

A G E N D A
REGULAR JOINT MEETING OF
THE EXECUTIVE COMMITTEE AND THE USER COMMITTEE
TUESDAY, JULY 16, 2019, 2:00 PM
SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY
SECOND FLOOR CONFERENCE ROOM
4440 W. BROADWAY, HAWTHORNE, CA

A. **CALL TO ORDER**

B. **ELECTION OF EXECUTIVE COMMITTEE CHAIRPERSON AND VICE CHAIRPERSON FOR FISCAL YEAR 2019-2020**

C. **PUBLIC DISCUSSION**

Members of the public will be given the opportunity to directly address the Executive Committee and the User Committee. Speakers may provide public comments on any matter that is within the subject matter jurisdiction of the Executive Committee and the User Committee, including items on the agenda. While all comments are welcome, the Brown Act does not allow the Executive Committee and the User Committee to take action on any item not on the agenda. Comments will be limited to three (3) minutes per speaker.

D. **EXECUTIVE COMMITTEE CONSENT CALENDAR**

1. Minutes of the Regular Meeting – June 18, 2019
2. Check Register - May 2019
3. Check Register - June 2019
4. Amendment No. 4 to the Agreement Between the South Bay Regional Public Communications Authority and M Jack Brooks, JD for Consulting Services; and

 Approval of a Corresponding Fiscal Year 2018-2019 Change Purchase Order in the Amount of \$30,000 for a Total Not-To-Exceed Amount of \$210,000 for these Services; and

 Approval of a Fiscal Year 2019-2020 Purchase Order in the Not-To-Exceed Amount of \$65,000; and

 Approval of an Operating Budget Transfer in the Amount of \$65,000 from the Salaries & Benefits Category to the Supplies & Services Category of the Adopted Fiscal Year 2019-2020 Budget to Fund these Services.
5. Memorandum of Understanding Between the Manhattan Beach Unified School District and the South Bay Regional Public Communications Authority for Microwave Network Access

E. **ITEMS REMOVED FROM THE CONSENT CALENDAR**

F. **EXECUTIVE COMMITTEE GENERAL BUSINESS**

1. Comprehensive Cost of Service and Allocation Study

G. **USER COMMITTEE GENERAL BUSINESS**

1. Election of User Committee Chair & Vice-Chair Fiscal Year 2019-2020

H. **EXECUTIVE DIRECTOR'S REPORT**

I. **EXECUTIVE COMMITTEE AND USER COMMITTEE COMMENTS**

Jl. **CLOSED SESSION AGENDA**

- **CONFERENCE WITH LABOR NEGOTIATOR**
Pursuant to Government Code Section 54957.6
Agency Designated Representative: Liebert Cassidy Whitmore
Employee Organization: Teamsters Local 911
- **CONFERENCE WITH LABOR NEGOTIATOR**
Pursuant to Government Code Section 54957.6
Agency Designated Representative: Liebert Cassidy Whitmore
Employee Organization: Communications Workers of America
- **CONFERENCE WITH LABOR NEGOTIATOR**
Pursuant to Government Code Section 54957.6
Agency Designated Representative: Liebert Cassidy Whitmore
Employee Organization: Management & Confidential Employees
- **CONFERENCE WITH LABOR NEGOTIATOR**
Pursuant to Government Code Section 54957.6
Agency Designated Representative: Erick B. Lee, Executive Director
Unrepresented Employees: Part-Time Communications Operators

J. **ADJOURNMENT**

Posting Place: 4440 W. Broadway, Hawthorne, CA 90250 and
www.rcc911.org

Posting Date/Time: July 11, 2019/1:00 PM

Signature:



Erick B. Lee, Executive Director

B



Staff Report

South Bay Regional Public Communications Authority

MEETING DATE: July 16, 2019

ITEM NUMBER: B

TO: Executive Committee

FROM: Erick B. Lee, Executive Director

SUBJECT: ELECTION OF EXECUTIVE COMMITTEE CHAIRPERSON AND VICE CHAIRPERSON FOR FISCAL YEAR 2019-2020

ATTACHMENTS: None

RECOMMENDATION

Staff recommends that the Executive Committee elect from among themselves a Chairperson and a Vice Chairperson.

DISCUSSION

The Authority's Bylaws call for the election of officers at the first regular meeting of each fiscal year:

Officers of the Executive Committee shall be elected at the first meeting of said Committee and at the first regular meeting on or after July 1 of each year thereafter. Said election shall be the first item of business at said meetings and the newly elected officers shall assume office immediately following their election.

During Fiscal Year 2018-2019, Gardena served as the Chairperson and Hawthorne served as the Vice Chairperson.

FISCAL IMPACT

None.

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**MINUTES OF A REGULAR JOINT MEETING OF
THE EXECUTIVE COMMITTEE AND THE USER COMMITTEE**

June 18, 2019

A. CALL TO ORDER

The Executive and User Committees convened in a regular joint session at 2:01PM on Tuesday, June 18, 2019, on the second-floor conference room of the South Bay Regional Public Communications Authority at 4440 West Broadway, Hawthorne, CA.

ROLL CALL:

Present: City Manager Ed Medrano, City of Gardena
City Manager Bruce Moe, City of Manhattan Beach
Administrative Services Director John Ramirez, City of Hawthorne

Also Present: Executive Director Erick B. Lee
Operations Manager Shannon Kauffman
Administrative Services Manager John Krok
Finance & Performance Audit Manager Vanessa Alfaro
Chief Bill Whalen, El Segundo Police Department
Chief Daryn Drum, Manhattan Beach Fire Department (arrived 2:07PM)
Chief Tom Kang, City of Gardena (arrived 2:03PM)
Chief Derrick Abell, Manhattan Beach Police Department (arrived 2:07PM)
City Manager Suja Lowenthal, City of Hermosa Beach (arrived 2:14PM)
Acting Captain Jim Royer, Hawthorne Police Department
Oliver Yee, Liebert Cassidy Whitmore
Lt. Leon Lopez, Culver City Police Department
Sydni Overly, City of Gardena

B. PUBLIC DISCUSSION

None.

C. EXECUTIVE COMMITTEE CONSENT CALENDAR

1. Minutes of the Regular Meeting – May 21, 2019

City Manager Medrano moved to exclude Item 5 of the Consent Calendar. City Manager Moe moved to approve the Consent Calendar, Item Numbers 1-4. The motion was seconded by Administrative Services Director Ramirez and passed by a unanimous voice vote.

2. Delay in Presentation of Check Register for May 2019
3. Agreement Between the South Bay Regional Public Communications Authority and Sun Wireless, Inc. for Maintenance and Inspection of the Authority's Microwave Radio Sites
4. Agreement Between the South Bay Regional Public Communications Authority and Xcel Mechanical Systems, Inc. for Planned Maintenance of the Heating, Ventilation, and Air Conditioning Systems
5. Agreement between the Manhattan Beach Unified School District and the South Bay Regional Public Communications Authority for Microwave Network Access

D. ITEMS REMOVED FROM THE CONSENT CALENDAR

City Manager Medrano advised that Item 5 will be brought back for consideration at the next meeting.

E. **EXECUTIVE COMMITTEE GENERAL BUSINESS**

1. Approve Fiscal Year 2019/20 Blanket Purchase Orders for Supplies and Services in a Total Amount Not to Exceed \$1,082,020

Executive Director Lee recommended that blanket purchase orders for Fiscal Year 2019-2020 be approved.

City Manager Moe moved to approve the Fiscal Year 2019/20 Blanket Purchase Orders for Supplies and Services. The motion was seconded by Administrative Services Director Ramirez and passed by a unanimous voice vote.

2. Resolution of the Executive Committee of the South Bay Regional Public Communications Authority Establishing Vision, Mission, and Values Statements

Executive Director Lee reported on the process undertaken by staff to develop the recommended mission, values, and vision statements. City Manager Moe recommended presenting these statements to the Board of Directors for adoption. The item will be moved to a later date for consideration by the Board of Directors.

3. Authorize the Executive Director to Bind and Approve Fiscal Year 2019-2020 Insurance Policies Proposed by Alliant Insurance Services, Inc. for Insurance Necessary to Fully Protect the Authority and its Member Agencies; and

Approve Corresponding Purchase Orders in an Amount Not to Exceed \$315,000

Executive Director Lee reported on the changes to this year's insurance services and the value that could be realized by the proposal submitted by Alliant Insurance Services, Inc.. City Manager Moe moved to approve Item 3. The motion was seconded by City Manager Medrano and passed by a unanimous voice vote.

4. Rapid Deploy Mapping System

Operations Manager Kauffman presented information on Rapid Deploy, a cloud-based tactical 911 mapping system. The system is currently being piloted by the Authority and should ultimately help to improve public safety response and call processing times.

F. **USER COMMITTEE GENERAL BUSINESS**

1. Minutes of the Special Meeting – April 23, 2019

Chief Drum moved to approve the Minutes of the Special Meeting from April 23, 2019. The motion was seconded by Chief Abell and passed by a unanimous voice vote.

G. **EXECUTIVE DIRECTOR'S REPORT**

Executive Director Lee provided updates on recruitment, INSB Network Project, and the Matrix Consulting Group's Comprehensive Cost of Service & Allocation Study.

H. **EXECUTIVE COMMITTEE AND USER COMMITTEE COMMENTS**

No comments.

I. **CLOSED SESSION AGENDA**

At 2:42PM, the Executive Committee entered into closed session to discuss the following items:

- **Conference with Labor Negotiator**
Pursuant to Government Code Section 54957.6

Discussion with Liebert Cassidy Whitmore Re: Teamsters Local 911

- **Conference with Labor Negotiator**

Pursuant to Government Code Section 54957.6

Discussion with Liebert Cassidy Whitmore Re: Communications Workers of America

- **Conference with Labor Negotiator**

Pursuant to Government Code Section 54957.6

Discussion with Liebert Cassidy Whitmore Re: Management & Confidential

The meeting returned to open session at 3:19PM with no action taken in closed session.

