



East Bay Regional Communications System Authority



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, San Ramon Valley Fire Protection District, University of California, Berkeley and California Department of Transportation

AGENDA ITEM 3.0

DRAFT MINUTES

FINANCE COMMITTEE MEETING

REGULAR MEETING – June 3, 2011

1. CALL TO ORDER/ROLL CALL:

A regular meeting of the East Bay Regional Communications System Authority Finance Committee was held on June 3, 2011, 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 11:00 a.m. by Alternate Chair Calabrigo.

PRESENT: *Committee members Anderson, Cheeves, Calabrigo, Haggerty, Woo (Alt. for Cm. Twa), and Wilson*

Also Attending: Huong Cao, Alameda County Auditor-Controller Agency, Shirley Hii, Alameda County Auditor-Controller Agency, Steve Manning, Alameda County Auditor-Controller Agency, Dean Stavert, Alameda County Sheriff's Office and Fred Tse, Alameda County Auditor-Controller Agency

ABSENT: *Committee members Johnson and Shinn*

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 6, 2011:**

On motion of Cm. Anderson, seconded by Cm. Wilson, and by unanimous vote, the Committee approved the minutes of the May 6, 2011 regular meeting.

4. Review Final Change Order from Motorola Inc. for Project Cornerstone and Consider Making a Recommendation to the Board to Consider Authorizing:

Director McCammon reviewed that this item was pulled from last month's meeting agenda because there were a few items that required some final negotiation, including clarification on what equipment and services were taxable/nontaxable and the maintenance. The total contract value for Project Cornerstone is \$2,255,408.69 for the following four LTE eNode B sites: Glenn Dyer Jail, 40 Glacier Drive, 651 Pine Street, and the Concord PD. The total cost will be reimbursed by the Bay Area UASI through Alameda County. The amendment totals \$213,492.69 and provides for maintenance of the existing network until it can be transitioned into the BTOP project.

On motion of Bm. Wilson, seconded by Bm. Anderson, and by unanimous vote, the Committee approved to recommend the final change order from Motorola Inc. for Project Cornerstone in the amount of \$213,492.69 to the Board of Directors at their next meeting.

5. Review and Approve proposed FY 11-12 Budget and Send the Budget to the Board to Consider Adopting:

Bill McCammon began by thanking the Alameda County Auditor- Controller Agency for all of their assistance with the accounting for the project.

Fred Tse, CPA, Division Chief Internal Audit & Specialized Accounting, Alameda County Auditor-Controller Agency provided an overview on the necessary switch of the accounting for the EBRCSA from a Governmental Fund to an Enterprise Fund.

The switch complies with Generally Accepted Accounting Principles (GAAP) and was also recommended by CG Uhlenberg, our independent auditor. It is necessary now because of the following two criteria, in the EBRCSA Project Operating Agreement, that require the use of Enterprise Funds: 1. Policy to recover operating costs, including depreciation or debt service, from fees and 2. Charges and debt is secured by a pledge of the net revenues from fees and charges. There is no impact from an operational

perspective. It is a switch from a “cash” basis to an accrual basis of accounting for the financial statements, just like private companies. Using bond issuance as an example, bond proceeds are booked as revenue when received in governmental accounting, and as a balance sheet entry only in Enterprise Accounting. Certain transactions are presented differently in the financial statements.

Committee members briefly discussed, and agreed by consensus that this change in the method of accounting to Enterprise Accounting makes sense and provides more transparency.

On motion of Alt. Cm. Woo, seconded by Cm. Wilson, and by unanimous vote, the Committee approved to recommend for the Board of Directors to consider authorizing a move from Governmental Accounting to Enterprise Accounting.

Director McCammon overviewed parts of the distributed draft Proposed Budget for FY 11-12. The budget format has been revised to improve clarity as recommended by the Finance Committee at the May meeting, and now also reflects a three year plan. Some of the figures will change slightly in the version that will be presented to the Board of Directors at their next meeting. For example, the 2007 PSIC for CoCo County is actually closer to \$200,000, rather than the \$285,000 as reflected on the proposed budget worksheet. We are also expecting to receive an additional \$200,000 reallocation from the Bay Area UASI.

Scott Haggerty entered the meeting at 11:20 a.m.

Director McCammon briefly reviewed some of the expenses that were also discussed at the May Finance meeting and explained that the insurance expense covers what we own today, and is expected to increase because of additional assets such as the Shelter, Structure, and Equipment at the East Dublin BART. Page two of the Proposed Budget includes a summary of balance sheet activities starting with cash inflow and a breakdown of capital assets. Our contingency requirement is 1 million dollars. The bottom line is an estimation of the cash ending balance, assuming other assets and liability balances stay constant from period to period.

Committee members discussed the proposed budget, and agreed by consensus to present to the Board of Directors in the same manner, including a summary presentation from the Auditor-Controller’s staff.

On motion of Cm. Cheeves, seconded by Cm. Anderson, and by unanimous vote, the Committee approved to recommend the adoption of the FY 11-12 Budget, as presented today, to the Board of Directors at their June meeting.

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

Director McCammon provided an update that included that the Bay Area UASI allocated 2 million dollars to the EBRCSA for 2011.

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

Director McCammon provided an update on the status of various EBRCSA projects.

8. Agenda Items for Next Meeting:

In response to a question from Cm. Haggerty, Director McCammon provided a status update for the jurisdictions that are not currently participating including the City of Antioch, the City of Oakland, the City of Hayward, and the City of Berkeley.


As recommended by Cm. Haggerty and by Committee consensus agreement, a more in depth review of the status of the agencies from both counties not participating in the EBRCSA, including a discussion and development of potential strategies will be included on the next Finance Committee agenda. The July meeting is pending cancellation due to the holiday.

9. Adjournment:

The meeting was adjourned at 12:00 p.m. The next meeting date for the Finance Committee is July 1, 2011 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
Secretary