used last year and he favored using the available fund balance to reduce the assessments. Having participated in the negotiations during which the medical benefit retirement package was revised, City Manager Pathirana explained that the package benefitted the Authority, and the member cities in the long run.

In answer to a question from Assistant City Manager Hach, Finance Manager Walker explained the difficulty of determining the net effect of the package without an actuarial valuation of current costs for the monthly contribution.

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Chief Savelli pointed out that the cities would realize a slight cost savings with the use of the available fund balance this year and that, in some respects, the Authority was ahead of the curve in revising the medical benefit retirement package. He related his opinion that the contracts should be left as they are and that the salary increases can be justified, since they were part of a give-and-take situation to accomplish the revised medical benefit retirement package; and that the communications employees could be impacted if El Segundo returns to the Authority; and some employees will receive a 5% salary increase, but there will only be a 3% net increase in the budget.

Chief Heffner offered information about the economic situation facing City of Hawthorne employees and the difficulties presented when Authority employees receive salary increases.

Assistant City Manager Hach agreed that the available fund balance should be used to reduce the assessments and that SHSGP funds should not be included in the budget until they are received. She said that the message should be that the Authority has worked with the cities to keep costs down and that Authority employees gave up much to receive salary increases.

Chief Medrano commented that he has been critical of the Authority's budget in the past, but staff did a good job with the preliminary Fiscal Year 2010-2011 Budget; that many goals were accomplished during Fiscal Year 2009-2010; and that SHSGP funding will eventually be received.

Executive Director Mailloux indicated that the Authority made an effort to assist the member cities as much as possible and still be fiscally responsible.

Chief Uyeda cautioned that the Authority should be prepared for the positions of the elected officials when they meet to consider the Fiscal Year 2010-2011 Budget, which will most likely include objections to long-term contracts for the future.

City Manager Burrell noted that the contract for the Authority's largest bargaining group, the Teamsters, will expire in 2011 and he agreed that the Board of Directors will most likely object to long-term contracts for the future.

**MOTION**: City Manager Pathirana moved to recommend that the Board of Directors adopt the Fiscal Year 2010-2011 Budget based on Assessment Option C. The motion was seconded by Interim City Manager Thompson and passed by unanimous vote.

City Manager Pathirana commended the preparation of the Fiscal Year 2010-2011 Budget. The Executive Committee agreed.

Executive Director Mailloux advised that the Fiscal Year 2010-2011 Budget is scheduled to be considered by the Board of Directors on the regular meeting date of Tuesday, April 20<sup>th</sup>, 8:30 a.m. He asked the Executive Committee to contact Authority staff to verify that their respective Board members are able to attend.

3e. **AGREEMENT WITH EL SEGUNDO FOR EMERGENCY POLICE AND FIRE DISPATCH SERVICES**

Executive Director Mailloux shared information about El Segundo's possible return to the Authority. He advised that the proposed contract between El Segundo and the Authority will be considered by El Segundo City Council on April 6, 2010 and that, should the merger occur, the shifts for current Authority operators will not be impacted as described earlier in the meeting by Communications Operator Basinger.

Chief Smith commended Executive Director Mailloux's efforts toward the possible merger with El Segundo. He related his intent to contact El Segundo City Manager Wayt to ask if Authority staff should attend the El Segundo Council meeting on April 6<sup>th</sup>.

**MOTION:** City Manager Pathirana moved to authorize Executive Director Mailloux and the Authority's legal counsel, Kunle Aderonmu, to sign off on the proposed contract if approved by El Segundo. The motion was seconded by Interim City Manager Thompson and passed by unanimous vote.

4. **EXECUTIVE DIRECTOR'S REPORT**

None.

5. **COMMENDATIONS**

Chief Medrano related his intent to provide a letter to the Authority commending the exceptional assistance of the communications staff during a recent officer-involved shooting in Gardena.

6. **NEW BUSINESS**

None.

7. **ADJOURNMENT**

The meeting was adjourned to Tuesday, April 20, 2010, 8:30 a.m.