J. **ADJOURNMENT**

The meeting adjourned at 3:19PM.

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Check Register FY 2018-19

May 2019

<u>Accounts Payable Check Issued Date</u>	<u>Total Check Amount</u>	<u>Notes</u>
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May 2, 2019	\$356,258.97	
May 10, 2019	\$107,202.08	
May 16, 2019	\$47,042.02	
May 24, 2019	\$158,525.86	
May 30, 2019	\$40,118.38	

Accounts Payable Total	\$709,147.31	
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Payroll Checks Issued Date

May 10, 2019	\$178,747.17	
May 24, 2019	\$216,354.27	

Payroll Total	\$395,101.44	
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05/02/2019 10:15:12AM

Final Check List
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Bank : union UNION BANK

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
54209	5/2/2019	00014	CDW GOVERNMENT, INC.	RSG6823	4/3/2019	EXTREME NETWORKS HARDWA	2,995.00	2,995.00
54211	5/2/2019	00015	CHEVRON AND TEXACO	689189	4/22/2019	FLEET 03/22/2019-04/21/2019	196.41	196.41
54210	5/2/2019	00017	CHEM PRO LABORATORY, INC.	648339	4/23/2019	QUARTLEY WATER TREATMENT	86.50	86.50
54212	5/2/2019	00019	CINTAS CORPORATION #427	4020373853	4/19/2019	FLOOR MAT CLEANING	93.88	93.88
54216	5/2/2019	00027	HAVIS INC.	IN583994	4/5/2019	DOCKING STATIONS/701204306	585.88	585.88
54218	5/2/2019	00039	JANI-KING OF CALIF INC.	LAX02190663	2/28/2019	MONTHLY BILLING/FEB 2019	2,237.49	
				LAX03190658	3/31/2019	MONTHLY BILLING/MAR 2019	2,237.49	
				LAX03190920	3/31/2019	CLIENT SUPPLIES/MAR 2019	1,132.65	
				LAX02190772	2/28/2019	CLIENT SUPPLIES/FEB 2019	1,073.67	
				LAX02190773	2/28/2019	CLIENT SUPPLIES/FEB 2019	43.70	6,725.00
54225	5/2/2019	00047	MOTOROLA SOLUTIONS, INC.	16044801	4/4/2019	KVL 4000 FLASHPORT UPGRADE	379.27	
				16046374	4/11/2019	KVL 4000 FLASHPORT UPGRADE	379.25	758.52
54208	5/2/2019	00064	ATT PAYMENT CENTER	960 461-1623	4/1/2019	PHONE SERV/04/01/2019-04/30/2	2,148.33	2,148.33
54234	5/2/2019	00063	WHELEN ENGINEERING CO., INC	524814	4/5/2019	LIGHTBAR/701204297	1,848.07	
				518958	3/26/2019	TADP8/701204297	826.21	
				519522	3/27/2019	KEY PAD REMOTE/701204297	222.93	2,897.21
54232	5/2/2019	00069	SOUTHERN CALIFORNIA EDISON	3-020-1732-98	4/11/2019	ELEC SERV HQ/03/12/19-04/10/19	6,918.40	
				3-003-4358-37	4/19/2019	ELEC SERV PUNTA/03/20/19-04/1	541.62	7,460.02
54221	5/2/2019	00087	LIEBERT CASSIDY & WHITMORE	1475235	2/28/2019	LEGAL SERV/GENERAL FEB 2019	5,371.30	
				1476774	3/31/2019	LEGAL SERV/RETIREE MEDICAL	2,605.00	
				1476773	3/31/2019	LEGAL SERV/FLORES FSLA MAR	1,502.80	
				1465831	2/28/2019	LEGAL SERV/TEAMSTERS FEB 2	851.00	
				1476771	3/31/2019	LEGAL SERV/MAR 2019	185.30	10,515.40
54231	5/2/2019	00122	RAMOS, LENA	04172019	4/17/2019	CAL NENA MISSION TRAINING 04	160.52	160.52
54228	5/2/2019	00141	POWERPHONE INC	62603	3/27/2019	EMD ONLINE TRAINING	1,302.00	1,302.00
54230	5/2/2019	00142	PVP COMMUNICATIONS INC	125666	4/29/2019	RADIO REPLACEMENT	3,469.86	3,469.86
54217	5/2/2019	00148	HAWTHORNE, CITY OF	IT-19-01-rcc	4/15/2019	ANNUAL COST OF 2018-2019 TR	67,500.00	
				IT-18-04-rcc	4/15/2019	IT SUPPORT CAD APRIL 2019 TO	50,000.00	117,500.00
54214	5/2/2019	00087	DEPARTMENT OF JUSTICE	369574	4/4/2019	FINGERPRINTS/FEB 2019	64.00	64.00
54213	5/2/2019	00225	COMMLINE INC	0140595-IN	3/8/2019	SUPPLEMENTARY VP GATE P25/	139,153.31	
				0142524-IN	4/1/2019	MONTHLY SERVICE/APRIL 2019	12,500.00	
				0146202-IN	3/26/2019	REPAIR TP 8100/701204299	1,300.00	152,953.31
54224	5/2/2019	00331	MITSUBISHI ELECTRIC INC	347846	4/1/2019	ELEVATOR MAINT/MAR 2019	662.64	662.64

Bank : union UNION BANK			(Continued)					
Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
54220	5/2/2019	00442	LAWSON PRODUCTS, INC.	9306600631	3/28/2019	INSTALL PARTS/TECH SHOP	365.08	
				9306614953	4/3/2019	INSTALL PARTS/TECH SHOP	79.38	
				9306567554	3/15/2019	INSTALL PARTS/TECH SHOP	13.83	
				9500201490	3/1/2019	INSTALL PARTS/TECH SHOP	-39.03	419.26
54226	5/2/2019	00577	NEW LOOK AUTO DETAIL	2039	4/3/2019	CAR WASH SERV/SHOP TRUCK	75.00	75.00
54229	5/2/2019	00580	PUN GROUP, LLP, THE	111997	3/26/2019	FINANCIAL STMT/SINGLE AUDIT	3,000.00	3,000.00
54223	5/2/2019	00671	MARC R. COHEN, MD	010	4/30/2019	MEDICAL DIR SERV/APR 2019	4,583.33	4,583.33
52435	5/2/2019	00735	XEROX FINANCIAL SERVICES	1581928	4/1/2019	COPIER LEASE 03/30/2019-04/29	1,053.48	1,053.48
54227	5/2/2019	00777	PHILLIPS PLUMBING	155925	3/27/2019	LABOR PLUMBER	347.50	
				156007	4/18/2019	LABOR PLUMBER	125.00	472.50
54215	5/2/2019	00785	EXPERIAN	CD1912002752	3/29/2019	CREDIT CHECK	20.52	20.52
54219	5/2/2019	00799	LA UNIFORMS & TAILORING	1811	3/4/2019	UNIFORMS/	234.77	234.77
54222	5/2/2019	00802	M JACK BROOKS, JD	162019SBR	5/1/2019	FINANCIAL SERVICES APRIL 201	27,762.50	27,762.50
54233	5/2/2019	00803	SPARKLETTS	18193479 041919	4/19/2019	FILTRATION SYSTEM RENTAL 03	43.00	43.00
54236	5/2/2019	00815	SUN WIRELESS	19906	2/15/2019	COMMUNICATIONS NETWORK	1,320.00	1,320.00
1691	5/6/2019	00621	FIRST BANKCARD	2481	4/30/2019	PURCHASE CARDS TRANS	6,700.13	6,700.13
Sub total for UNION BANK:							356,258.97	

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1405	5/10/2019	00219	INTERNAL REVENUE SERVICE	Ben27273	5/10/2019	FEDERAL WITHHOLDING TAX	40,548.99	40,548.99
1406	5/10/2019	00058	CALPERS	Ben27275	5/10/2019	PERS RETIREMENT: PAYMEN	33,018.05	33,018.05
1407	5/10/2019	00223	EMPLOYMENT DEVEL DEPT	Ben27277	5/10/2019	STATE DISABILITY INSURANC	16,160.56	16,160.56
1408	5/10/2019	00222	STATE DISBURSEMENT UNIT	Ben27279	5/10/2019	SUPPORT: PAYMENT	184.62	184.62
54237	5/14/2019	00217	CALIFORNIA TEAMSTERS UN	Ben27267	5/10/2019	UNION DUES TEAMSTERS: P	2,176.50	2,176.50
54238	5/14/2019	00218	CWA LOCAL 9400	Ben27271	5/10/2019	UNION DUES CWA: PAYMENT	249.52	249.52
54239	5/14/2019	00221	ICMA RETIREMENT TRUST	Ben27269	5/10/2019	DEFERRED COMPENSATION	14,863.84	14,863.84
Sub total for UNION BANK:							107,202.08	

Note: Check # 54237 was voided and re-issued in June 2019.

