ALAMEDA COUNTY

East Bay Regional Communications System Authority

CONTRA COSTA COUNTY

Participating agencies include Alameda and Contra Costa Counties and the following cities and special districts: Alameda, Albany, Antioch, Brentwood, Clayton, Concord, Danville, Dublin, El Cerrito, Emeryville, Fremont, Hayward, Hercules, Lafayette, Livermore, Martinez, Moraga, Newark, Oakley, Pinole, Pittsburg, Pleasant Hill, Pleasanton, Richmond, San Leandro, San Pablo, San Ramon, Union City, Walnut Creek, East Bay Regional Park District, Kensington Police Community Services District, Rodeo-Hercules Fire Protection District and San Ramon Valley Fire Protection District

AGENDA ITEM 3.0

DRAFT MINUTES

FINANCE COMMITTEE MEETING

REGULAR MEETING – June 4, 2010

DRAFT

1. **CALL TO ORDER/ROLL CALL:**
A regular meeting of the East Bay Regional Communications System Authority Finance Committee was held on June 4, 2010, in Room 1013 at the Alameda County Office of Homeland Security and Emergency Services, 4985 Broder Boulevard, Dublin, California. The meeting was called to order at 11:05 a.m. by Chair Shinn.

PRESENT: *Committee members Anderson, Cheeves, Haggerty, Shinn, Twa*

ABSENT: *Committee members Johnson and Wilson*

Staff Present:
Executive Director McCammon and Secretary Lyon

2. **Comments from the Public:**
No comments were made by any member of the public at this time.

3. **Approval of Meeting Minutes: Regular Meeting of May 7, 2010**
On motion of Cm. Twa, seconded by Cm. Haggerty, and by unanimous vote, the Committee approved the minutes of the regular meeting of May 7, 2010.

4. **Review and Approve Proposed FY 10/11 Budget and Approve Recommendation to Send the Budget to the Full Board to Consider Adopting:**

Director McCammon overviewed the distributed proposed FY2010/2011 Budget. The format was modified this year to include a column for Actual Revenue realized as recommended by our Auditors. Potential grants are listed at the bottom. The FY 2010 Revenue Budget is pro forma, whereas the Project Expense Budget is Board Adopted. The estimated FY 2010 deficit of $517,171 represents 2010 costs not yet claimed for reimbursement as of June 1, 2010. Two reimbursement claims were recently submitted, and Director McCammon estimated that the deficit amount will be reduced to be close to the amount of the non reimbursable costs of $23,400. Costs that are non reimbursable include web site hosting, insurance, and membership fees. A page footnote for the color coding of these costs will be included for the Board of Directors meeting agenda packet for clarity. Cm. Cheeves recommended that the subscriber fee balance also be included in the proposed FY 2010/2011 Budget.

On motion of Cm. Cheeves, seconded by Cm. Haggerty, and by unanimous vote, the Committee approved to recommend for the Board of Directors to consider adopting the Proposed FY 10/11 Budget as presented.

5. Receive Update on Financing Plan and Recommendations from Financial Advisor and Provide Direction for Next Steps:

Director McCammon reviewed sections of the distributed financing overview report prepared with input from financial staff from both counties, and the advisors from KNN Public Finance and Orrick. It is the same PowerPoint presented to the Alameda County Board of Supervisors Finance Committee last week. Of the three options, option 1 B, an EBRCSA "bond" purchased by each county from added proceeds of County financings already underway, is the preferred option. Several advantages of this option were highlighted on page 9 of the report including that this approach should expedite funding and implementation of the EBRCSA System. Discussions are occurring with our advisors to determine how to best mitigate the potential risk of increased debt service obligation to counties if members fail to make required payments. Cm. Twa stated that there should be some sort of mechanism included to protect the counties from the risk of nonpayment such as a property tax intercept. Director McCammon responded that the legality of the property tax intercept, as well as other possible approaches, is being researched. Director McCammon also noted KNN prepared a financial model that shows yearly net debt service of 2.3 million dollars, and

DRAFT

this is nearly the same amount used in our past financing presentations. Three years of capitalized interest is included.

