

**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 2:12 p.m. on Tuesday, October 21, 2008, 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  
Assistant City Manager Chris Hach, City of Gardena  
City Manager Jag Pathirana, City of Hawthorne  
Captain Ed Burnett, Gardena Police Department  
Chief Scott Ferguson, Manhattan Beach Fire Department  
Chief Mike Heffner, Hawthorne Police Department  
Chief Greg Savelli, Hermosa Beach Police Department  
Chief Rod Uyeda, Manhattan Beach Police Department

Absent: City Manager Mitch Lansdell, City of Gardena  
Chief Ed Medrano, Gardena Police Department  
Interim Chief Steve Parker, Hermosa Beach Fire Department

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

2. **PUBLIC DISCUSSION**

None.

3. **ACTION ITEMS**

3a. **APPROVAL OF MINUTES – AUGUST 19, 2008 AND SEPTEMBER 16, 2008**

The minutes of August 19, 2008 were approved as written, with City Manager Dolan abstaining due to his absence from that meeting, and the minutes of September 16, 2008 were approved as written, with City Manager Pathirana abstaining due to his absence from that meeting.

3b. **AUDITED FINANCIAL STATEMENTS FY 2007-2008**

Finance Manager Walker introduced Mr. Henry Chen, Audit Manager, Caporicci & Larson. She thanked the auditors and Authority staff for their efforts toward completing the financial statements for Fiscal Year 2007-2008 early. Ms. Walker related staff's recommendation to receive and file the statements and she explained that the audit included an unqualified opinion, an increase in net assets and approximately \$476,567 in available fund balance which is over and above the operating reserve; this amount should be available for the Fiscal Year 2009-2010 budget and that staff is examining the idea of submitting financial policies regarding the use of the available funds for the Executive Committee's consideration in the future.

Mr. Chen commended staff's preparation for the audit, and confirmed Caporicci's unqualified opinion.

City Manager Dolan congratulated Finance Manager Walker and Executive Director Mailloux for this "clean" audit, which was achieved in a timely manner. He offered the following motion:

**MOTION:** City Manager Dolan moved to receive and file the audited financial statements for Fiscal Year 2007-2008 as written. The motion was seconded by City Manager Pathirana and passed by unanimous vote.

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Mr. Chen departed the meeting at 2:15 p.m.

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3c. **BUDGET SAVINGS REPORT**

Finance Manager Walker related staff's recommendation to receive and file the Budget Savings Report for FY 07-08. She advised that the actual budget savings are approximately \$220,000, which will be taken into account when evaluating the budget for Fiscal Year 2009-2010.

The Budget Savings Report was received and filed as written.

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3d. **BUDGET PERFORMANCE REPORT – SEPTEMBER 30, 2008**

Finance Manager Walker stated staff's recommendation to receive and file the Budget Performance Report as of September 30, 2008. She noted that the Report includes the member cities' assessments for the second quarter of 2008 and that revenue and expenses are on track with the budget.

The Budget Performance Report as of September 30, 2008 was received and filed as written.

3e. **CASH & INVESTMENTS REPORT – SEPTEMBER 30, 2008**

Finance Manager Walker related staff's recommendation to receive and file the Cash & Investments Report for September 30, 2008. She indicated that there is enough liquidity in the Authority to fund expenses for the next six months and that the Authority's cash position remains healthy. In answer to questions from City Manager Dolan and City Manager Pathirana, Finance Manager Walker explained that all of the Authority's investments are with the Local Agency Investment Fund (LAIF) at a current interest rate of approximately 2.7%.

The Cash & Investments Report for September 30, 2008 was received and filed as written.

3f. **REQUEST FOR PROPOSAL RE PUNTA PLACE INFRASTRUCTURE UPGRADE PROJECT**

Executive Director Mailloux provided background information on the Punta Place Infrastructure Upgrade Project, including that the bids were particularly difficult because this is a design/build contract. He recommended that the contract be awarded to Inland Valley Construction Company, with whom the Authority has worked on the Gardena Police Department and Grandview Infrastructure Upgrade Projects, has much experience with this type of project and whose bid was more than the other finalist, but is a firm fixed price and appears to be very accurate.

City Manager Dolan asked if change orders would be allowed with a firm fixed price in the event of unforeseen circumstances.

Mr. Kunle Aderonmu, Legal Counsel for the Authority, explained that totally unforeseen circumstances would not be binding to the firm fixed price; but, change orders for the current terms of the contract would not be accepted.

Executive Director Mailloux noted that the Authority could have as-built drawings done and put this project out for re-bid.

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At the request of City Manager Dolan, Executive Director Mailloux shared information about the City of Palos Verdes Estates' approval of the Project, as well as the process with the City from this point forward. He verified for Chief Heffner that the building meets earthquake standards.

City Manager Dolan indicated that he could support awarding the contract to Inland Valley Construction Company, even though their bid is more than the other finalist because they have a valuable relationship with the Authority and much experience with this type of project.

City Manager Pathirana agreed that there is a lot to be said for the working relationship between the Authority and Inland Valley Construction Company.

**MOTION:** City Manager Dolan moved to award the contract for the Punta Place Infrastructure Upgrade Project to Inland Valley Construction Company. The motion was seconded by City Manager Pathirana and passed by unanimous vote.

4. **EXECUTIVE DIRECTOR'S REPORT**

4a. Executive Director reported on the status of the Frequency Allocation Project. He mentioned that Authority staff has been discussing with Riverside County the idea of obtaining some 800 MHz licenses at a minimal cost.

5. **COMMENDATIONS**

None.

6. **NEW BUSINESS**

None.

7. **CLOSED SESSION**

Pursuant to Government Code Section 54957.6, at 2:40 p.m., the Executive Committee entered into a closed session to discuss the Executive Director's Annual Review and Finance Manager's Annual Review/Compensation. At 2:55 p.m., the meeting returned to open session with no action taken during closed session.

8. **ADJOURNMENT**

The meeting was adjourned at 3:00 p.m.

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