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54249	5/16/2019	00008	FEDERAL SIGNAL CORP	7142116	3/19/2019	BEACON LED/701204296	580.37	
				713250	3/7/2019	MICROPULSE ULTRA /701204290	486.07	1,066.44
54240	5/16/2019	00007	ANZA GROUP	80872	4/25/2019	BUSINESS CARDS (V ALFARO &	261.16	261.16
54243	5/16/2019	00014	CDW GOVERNMENT, INC.	SGC1089	5/9/2019	NEC 55LED IPS WALL DISPLAY/7	11,027.98	11,027.98
54251	5/16/2019	00018	FUKUI, KAZ	043019	4/30/2019	GARDENING SERV/APR 2019	190.00	190.00
54244	5/16/2019	00019	CINTAS CORPORATION #427	4016369765	2/8/2019	FLOOR MATS CLEANING/FRESH	93.88	
				4017908766	3/8/2019	FLOOR MATS CLEANING/FRESH	93.88	
				4018706812	3/22/2019	FLOOR MATS CLEANING/FRESH	93.88	
				427351890	1/11/2019	FLOOR MATS CLEANING/FRESH	93.86	375.50
54248	5/16/2019	00031	EMPLOYMENT DEVELOPMENT D	944-0534-7	4/30/2019	UNEMPLOYMENT INS./ 1 QTR J/	3,821.00	3,821.00
54247	5/16/2019	00033	EDDINGS BRO AUTO PARTS	793432	5/9/2019	SHOP, TRUCK & VAN, TOOLS & S	257.56	257.56
54268	5/16/2019	00034	STEVENS, GARY	51519	5/15/2019	RETIREE MED PREM/MAY 2019	609.50	609.50
54269	5/16/2019	00038	TORRANCE ELECTRONICS	04405	4/30/2019	TECH SHOP SUPPLIES	18.45	18.45
54252	5/16/2019	00039	JANI-KING OF CALIF INC.	LAX04190656	4/1/2019	MONTHLY BILLING/APR 2019	2,237.49	
				LAX04190962	4/25/2019	CLIENT SUPPLIES/APR 2019	1,196.51	3,434.00
54254	5/16/2019	00043	MANEY WIRE & CABLE, INC.	20054751	3/8/2019	WIRE LOOMS/TECH SHOP	2,000.16	
				20055037	3/20/2019	WIRE LOOMS/TECH SHOP	623.53	
				20055150	3/29/2019	WIRE LOOMS/TECH SHOP	171.61	2,795.30
54257	5/16/2019	00049	NATIONAL VISUAL SYSTEMS	41391	5/7/2019	OFFICE DOOR SIGN:V ALFARO	346.57	346.57
54261	5/16/2019	00060	RIVERA, JOSE	51519	5/15/2019	RETIREE MED PREM/MAY 2019	480.39	480.39
54245	5/16/2019	00078	COX, CHRISTOPHER	51519	5/15/2019	RETIREE MED PREM/MAY 2019	675.22	675.22
54264	5/16/2019	00079	SHEAREN, KENNETH	51519	5/15/2019	RETIREE MED PREM/MAY 2019	488.13	488.13
54255	5/16/2019	00116	MEADORS, LATANYA	51519	5/15/2019	RETIREE MED PREM/MAY 2019	486.57	486.57
54268	5/16/2019	00126	STEVENS, DEBORAH	51519	5/15/2019	RETIREE MED PREM/MAY 2019	611.75	611.75
54262	5/16/2019	00144	SAXE-CLIFFORD PHD, SUSAN	19-0508-1	5/8/2019	PSYCH EVALUATION	400.00	400.00
54246	5/16/2019	00176	DEPARTMENT OF JUSTICE	375521	5/6/2019	FINGERPRINTS/MAR 2019	96.00	96.00
54263	5/16/2019	00273	SHAW, LILLIAN	51519	5/15/2019	RETIREE MED PREM/MAY 2019	441.50	441.50
54241	5/16/2019	00297	ATT CALNET	12905768	4/13/2019	PHONE SERVICES 03/13/19-04/1/	194.05	194.05
54265	5/16/2019	00390	SOUTH COAST AQMD	3447294	4/16/2019	AB2588 CA AIR TOXICS "HOT SP	132.98	132.98
54266	5/16/2019	00460	SPECTRUM BUSINESS	1133787042419	4/24/2019	SPECTRUM BUSINESS INTERNE	1,900.00	1,900.00
54250	5/16/2019	00650	FINLEY'S TREE & LANDCARE, IN	(TREE-Sou0424	5/7/2019	TRIM MEXICAN FAM PALMS	950.00	950.00
54259	5/16/2019	00777	PHILLIPS PLUMBING	156026	4/24/2019	LABOR PLUMBER	326.00	326.00
54256	5/16/2019	00791	MUNITEMPS	129007	12/28/2018	STAFFING SERVICES 12/10/18-1/	5,977.00	5,977.00
54253	5/16/2019	00799	LA UNIFORMS & TAILORING	1376	1/24/2019	UNIFORMS/	234.77	234.77

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Bank : union UNION BANK				(Continued)					
Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total	
54258	5/16/2019	00800	PARADISE AWARDS	21618A	3/22/2019	PLAQUE: DAVID J LESSER	125.93		
				21613A	3/22/2019	SIGN: EMPLOYMENT APPLICAT	71.18	197.11	
54260	5/16/2019	00817	PROJECTOR SUPER STORE	IN1020175	5/16/2019	NEC OPEN PLUGGABLE SPECIF	1,543.50	1,543.50	
1680	5/14/2019	00012	CALIFORNIA WATER SERVICE	4675328235	4/17/2019	WATER SERVICE	523.84	523.84	
54258	5/20/2019	00800	VERIZON WIRELESS	9828817146	4/23/2019	WIRELESS SERVICE	7,145.75	7,145.75	
Sub total for UNION BANK:								47,042.02	

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05/28/2019 8:20:30AM

Final Check List
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Bank : union UNION BANK

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1409	5/24/2019	00219	INTERNAL REVENUE SERVICE	Ben27337	5/24/2019	FEDERAL WITHHOLDING TAX	42,932.97	42,932.97
1410	5/24/2019	00058	CALPERS	Ben27339	5/24/2019	PERS RETIREMENT: PAYMEN	32,623.84	32,623.84
1411	5/24/2019	00223	EMPLOYMENT DEVEL DEPT	Ben27341	5/24/2019	STATE DISABILITY INSURANC	16,073.83	16,073.83
1412	5/24/2019	00222	STATE DISBURSEMENT UNIT	Ben27343	5/24/2019	SUPPORT: PAYMENT	184.62	184.62
54273	5/28/2019	00217	CALIFORNIA TEAMSTERS UN	Ben27329	5/24/2019	UNION DUES TEAMSTERS: P	2,136.50	2,136.50
54274	5/28/2019	00218	CWA LOCAL 9400	Ben27335	5/24/2019	UNION DUES CWA: PAYMENT	249.52	249.52
54275	5/28/2019	00696	GUARDIAN	Ben27325	5/24/2019	DENTAL HMO PLAN: PAYMEN	5,432.98	5,432.98
54276	5/28/2019	00221	ICMA RETIREMENT TRUST	Ben27331	5/24/2019	DEFERRED COMPENSATION	13,935.01	13,935.01
190524	5/24/2019	00058	CALPERS	Ben27327	5/24/2019	ANTHEM TRADITIONAL HMO:	22,787.62	
				Ben27333	5/24/2019	ANTHEM TRADITIONAL HMO:	22,168.97	44,956.59
Sub total for UNION BANK:							158,525.86	

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Final Check List
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Bank : union UNION BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
54270	5/22/2019	00816	BADGE FRAME, INC	34227	4/15/2019	FACILICTY PHOTOS	815.28	815.28
54271	5/22/2019	00217	CALIFORNIA TEAMSTERS UN	Ben26893	2/15/2019	UNION DUES TEAMSTERS: P	2,096.50	
				Ben26856	2/1/2019	UNION DUES TEAMSTERS: P	2,092.50	4,189.00
54272	5/22/2019	00218	CWA LOCAL 9400	Ben26860	2/1/2019	UNION DUES CWA: PAYMENT	249.52	
				Ben26899	2/15/2019	UNION DUES CWA: PAYMENT	249.52	499.04
54277	5/30/2019	00297	ATT CALNET	12756786	4/13/2019	PHONE SERV/03/13/2019-04/1	2,501.76	
				12853025	4/3/2019	PHONE SERV/03/03/2019-04/0	717.01	3,218.77
54278	5/30/2019	00014	CDW GOVERNMENT, INC.	SCQ5765	5/1/2019	SURFACE PRO/701204314	1,876.39	
				SJX9965	5/21/2019	ARUBA IAP-315 INSTANT/701	1,736.44	3,612.83
54279	5/30/2019	00015	CHEVRON AND TEXACO	56127520	5/22/2019	FLEET 04/22/19-05/21/19	196.41	196.41
54280	5/30/2019	00651	FRONTIER	3103752741011	5/1/2019	PHONE SERV 375-2741/05/01	201.94	
				2090518701060	5/1/2019	PHONE SERV 051-8701/05/01	101.40	
				2091505969092	5/1/2019	PHONE SERV 150-5969/05/01	61.14	
				20915059781130	5/1/2019	PHONE SERV 150-5978/05/01	54.32	
				2091510998020	5/1/2019	PHONE SERV 151-0998/05/01	47.97	
				2091502446103	5/1/2019	PHONE SERV 150-2446/05/01	47.97	
				21303816660830	5/1/2019	PHONE SERV 038-1666/05/01	47.97	
				20915024470920	5/1/2019	PHONE SERV 150-2447/05/01	47.41	
				7002Z664-S-190	4/5/2019	PHONE SERV/04/05/19-05/05/	8.62	
				7002Z665-S-190	4/5/2019	PHONE SERV/04/05/19-05/05/	5.89	624.63
54281	5/30/2019	00027	HAVIS INC.	IN578762	2/19/2019	DOCKING STATIONS	642.25	
				IN585553	4/22/2019	DOCKING STATIONS	618.52	1,260.77
54282	5/30/2019	00760	LAWLES ENTERPRISES, INC.	11260	5/1/2019	PRE-EMPLOYMENT BACKGR	2,000.00	2,000.00
54283	5/30/2019	00442	LAWSON PRODUCTS, INC.	9306672281	4/25/2019	INSTALL PARTS/TECH SHOP	234.09	
				9306679224	4/29/2019	INSTALL PARTS/TECH SHOP	17.64	251.73
54284	5/30/2019	00087	LIEBERT CASSIDY & WHITMO	1478341	4/30/2019	LEGAL SERV/	1,404.00	
				1478340	4/30/2019	LEGAL SERV/	999.00	
				1478338	4/30/2019	LEGAL SERV/	148.00	
				1478337	4/30/2019	LEGAL SERV/	111.00	
					4/30/2019	LEGAL SERV/	37.00	2,699.00
54286	5/30/2019	00777	PHILLIPS PLUMBING	156030	5/15/2019	LABOR PLUMBER	889.00	889.00
54287	5/30/2019	00818	RICHARDS,WATSON & GERSH	221809	5/17/2019	LEGAL SERVICE/GENERAL C		
							3,960.00	3,960.00