6. Review and Approve Reimbursement Resolution and Approve Recommendation to Send the Resolution to the Full Board to Consider Passing:

Committee members reviewed the draft reimbursement resolution that allows costs related to issuance to be paid by the EBRCSA from the proceeds of indebtedness. Director McCammon noted that both Counties are passing similar resolutions.

On motion of Cm. Anderson, seconded by Cm. Haggerty, and by unanimous vote, the Committee approved to send the reimbursement resolution declaring the official intent of the EBRCSA to reimburse certain expenditures from the proceeds of indebtedness to the Board of Directors to consider passing.

7. Consider Approving a Policy to Authorize the Executive Director, with the Approval of the Board Chair, to Pay for Supplies and Services that Require a Timely Response, and Approve Recommendation to Send the Policy to the Full Board to Consider Passing:

Director McCammon overviewed that a recent case, where a check was required in a timely manner, prompted this recommendation, and that the new process would only be used as needed for similar cases.

On motion of Cm. Haggerty, seconded by Cm. Twa, and by unanimous vote, the Committee approved to recommend a policy for the Board of Directors to consider passing that authorizes the Executive Director, with approval from the Board Chair or Vice Chair, to pay for supplies and services that require a timely response.

8. Review Asset Management System Proposal and the Possibility of Hiring an Intern for the summer of 2010 to collect the Information:

Director McCammon overviewed that Alco and CoCo grant auditors recommended that we implement a system to track equipment. It appears that there are some fairly inexpensive off-the-shelf systems out there that include a bar code scanner, costing approximately $15,000. All maintenance and history could be tracked through the system. The Alco SO is in the process of reviewing asset tracking system bids and the information could

DRAFT

be presented to Committee members next month. He added that the proposal includes a recommendation to hire a summer intern to travel to all of the sites to photograph, tag, and catalogue all of the equipment. Committee members discussed the recommendation. Cm. Anderson offered to provide the list of candidates that the EBRPPD recently interviewed for a summer intern position. Committee members also discussed and agreed that compensation should be limited to $7,500. Cm. Haggerty also recommended that we look at alternative approaches, such as Firefighter reserves to perform the work.

On motion of Cm. Anderson, seconded by Cm. Haggerty, and by unanimous vote, the Committee approved moving forward with the recommendation to purchase an asset tracking system after review, and also approved to recommend the hiring of an intern for the summer of 2010, at a rate not to exceed $7,500, with the provision that we first look into using Firefighter reserves or other relevant reserves to perform the work.

9. Receive Verbal Update of Grant Status (PSIC, COPS, UASI):

Director McCammon provided a verbal update of Grant Status that included the following. The FCC approved for the waiver jurisdictions to use the spectrum needed for the potential nine Bay Area County Broadband project. The way the waiver relates to our region is being clarified, and letters from the 3 core cities may be required. The NTIA has reopened the B-TOP grant application period for the waiver jurisdictions for one additional month. Meetings with the representatives from all counties to discuss potential governance are planned.

There has not been any news from Senator Boxer or Senator Feinstein on our COPS grant application status.

10. Receive Verbal Update on Status of the Various EBRCSA Projects:

Director McCammon provided a verbal update on project status that included the following. There are some electrical upgrade issues that are being worked out for the CoCo West Cell. The IP Upgrade is nearly 90% complete. For the AlCo East Cell, the Patterson Pass initial study environmental report is complete and will be presented to the Board to consider certifying. The generator for Doolan is planned for installation. KPA Architects is finalizing the designs for the East Dublin BART, Patterson Pass, and Warm Springs sites.

DRAFT

UC Berkeley has signed an agreement to join the EBRCSA and will initially bring on 160 users.

11. Agenda Items for Next Meeting:

12. ADJOURNMENT:

The meeting was adjourned at 12:00 p.m. The next meeting date for the Finance Committee is July 2, 2010 at 11:00 a.m., in Room 1013 at the Alameda County Office of Homeland Security and Emergency Services, 4985 Broder Boulevard, Dublin, California.

APPROVED BY A MOTION OF THE EAST BAY REGIONAL COMMUNICATIONS SYSTEM AUTHORITY THIS XXTH DAY OF XX, 20xx.

Respectfully submitted,

Susan Lyon

Susan Lyon
Secretary

DRAFT