Bank : union UNION BANK		(Continued)						
Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
54288	5/30/2019	00069	SOUTHERN CALIFORNIA EDI	53-003-4358-37	5/21/2019	ELEC SERV PUNTA/04/18/19-(588.61	
			2-23-553-5986	4/11/2019	ELEC SERV HQ/03/12/19-04/1	58.35	646.96	
54289	5/30/2019	00302	SPRINT	155018370-091	4/29/2019	DAC CHARGES/3-26 TO 4-24-	4,556.90	
			107177860-096	4/27/2019	WIRELESS MODEMS/3-24 TO	85.98	4,642.88	
54290	5/30/2019	00171	VERIZON WIRELESS	9828817146	4/23/2019	GPD DAC CHARGES/03-24 TC	2,573.54	
			9828757908	4/23/2019	MODEM SVC. MBPD/03/24/19.	347.11		
			98524769838	4/23/2019	MODEM SVC. MBPD/03/24/19.	342.13		
			9828415323	4/23/2019	CELL PH. CHGS\03/19/19-04/1	220.08		
			9828742299	4/23/2019	MODEM SVC. MBPD/03/24/19.	38.01	3,520.87	
54291	5/30/2019	00063	WHELEN ENGINEERING CO.,	537909	4/3/2019	INNER EDGE XLP 10-LT EXPL	699.21	
			528215	4/11/2019	ION MIRROR BEAM/70120430	261.29	960.50	
54292	5/30/2019	00299	WYENN & ASSOCIATES	052819	5/28/2019	POLYGRAPH EXAM/	275.00	275.00
54293	5/30/2019	00735	XEROX FINANCIAL SERVICES	1618363	5/10/2019	COPIER LEASE/04/30/19-05/29	1,088.07	1,088.07
1692	5/31/2019	00621	FIRST BANKCARD	2481	3/30/2019	PURCHASE CARDS	4,767.64	4,767.64
Sub total for UNION BANK:							40,118.38	

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Check Register FY 2018-19

June 2019

<u>Accounts Payable Check Issued Date</u>	<u>Total Check Amount</u>	<u>Notes</u>
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June 7, 2019	\$108,757.00	
June 13, 2019	\$221,878.16	
June 21, 2019	\$109,220.43	
June 27, 2019	\$58,358.45	

Accounts Payable Total	\$498,214.04	
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Payroll Checks Issued Date

June 7, 2019	\$176,533.91
June 21, 2019	\$171,861.67

Payroll Total	\$348,395.58
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Final Check List
South Bay Regional PCA

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Bank : union UNION BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
1413	6/7/2019	00219	INTERNAL REVENUE SERVICE	Ben27432	6/7/2019	FEDERAL WITHHOLDING TAX	38,444.30	38,444.30
1414	6/7/2019	00058	CALPERS	Ben27434	6/7/2019	PERS RETIREMENT: PAYMEN	32,684.57	32,684.57
1415	6/7/2019	00223	EMPLOYMENT DEVEL DEPT	Ben27436	6/7/2019	STATE DISABILITY INSURANC	14,954.07	14,954.07
1416	6/7/2019	00222	STATE DISBURSEMENT UNIT	Ben27438	6/7/2019	SUPPORT: PAYMENT	184.62	184.62
54295	6/7/2019	00002	AFLAC	Ben27424	6/7/2019	AFLAC INSURANCE: PAYMEN	5,703.30	5,703.30
54296	6/7/2019	00217	CALIFORNIA TEAMSTERS UN	Ben27426	6/7/2019	UNION DUES TEAMSTERS: P	2,136.50	2,136.50
54297	6/7/2019	00218	CWA LOCAL 9400	Ben27430	6/7/2019	UNION DUES CWA: PAYMENT	249.52	249.52
54298	6/7/2019	00221	ICMA RETIREMENT TRUST	Ben27428	6/7/2019	DEFERRED COMPENSATION	14,400.12	14,400.12
Sub total for UNION BANK:							108,757.00	

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Final Check List
South Bay Regional PCA

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Bank : union UNION BANK

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
1685	6/13/2019	00046	UNITED PARCEL SERVICE	00005337W1039	1/19/2019	SHIPPING SERVICE/JAN 2019	108.93	
				00005337W1149	4/6/2019	SHIPPING SERVICE/APR 2019	45.97	
				00005337W119	3/16/2019	SHIPPING SERVICE/MAR 2019	44.22	
				00005337W1029	1/12/2019	SHIPPING SERVICE/JAN 2019	44.21	
				00005337W1079	2/16/2019	SHIPPING SERVICE/JAN 2019	6.54	
				00005337W1069	2/9/2019	SHIPPING SERVICE/JAN 2019	2.65	
				00005337W1159	4/13/2019	SHIPPING SERVICE/APR 2019	2.65	255.17
54300	6/13/2019	00014	CDW GOVERNMENT, INC.	SPF4614	6/6/2019	SURFACE PRO/701204328	1,779.82	1,779.82
54301	6/13/2019	00017	CHEM PRO LABORATORY, INC.	648339	5/23/2019	QUARTLEY WATER TREATMENT	86.50	86.50
54302	6/13/2019	00156	CODE 3 INC	1203141	4/10/2019	H2 CONVERT SIRENLIGHT/701204328	310.49	310.49
54303	6/13/2019	00225	COMMLINE INC	0153460-IN	5/31/2019	MONTHLY SERVICES/MAY 2019	12,500.00	12,500.00
54304	6/13/2019	00785	EXPERIAN	CD2002002681	5/31/2019	CREDIT CHECK	4.20	4.20
54305	6/13/2019	00008	FEDERAL SIGNAL CORP	7208759	5/31/2019	BEACON LED SHORT GREEN	438.00	438.00
54306	6/13/2019	00258	FIRE COM	INV310406	5/21/2019	MIC MUFF W/O RING/701204328	400.54	400.54
54307	6/13/2019	00018	FUKUI, KAZ	053119	5/31/2019	GARDENING SERVICE/MAY 2019	190.00	190.00
54308	6/13/2019	00148	HAWTHORNE, CITY OF	IT-19-02-RCC M	5/30/2019	CAD MAINTENANCE/ESCROW	132,500.00	132,500.00
54309	6/13/2019	00820	HEARTLAND CUSTOMER SOLUTIONS	INV1101931	5/21/2019	TOUCH SCREEN PANEL/701204328	526.27	526.27
54310	6/13/2019	00798	HYDREX PEST CONTROL	285942	5/22/2019	CPC-EOM	75.00	
				291846	5/22/2019	MOSQUITO	59.00	134.00
54311	6/13/2019	00039	JANI-KING OF CALIF INC.	LAX05190657	5/1/2019	MONTHLY BILLING/MAY 2019	2,237.49	
				LAX06190648	6/1/2019	MONTHLY BILLING/JUNE 2019	2,237.49	4,474.98
54312	6/13/2019	00760	LAWLES ENTERPRISES, INC.	11263	6/3/2019	PRE-EMPLOYMENT BACKGR	4,000.00	
				11264	6/3/2019	PRE-EMPLOYMENT BACKGR	70.00	4,070.00
54313	6/13/2019	00802	M JACK BROOKS, JD	172019SBR	6/1/2019	ADMINISTRATION - GENERAL	19,831.25	19,831.25
54314	6/13/2019	00671	MARC R. COHEN, MD	011	5/31/2019	MEDICAL DIR SERVICE.MAY 2019	4,583.33	4,583.33
54315	6/13/2019	00331	MITSUBISHI ELECTRIC INC	351224	5/28/2019	DOOR EDGES	3,127.53	
				350177	5/1/2019	REGULAR SERVICE/MAY 2019	662.64	
				352008	6/1/2019	REGULAR SERVICE JUNE 2019	662.64	4,452.81
54316	6/13/2019	00047	MOTOROLA SOLUTIONS, INC.	8280764417	6/5/2019	AUDIO ACCESSORY-REMOTE	9,092.58	
				8280755283	5/21/2019	KITE ANTENNA, ALL BAND/701204328	643.70	9,736.28
54317	6/13/2019	00577	NEW LOOK AUTO DETAIL	2043	4/16/2019	CAR WASH SERVICE	75.00	
				2049	5/7/2019	CAR WASH SERVICE	75.00	
				2061	5/28/2019	CAR WASH SERVICE	75.00	
				2065	6/11/2019	CAR WASH SERVICE	75.00	300.00

Bank : union UNION BANK			(Continued)					
Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
54318	6/13/2019	00819	OCCUPATIONAL HEALTH CER64010630	3/29/2019	PHYSICAL/	358.00		
			64305518	5/10/2019	PHYSICAL/	358.00		
			64475924	5/30/2019	PHYSICAL/	358.00	1,074.00	
54319	6/13/2019	00754	OSI HARDWARE, INC INV-US26606	5/28/2019	CATALYST 3750X	1,061.92	1,061.92	
54320	6/13/2019	00777	PHILLIPS PLUMBING	5/21/2019	LABOR PLUMBER	710.00	710.00	
54321	6/13/2019	00411	PITNEY BOWES	8000909008884	5/10/2019	POSTAGE METER REFILL/JUI	208.99	208.99
54322	6/13/2019	00144	SAXE-CLIFFORD PHD, SUSAN	19-0523-4	5/23/2019	PRE-EMPLOYMENT PSYCHO	400.00	
				19-0604-1	6/4/2019	PRE-EMPLOYMENT PSYCHO	400.00	800.00
54323	6/13/2019	00463	SIGTRONICS	131731	6/6/2019	EMRCY	8,696.39	8,696.39
54324	6/13/2019	00460	SPECTRUM BUSINESS	1133787060419	6/4/2019	SPECTRUM BUSINESS INTEF	1,900.00	1,900.00
54325	6/13/2019	00038	TORRANCE ELECTRONICS	04937	5/29/2019	TECH SHOP SUPPLIES	103.26	103.26
54326	6/13/2019	00044	TYLER TECHNOLOGIES, INC.	045-264106	6/1/2019	OSDBA SUPPORT FY 2019-20	6,081.24	6,081.24
54327	6/13/2019	00300	UNITED POWER GENERATION	14862	5/13/2019	GENERATOR SERVICE.ALL S	3,637.00	3,637.00
54328	6/13/2019	00821	VORTEX INDUSTRIES INC	06-1349311	5/30/2019	REPAIR DOOR/701204342	617.72	617.72
54329	6/13/2019	00067	XCEL MECHANICAL SYSTEMS	20560	5/31/2019	OFFICE 15 HOT CCN/7012043	414.00	414.00
Sub total for UNION BANK:							221,878.16	

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Final Check List
South Bay Regional PCA

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Bank : union UNION BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
1417	6/21/2019	00219	INTERNAL REVENUE SERVICE	Ben27502	6/21/2019	FEDERAL WITHHOLDING TAX	37,804.44	37,804.44
1419	6/21/2019	00223	EMPLOYMENT DEVEL DEPT	Ben27506	6/21/2019	STATE DISABILITY INSURANC	14,718.19	14,718.19
1420	6/21/2019	00221	ICMA RETIREMENT TRUST	Ben27508	6/21/2019	DEFERRED COMPENSATION	14,513.51	14,513.51
1421	6/21/2019	00222	STATE DISBURSEMENT UNIT	Ben27510	6/21/2019	SUPPORT: PAYMENT	184.62	184.62
54330	6/21/2019	00002	AFLAC	Ben27498	6/21/2019	AFLAC INSURANCE: PAYMEN	1,845.60	1,845.60
54331	6/21/2019	00217	CALIFORNIA TEAMSTERS UN	Ben27496	6/21/2019	UNION DUES TEAMSTERS: P	2,088.00	2,088.00
54332	6/21/2019	00218	CWA LOCAL 9400	Ben27500	6/21/2019	UNION DUES CWA: PAYMENT	249.52	249.52
54333	6/21/2019	00696	GUARDIAN	Ben27492	6/21/2019	DENTAL HMO PLAN: PAYMEN	5,318.19	5,318.19
141801	6/21/2019	00058	CALPERS	Ben27504	6/21/2019	PERS RETIREMENT: PAYMEN	32,498.36	32,498.36
Sub total for UNION BANK:							109,220.43	

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Final Check List
South Bay Regional PCA

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Bank : union UNION BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
54334	6/27/2019	00014	CDW GOVERNMENT, INC.	SKN6206	5/22/2019	PLANTRONICS/701204329	1,074.98
				SLC0223	5/22/2019	PLANTRONICS/701204329	1,014.48
54335	6/27/2019	00019	CINTAS CORPORATION #427	4022972372	5/31/2019	FLOOR MAT/FRESHENER	109.32
				4023928475	6/14/2019	FLOOR MAT/FRESHENER	109.32
54336	6/27/2019	00078	COX, CHRISTOPHER	061519	6/15/2019	RETIREE MED PREM/JUNE 20	675.22
54337	6/27/2019	00823	GODWIN, ASHLEE	190626	6/26/2019	REIMBURSE LIVE SCAN FEE	23.50
54338	6/27/2019	00027	HAVIS INC.	INV590420	6/7/2019	DOCKING STATIONS/PO 7012	2,447.13
				INV589801	5/31/2019	DOCKING STATIONS/7012043	703.00
54339	6/27/2019	00417	INFORMER SYSTEMS LLC	5314	6/1/2019	SCHEDULE EXPRESS/FY 201	9,984.00
54340	6/27/2019	00087	LIEBERT CASSIDY & WHITMO	1479003	5/28/2019	ERC MEMBERSHIP W/PREMI	4,350.00
54341	6/27/2019	00822	MATRIX CONSULTING GROUF	19-22 #1	6/27/2019	COST OF SERVICE & ALLOC	11,900.00
54342	6/27/2019	00116	MEADORS, LATANYA	061519	6/15/2019	RETIREE MED PREM/JUNE 20	486.57
54343	6/27/2019	00818	RICHARDS,WATSON & GERSH	222241	6/18/2019	LEGAL SERVICE/GENERAL M	2,300.54
54344	6/27/2019	00060	RIVERA, JOSE	061519	6/15/2019	RETIREE MED PREM/JUNE 20	480.39
54345	6/27/2019	00273	SHAW, LILLIAN	061519	6/15/2019	RETIREE MED PREM/JUNE 20	441.50
54346	6/27/2019	00079	SHEAREN, KENNETH	061519	6/15/2019	RETIREE MED PREM/JUNE 20	488.13
54347	6/27/2019	00069	SOUTHERN CALIFORNIA EDI	3-020-1732-98	6/19/2019	ELEC SERV HQ/04/10/19-05/1	6,809.28
				3-020-1732-98	6/19/2019	ELEC SERV HQ/05/10/19-06/1	5,444.63
				2-23-553-5986	6/19/2019	ELEC SERV PUNTA/05/20/19-0	2,910.65
				2-03-672-6411	6/27/2019	ELEC SERV PUNTA/05/20/19-0	659.81
				3-035-4150-52	6/19/2019	ELEC SERV MBWT/04/03/19-0	333.66
				3-035-4150-32	6/27/2019	ELEC SERV MBWT/05/03/19-0	241.67
				3-050-5508-59	6/19/2019	ELEC. SERV. MBWT /05/03/19	122.77
				3-020-1732-98	6/19/2019	ELEC SERV HQ/03/12/19-04/1	6.80
54348	6/27/2019	00126	STEVENS, DEBORAH	061519	6/15/2019	RETIREE MED PREM/JUNE 20	611.75
54349	6/27/2019	00034	STEVENS, GARY	061519	6/15/2019	RETIREE MED PREM/JUNE 20	609.50
54350	6/27/2019	00046	UNITED PARCEL SERVICE	00005337W1209	5/18/2019	SHIPPING	82.52
				00005337W1249	6/15/2019	LATE FEE	4.95
54351	6/27/2019	00481	WAYTEK, INC.	2833748	5/31/2019	PARTS BILLING/CABLE	760.24
				2806079	4/2/2019	PARTS BILLING/CABLE	711.74
				2811960	4/15/2019	PARTS BILLING/CABLE	120.95
54352	6/27/2019	00436	WEST-LITE SUPPLY COMPAN	64675C	5/23/2019	LIGHTS	632.39
54353	6/27/2019	00299	WYENN & ASSOCIATES	061919	6/19/2019	POLYGRAPH EXAM	550.00
54354	6/27/2019	00735	XEROX FINANCIAL SERVICES	1657024	6/10/2019	COPIER LEASE:05/30/19-06/29	1,157.06

Sub total for UNION BANK: 58,358.45

D - 4



Staff Report

South Bay Regional Public Communications Authority

MEETING DATE: July 16, 2019

ITEM NUMBER: D-4

TO: Executive Committee

FROM: Erick B. Lee, Executive Director

SUBJECT: AMENDMENT NO. 4 TO THE AGREEMENT BETWEEN THE SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY AND M JACK BROOKS, JD FOR CONSULTING SERVICES; AND

APPROVAL OF A CORRESPONDING FISCAL YEAR 2018-2019 CHANGE PURCHASE ORDER IN THE AMOUNT OF \$30,000 FOR A TOTAL NOT-TO-EXCEED AMOUNT OF \$210,000 FOR THESE SERVICES; AND

APPROVAL OF A FISCAL YEAR 2019-2020 PURCHASE ORDER IN THE NOT-TO-EXCEED AMOUNT OF \$65,000; AND

APPROVAL OF AN OPERATING BUDGET TRANSFER IN THE AMOUNT OF \$65,000 FROM THE SALARIES & BENEFITS CATEGORY TO THE SUPPLIES & SERVICES CATEGORY OF THE ADOPTED FISCAL YEAR 2019-2020 BUDGET TO FUND THESE SERVICES.

ATTACHMENTS: 1. Amendment No. 4

RECOMMENDATION

Staff recommends that the Executive Committee approve, and authorize the Executive Director to execute, Amendment No. 4 to the agreement with M Jack Brooks, JD for consulting services, approve a corresponding Fiscal Year 2018-2019 change purchase order in the amount of \$30,000 for a total not-to-exceed amount of \$210,000, approve a Fiscal Year 2019-2020 Purchase Order in the not-to-exceed amount of \$65,000, and approve an operating budget transfer in the amount of \$65,000 from the Salaries & Benefits Category to the Supplies & Services Category of the adopted Fiscal Year 2019-2020 budget for these services.

DISCUSSION

On August 21, 2018, the Executive Committee authorized the Executive Director to execute and agreement with a consulting firm for finance and accounting services with an associated \$50,000 purchase order limit.

On August 29, 2018, the Authority entered into an agreement with M Jack Brooks, JD for consulting services related to management support for the Finance Department's operations.

On December 18, 2018, the Executive Committee authorized a change purchase order of \$50,000, increasing the total purchase authority to \$100,000.

On January 28, 2019, the Executive Director approved Amendment No. 1 to this agreement to provide for additional accounting services related to payroll, purchasing, accounts payable, and accounts receivable. The maximum consideration under the amended agreement totaled \$115,000.

On March 19, 2019, the Executive Committee approved Amendment No. 2, increasing the agreement's consideration to \$180,000 and a corresponding change purchase order and budget transfer to ensure services could be provided through the remainder of Fiscal Year 2018-2019.

On April 22, 2019, the Executive Director approved Amendment No. 3 to this agreement, which modified the scope of services to provide for the consultant to advise new Finance Department staff on Authority procedures and practices and provide year-end banking and account reconciliation services on a limited basis until the Authority's auditors prepare the Fiscal Year 2018-2019 Annual Financial Statements.

As of June 15, 2019, the Executive Committee has authorized up to \$180,000 for the vendor's purchase order and \$ 173,719 has been expended. In order to pay the remaining invoices for Fiscal Year 2018-2019 and ensure the vendor can continue to provide services over the next many months until a key vacant position can be filled and the financial statements are prepared, another amendment to the agreement increasing the total consideration to \$275,000, a Fiscal Year 2018-2019 change purchase order in the amount of \$30,000 increasing the total purchase authority to \$210,000, and a Fiscal Year 2019-2020 purchase order in the amount of \$65,000 and corresponding budget transfer are necessary.

FISCAL IMPACT

None. Funding for these services will continue to come from the salary savings associated with vacant positions.

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Attachment 1

**AMENDMENT #4 TO THE AGREEMENT BETWEEN THE SOUTH BAY
REGIONAL PUBLIC COMMUNICATIONS AUTHORITY AND M JACK
BROOKS, JD FOR CONSULTING SERVICES**

This Amendment No. 4 is to certain Agreement for Consulting Services between the South Bay Regional Public Communications Authority (herein after "Authority") and M Jack Brooks, JD (herein after "Consultant") dated August 29, 2018 ("Agreement") and as amended by Amendment No. 1 on January 28, 2019, Amendment No. 2 on March 21, 2019, and Amendment No. 3 on April 22, 2019.

Recitals.

A. AUTHORITY and CONSULTANT entered into an agreement for consulting services.

B. AUTHORITY and CONSULTANT amended that agreement on January 28, 2019, March 21, 2019, and on April 22, 2019.

C. AUTHORITY and CONSULTANT desire to amend the Agreement again to increase the total consideration of CONSULTANT's engagement.

NOW, THEREFORE, the parties agree as follows:

Section 1. Section 7 of the Agreement is hereby amended to read:

Compensation for the Services shall be billed as set forth in Exhibit A and Exhibit B under the headings "Compensation," attached hereto. The Compensation is inclusive of all costs that may be incurred by Consultant in performance of the Services, including but not limited to such items as travel, copies, delivery charges, phone charges, and facsimile charges.

The total consideration allowable under this Agreement shall not exceed \$275,000.

Section 2. Except as amended by Amendment No. 1, Amendment No. 2, Amendment No. 3, and by this Amendment No. 4, the remaining provisions of the Agreement shall remain in full force and effect.

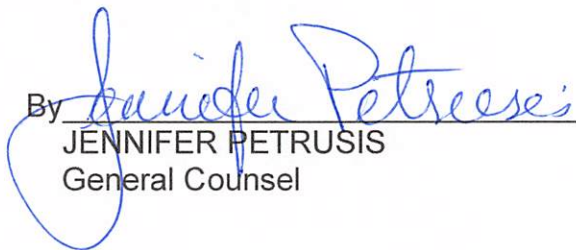
IN WITNESS WHEREOF, the parties have executed this Agreement on behalf of the parties.

SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY

By _____
ERICK B. LEE
Executive Director

Date _____

APPROVED AS TO FORM:

By  _____
JENNIFER PETRUSIS
General Counsel

M JACK BROOKS, JD

By M Jack Brooks
M JACK BROOKS,
CEO/Owner

Date 7-9-19

D - 5



Staff Report

South Bay Regional Public Communications Authority

MEETING DATE: July 16, 2019

ITEM NUMBER: D-5

TO: Executive Committee

FROM: John Krok, Administrative Services Manager

SUBJECT: MEMORANDUM OF UNDERSTANDING BETWEEN THE MANHATTAN BEACH UNIFIED SCHOOL DISTRICT AND THE SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY FOR MICROWAVE NETWORK ACCESS

ATTACHMENT: 1. Memorandum of Understanding

RECOMMENDATION

Staff recommends that the Executive Committee approve a Memorandum of Understanding ("MOU") between the Manhattan Beach Unified School District and the South Bay Regional Public Communications Authority for microwave network access.

DISCUSSION

In March 2018, the Manhattan Beach Unified School District (MBUSD) conducted site walks throughout the district in order to facilitate safety assessments in partnership with the Manhattan Beach Police Department. One of the priorities that emerged from this process was a need to upgrade the District's radio system. In June 2018, the MBUSD Board approved a district-wide radio system upgrade. Since that time, digital radios have been procured and programmed and repeaters have been installed in two separate locations.

During the process of the upgrade, a need to tie-in the District's radio system with the Authority's network was identified. More specifically, MBUSD has requested to utilize bandwidth (secondary priority) on the Authority's existing microwave network at the Grandview Site, located at 3516 Grandview Avenue in Manhattan Beach. The connectivity would provide MBUSD with radio communication between multiple school district sites and the Manhattan Beach Police and Fire Departments during critical incidents.

Staff and the Authority's radio communications consultant have evaluated the MBUSD's request and determined that sufficient capacity exists on the Authority's microwave network to accommodate it. The bandwidth requested would not negatively impact the capacity of the system, as the district's needs would total 5mb of a 100 mb system. Under the terms of the proposed MOU, the Authority would provide the MBUSD with the access requested.

By entering into this MOU, the Manhattan Beach Unified School District would gain access to the microwave network at the Grandview Site allowing for effective, consistent, district-wide transmissions over a digital system and an additional layer of communications and integration with the Manhattan Beach Police and Fire Departments.

FISCAL IMPACT

None.

D - 5

Attachment 1

**Memorandum of Understanding Between the
Manhattan Beach Unified School District and
the South Bay Regional Public Communications Authority
for Microwave Network Access**

THIS MEMORANDUM OF UNDERSTANDING (this "MOU") is made between the Manhattan Beach Unified School District ("District"), and the South Bay Regional Public Communications Authority, a Joint Powers Authority ("Authority").

WHEREAS, the purpose of this MOU is to allow the District access to the microwave network owned, operated, maintained by and licensed to the Authority for the sole purpose of establishing a communications link between the District's two-way equipment located at (Mira Costa High School, 1401 Artesia Blvd, Manhattan Beach, CA 90266 and the Grand View Array, Grandview Ave and 35th Place, Manhattan Beach, CA 90266). The interface point to the Authority's microwave network will be made at the Authority's Manhattan Beach Grandview Site located at Grandview Ave and 35th Place, Manhattan Beach, CA 90266.

WHEREAS, the District's access to the microwave network is for the sole purpose of allowing its staff to have interoperable radio communications with the City of Manhattan Beach's Police and Fire Departments.

WHEREAS, the Authority is a Joint Powers Authority comprised of the member cities of Manhattan Beach, Hawthorne and Gardena and is a consortium for dispatch services.

WHEREAS, the primary purpose of the Authority's microwave network is to support the Police, Fire and local government first responder radio networks of the member agencies of the Authority and Interoperability Network of the South Bay Joint Powers Authority.

NOW THEREFORE, in consideration of the promises and mutual covenants contained herein, and intending to be legally bound, the parties hereby agree to the following:

1. The term of this MOU shall commence on the date this MOU has been executed by both parties and continue until terminated as provided herein. Any party may terminate this MOU at any time by providing 90 days written notice to the other party's Executive Director, Superintendent, or Superintendent's designee, whichever is applicable, by depositing such notice in the United States mail, postage prepaid. Notices shall be deemed delivered upon receipt by personal service or as of the third day after deposit in the United States mail.
2. The Authority's authorized FCC MW licenses that are the focus of this MOU fall under but are not limited to the call signs listed forthwith:

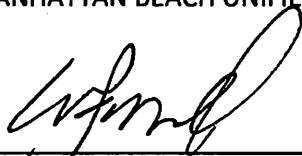
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WQTZ993
WRAK677
WRAK681
WRAL253
WRBK821

3. The following conditions shall be applicable to this MOU
 - A. The District shall be responsible for all costs as it relates with the procurement and installation of the necessary linking equipment, inclusive of cabling, software, programming, mounting and all related hardware. District is responsible for all costs for any site development or necessary upgrades as well as the maintenance of any and all related District equipment. Installation and integration to the Authority's microwave network shall be either under the direct supervision of the Authority's authorized technical representative.
 - B. Prior to integration of the District's linking equipment with the Authority's microwave system, the configuration plan, network designs and diagrams and/or schematics inclusive of the types of equipment, network addressing, and band width limitations shall be approved in writing (email is acceptable) by technical staff designated by the Authority.
 - C. District shall ensure that any routers, switches or firewalls, or other data facilities shall be compatible with technical requirements of the Authority's network.
 - D. District shall not make any alterations to any of the linking or affiliated networking equipment that is integrated to the Authority's microwave system without prior written approval from the Authority's authorized technical representative.
 - E. In the event it is determined that the District's equipment is the source of technical difficulties or malfunctions or that the District's equipment causes service interruptions to the Authority's microwave network, the District's equipment will be disconnected immediately by the Authority or its representative and without any prior notification to the District. Subsequent reconnection of the District's linking equipment to the Authority's microwave system will require written permission from the Authority as well as direct supervision by the Authority's technical representative.
4. District will hold the Authority, all of the Authority's officers, officials and employees, and all of the officers, officials and employees of each of the cities that are members of the Authority at the time that this MOU is in effect harmless in the event of a microwave system outage due to force majeure, natural disasters, or resulting from any other circumstances other than the willful misconduct by the Authority.

5. District agrees to indemnify, hold harmless and defend Authority and all its successors and assignees, and its officers, officials, directors, agents and employees from any and all claims, demands, loss, damages, actions, causes of action, suits, expenses and or liability whatsoever, including attorney's fees and costs of suit, arising from or occasioned by any act, omission or negligence of the District or its agents, officers, servants or employees, whether it be sole or in concert with others in connection with performance of this MOU.
6. No Relationship. This MOU does not constitute and shall not be construed as constituting a partnership, joint venture or any other type of relationship between the District and Authority. Neither party shall have any right to obligate or bind the other party in any manner whatsoever, and nothing herein contained shall give or is intended to give any rights of any kind to any third parties.
7. This MOU may be amended or modified only by a subsequent written instrument executed by both parties and approved by the Superintendent or the Superintendent's designee from the District and the Authority's Executive Committee.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT



Bill Fournell, Board President

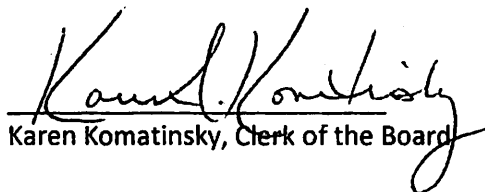
Date



Michael D. Matthews, Superintendent

6/29/19
Date

ATTEST:



Karen Komatinsky, Clerk of the Board

SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY

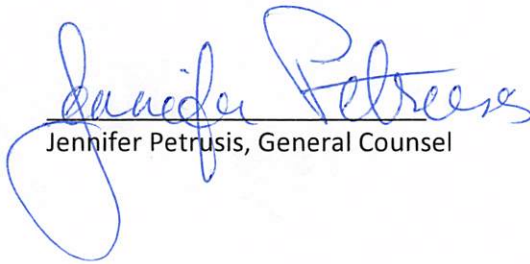
Edward Medrano, Executive Committee Chair

Date

Erick B. Lee, Executive Director

Date

APPROVED AS TO FORM:



Jennifer Petrusis, General Counsel

F - 1



Staff Report

South Bay Regional Public Communications Authority

MEETING DATE: July 16, 2019

ITEM NUMBER: F-1

TO: Executive Committee

FROM: Erick B. Lee, Executive Director

SUBJECT: COMPREHENSIVE COST OF SERVICE AND ALLOCATION STUDY

ATTACHMENTS: 1. Matrix Consulting Group's Report on the Cost of Services and Cost Allocation Study

RECOMMENDATION

Staff recommends that the Executive Committee discuss the results of the study and direct staff to develop a plan to implement the consultant's recommendations over a multi-year period.

BACKGROUND

The Authority provides dispatching and vehicle equipment installation, maintenance, and repair services on a contract basis to the cities of Culver City, El Segundo, and Hermosa Beach. Contract city assessments are specified in each of the agreements with the three (3) contract cities. These agreements are similar in many respects, especially as it relates to their general terms and conditions. Additionally, each contract establishes a base fee for the first year of the agreement which is then adjusted annually, using variables such as the Consumer Price Index for Urban Consumers (CPI-U), historical assessment increases incurred by Authority's member agencies, and historical changes in the operating budget, to calculate these adjustments. However, the formulas for these annual adjustments differ from contract to contract. Additionally, the Authority received a request for a quote for dispatching services from the City of Redondo Beach in March 2018.

In order to properly evaluate the request from Redondo Beach and ensure future contracts are renewed in an equitable manner, staff proposed conducting a comprehensive cost of service and allocation study as a Fiscal Year 2018-2019 work plan item. Furthermore, the Executive Committee requested that this study also conduct a comprehensive review of the Authority's existing assessment methodology between its three (3) member cities, as established in the Authority's current bylaws, which has been in effect since Fiscal Year 2008-2009. The origin of this formula relates to each member City's ownership share in the Authority, which was used in issuing the bonds to finance the Authority's headquarters

facility at 4440 West Broadway in Hawthorne. The current allocations of these assessments are as follows:

City of Gardena	32.08%
City of Hawthorne	45.07%
City of Manhattan Beach	22.85%

In February 2019, the Authority contracted with Matrix Consulting Group (“Matrix”) to perform this study. Matrix has an extensive background conducting cost of services studies for municipalities and special districts. Additionally, the firm has conducted over 100 communications and 9-1-1 operations studies throughout the nation, including staffing and feasibility studies, and has a demonstrated understanding of public safety communications and the scope of services requested by the Authority for this engagement.

DISCUSSION

Beginning in March 2019, Matrix conducted multiple interviews with staff and representatives from member and contract cities to gain an understanding of the various operations, processes, and organizational structures of the Authority. The consultant’s interviews focused on the roles/responsibilities of staff, levels of services provided by each section, resources available to perform those services, and current and potential issues affecting the fiscal aspects of the Authority’s operations. Matrix then collected data from the Authority and comparable regional dispatch centers regarding potential allocation metrics that could be used to allocate costs. Such metrics included the number of police officers/firefighters staffed by each agency, calls for service, call duration, work order requests for technical services, etc. The data was collected for three (3) fiscal years to account for any anomalies in the data and was used as the basis for the development of its cost allocation model.

After conducting its analysis, Matrix developed 31 recommendations to improve the Authority’s methodology, practices, and procedures related to allocating costs between its member and contract cities. These recommendations span a broad range of issues, from best practices in cost allocation (such as the actual metrics and inputs to be used to allocate costs) to policy and transparency matters (such as developing a cost allocation policy that is adopted by the Board of Directors and related documentation that clearly explains this policy to all stakeholders).

For many years, the Authority has relied on a single variable to allocate all of its costs—calls for service volume—which has acted as a proxy for a host of services provided by the agency. At its essence, that approach has meant that the more incidents a city’s police and/or fire department respond to, the greater its overall costs associated with the services it receives from the Authority, including vehicle upfitting work. However, the number of police or fire responses to an incident, along with their associated dispatching services, has no direct relationship to the costs incurred by the Authority for its vehicle upfitting services. Similarly, the number of calls for service has only a limited impact on the costs incurred by Authority for providing police and/or fire dispatching services. Therefore, due to the limitations of that single variable methodology, the consultant has developed a cost allocation model that more closely allocates the Authority’s true costs of providing services to its member and contract cities.

All of Matrix's recommendations are based on the principle that costs should be tied as closely as possible to the actual services provided to each city. In this respect, its foundational recommendation is for the Authority to begin differentiating the costs associated with its Operations Department (dispatching services) from the costs associated with its Technical Service Division (vehicle upfitting services).¹ The cost allocation model relies on key data elements that relate to the actual work performed by the Authority, are easy to obtain/determine, and can be updated by staff on a periodic basis incorporate any major changes in technology, staffing, operations, and organizational structure. These data elements include:

- Number of 9-1-1 calls received per city
- Number of non-emergency calls received per city
- Number of police calls for service for each city
- Number of fire calls for service for each city
- Number of FTE's assigned to each city in the Communications Center, by function and discipline
- Number of job requests or labor hours for each city

OPERATIONS DEPARTMENT

As it relates to Operations Department services, the consultant has recommended that dispatch service costs be allocated as accurately as possible between the three core functions of the department, the percentages for which align with its Communications Center staffing model:

Function	# FTEs Assigned	% of Service Provided	Cost to Provide Service
Call-Taking	3.5	32%	\$3,448,666
Police Dispatch	6.0	55%	\$5,951,210
Fire Dispatch	1.5	13%	\$1,401,021
Totals	11.0	100%	\$10,800,898

The allocation of the \$3,448,666 in Call-Taking costs were determined by each city's proportional share of 9-1-1 calls and non-emergency calls. As 9-1-1 calls are by their nature more urgent, the project team assigned a weight of 60% to these calls. Non-emergency calls were weighted at 40%.

¹ Under the consultant's cost allocation model, administrative costs (management salaries, agency operating costs, building maintenance, fixed assets, etc.) are incorporated as overhead expenses to the costs associated with Operations and Technical Services.

Call-Taking	# 911 Calls	%	Cost of 911 Calls	# of Non-Emergency Calls	%	Cost of Non-Emergency Calls	Total Costs
Culver City	16,464	17%	\$342,416	73,046	32%	\$435,392	\$777,808
El Segundo	9,068	9%	\$188,595	19,251	8%	\$114,746	\$303,341
Gardena	23,757	24%	\$494,095	40,371	17%	\$240,632	\$734,727
Hawthorne	38,936	39%	\$809,785	46,956	20%	\$279,882	\$1,089,668
Hermosa Beach	4,229	4%	\$87,954	15,879	7%	\$94,647	\$182,601
Manhattan Beach	7,037	7%	\$146,355	35,931	16%	\$214,167	\$360,522
Totals	99,491	100%	\$2,069,200	231,434	100%	\$1,379,467	\$3,448,666

The allocation of the \$5,951,210 in Police Dispatch services costs were split between the actual number of staff assigned to each city (70%) and each city's proportional number of calls for service (30%). Such distribution used the fixed, actual costs incurred by the Authority for providing dedicated police dispatching service to each city as the foundation of these expenses (70%). Calls for service volume was used to account for the surge capacity aspects of the Authority's consolidated dispatching capabilities (30%), as all agencies receive the benefit of having the support of the additional police and fire dispatchers for support of any major incidents.

Police Dispatch	# Dedicated Dispatchers	%	Cost of Dedicated Dispatchers	# of Calls for Service	%	Cost of Calls for Service	Total Costs
Culver City	1.00	17%	\$694,308	61,536	19%	\$340,063	\$1,034,371
El Segundo	1.00	17%	\$694,308	33,739	10%	\$186,450	\$880,758
Gardena	1.00	17%	\$694,308	68,849	21%	\$380,476	\$1,074,784
Hawthorne	1.00	17%	\$694,308	86,923	27%	\$480,358	\$1,174,665
Hermosa Beach	1.00	17%	\$694,308	29,525	9%	\$163,162	\$857,470
Manhattan Beach	1.00	17%	\$694,308	42,498	13%	\$234,854	\$929,162
Totals	6.00	100%	\$4,165,847	323,070	100%	\$1,785,363	\$5,951,210

As with Police Dispatching services, the allocation of the \$1,401,021 in Fire Dispatch services costs were split between the actual number of staff assigned to each city (70%) and each city's proportional number of calls for service (30%). Such distribution used the fixed, actual costs incurred by the Authority for providing dedicated fire dispatching service to each city as the foundation of these expenses (70%). Calls for service volume was used to account for the surge capacity aspects of the Authority's consolidated dispatching capabilities (30%), as all agencies receive the benefit of having the support of the additional police and fire dispatchers for support of any major incidents.

Fire Dispatch	# Dedicated Dispatchers	%	Cost of Dedicated Dispatchers	# of Calls for Service	%	Cost of Calls for Service	Total Costs
Culver City ²	0.50	33%	\$326,905	7,280	49%	\$206,913	\$533,818
El Segundo	0.50	33%	\$326,905	4,005	27%	\$113,831	\$440,735
Manhattan Beach	0.50	33%	\$326,905	3,503	24%	\$99,563	\$426,468
Totals	1.50	100%	\$980,715	14,788	100%	\$420,306	\$1,401,021

A summary of each city's allocation of Operations Department costs is as follows:

City	Call-Taking	Police Dispatch	Fire Dispatch	Total Costs
Culver City	\$777,808	\$1,034,371	\$533,818	\$2,345,997
El Segundo	\$303,341	\$880,758	\$440,735	\$1,624,834
Gardena	\$734,727	\$1,074,784	-	\$1,809,511
Hawthorne	\$1,089,668	\$1,174,665	-	\$2,264,333
Hermosa Beach	\$182,601	\$857,470	-	\$1,040,071
Manhattan Beach	\$360,522	\$929,162	\$426,468	\$1,716,152
Totals	\$3,448,666	\$5,951,210	\$1,401,021	\$10,800,898

TECHNICAL SERVICES DIVISION

As it relates to the \$1,587,390 in Technical Services costs, the consultant has recommended that vehicle upfitting costs be allocated according to each city's proportional number of job requests over three (3) years. The consultant advised this is the Authority's best option for allocating costs in the near-term, given its current labor tracking data limitations.

Job Requests	2016	2017	2018	3 Year Total	3 Year Average	%	Total Costs
Culver City	17	18	9	44	14.67	9%	\$150,205
El Segundo	27	26	16	69	23.00	15%	\$235,548
Gardena	42	20	15	77	25.67	17%	\$262,858
Hawthorne	89	50	9	148	49.33	32%	\$505,234
Hermosa Beach	20	11	9	40	13.33	9%	\$136,550
Manhattan Beach	51	24	12	87	29.00	19%	\$296,996
Totals	246	149	70	465	155.00	100%	\$1,587,390

While this methodology does not correlate exactly to the Authority's costs (e.g., labor for simple repair requests are weighted the same as requests for full vehicle builds), it is based on actual work orders received from each city. As part of the study, Matrix has recommended that the Authority begin to track labor hours to more accurately allocate

² It is important to note that the proposed allocation of equal dedicated dispatching resources for all three fire agencies is based upon the current contract with Culver City, which is how the Communications Center is planned to be staffed in the coming months and no later than July 1, 2020. Once the Authority transitions to the INSB network, Culver City will then be on the same frequency as the other fire agencies and will be able to share a fire dispatcher. This would align with Culver City's contract of paying for shared fire dispatching services.

costs between its member and contract cities, with each city being charged its proportional share of actual costs associated with Technical Services work. The Authority would need to procure and implement a work order management system to fully realize the benefits associated with this recommendation.

SUMMARY OF PROPOSED COST ALLOCATIONS

The results of Matrix's cost allocation modeling reallocate the Authority's costs as follows:

City	Operations Allocation	Technical Services Allocation	Total Proposed Assessment	Proposed %
Culver City	\$2,345,997	\$150,205	\$2,496,201	20%
El Segundo	\$1,624,834	\$235,548	\$1,860,382	15%
Gardena	\$1,809,511	\$262,858	\$2,072,369	17%
Hawthorne	\$2,264,333	\$505,234	\$2,769,567	22%
Hermosa Beach	\$1,040,071	\$136,550	\$1,176,621	9%
Manhattan Beach	\$1,716,152	\$296,996	\$2,013,147	16%
TOTAL	\$10,800,898	\$1,587,390	\$12,388,288	100%

Below is summary of how the proposed reallocation of costs compare to the current assessments established in the Fiscal Year 2019-2020 Adopted Budget, per the Authority's bylaws and the agreements with its contract cities:

City	Current Assessment	Current %	Proposed Assessment	Proposed %	\$ Increase/Decrease	% Increase/Decrease
Culver City	\$2,587,601	21%	\$2,496,201	20%	(\$91,400)	-4%
El Segundo	\$1,372,870	11%	\$1,860,382	15%	\$487,512	36%
Gardena	\$2,391,301	19%	\$2,072,369	17%	(\$318,932)	-13%
Hawthorne	\$3,359,598	27%	\$2,769,567	22%	(\$590,031)	-18%
Hermosa Beach	\$975,208	8%	\$1,176,621	9%	\$201,413	21%
Manhattan Beach	\$1,703,280	14%	\$2,013,147	16%	\$309,867	18%
TOTAL	\$12,389,858	100%	\$12,388,288	100%	(\$1,570)	-

COST ADJUSTMENT SURCHARGE

In addition to its annual operating expenditures, the Authority also has costs associated with unfunded liabilities in the California Public Employees' Retirement System ("CalPERS"), Other Post-Employment Benefits ("OPEB") obligations, and long-term capital improvement needs that are not currently accounted for in annual budgets. The project team identified \$9,725,000 in such long-term costs, which totaled approximately \$1,085,000 annually.

Cost Adjustment Categories	Total Cost	# of Years	Annual Cost
PERS Unfunded Liability	\$6,800,000	10	\$680,000
OPEB Liability	\$2,800,000	10	\$280,000
Capital Improvement Projects	\$125,000	1	\$125,000
TOTAL	\$9,725,000		\$1,085,000

Because the member agencies of Gardena, Hawthorne, and Manhattan Beach hold an ownership stake in the Authority, they are responsible for these additional long-term costs, which may take decades to fund and/or be fully realized. For this reason (and because of the structure of the agency's current agreements with its contract cities), these specific costs are currently being borne by member cities only, not contract cities.

To address this issue in the cost allocation model, the consultant developed a Cost Adjustment Surcharge that could be applied to contract agencies to help offset the Authority's future liabilities and long-term costs. Because the Authority's contract cities represent approximately 45% of Authority costs, Matrix determined that a maximum of nearly \$485,000 in projected costs could be proportionately charged to contract cities annually. This equates to 9% of the proposed assessment allocations for the contract cities, the costs of which are summarized below:

City	Proposed Assessment	Cost Adjustment Surcharge	Total Assessment (with Surcharge for Contract Cities)
Culver City	\$2,496,201	\$218,624	\$2,714,825
El Segundo	\$1,860,382	\$162,937	\$2,023,320
Gardena	\$2,072,369		\$2,072,369
Hawthorne	\$2,769,567		\$2,769,567
Hermosa Beach	\$1,176,621	\$103,052	\$1,279,673
Manhattan Beach	\$2,013,147		\$2,013,147
TOTAL	\$12,388,288	\$484,613	\$12,872,901

A summary of how incorporating a maximum Cost Adjustment Surcharge of 9% into the proposed contract city assessments compares to the Authority's current assessments is as follows:

City	Current Assessment	Current %	Proposed Assessment (w/ Surcharge for Contract Cities)	Proposed %	\$ Increase/ Decrease	% Increase/ Decrease
Culver City	\$2,587,601	21%	\$2,714,825	21%	\$127,224	5%
El Segundo	\$1,372,870	11%	\$2,023,320	16%	\$650,450	47%
Gardena	\$2,391,301	19%	\$2,072,369	16%	(\$318,932)	-13%
Hawthorne	\$3,359,598	27%	\$2,769,567	22%	(\$590,031)	-18%
Hermosa Beach	\$975,208	8%	\$1,279,673	10%	\$304,465	31%
Manhattan Beach	\$1,703,280	14%	\$2,013,147	16%	\$309,867	18%
TOTAL	\$12,389,858	100%	\$12,872,901	100%	\$483,043	4%

If the Authority were to implement a Cost Adjustment Surcharge, the consultant recommends that surcharge funds be set aside in a restricted fund. This would segregate these funds from general operating funds and ensure their availability for appropriate uses when needs arise. This restricted fund would be established based upon approval of the Board of Directors and be reported upon annually during the budget process. A policy and procedure regarding appropriate and acceptable uses of this funding source would also need to be established to ensure that the funds are used only for designated purposes. For example, if the Authority determined there were a need for additional staffing, that need could not be paid out of this restricted funding source. However, if the

Authority desired to pay down an unfunded liability cost or fund a long-term capital project, this Cost Adjustment Surcharge fund could be used for such expenditures.

OPTIONS AVAILABLE TO THE AUTHORITY

Matrix's analysis of the Authority's costs and subsequent recommendations clearly show that there are feasible, defensible, and more equitable ways to allocate the Authority's costs among its member and contract cities. However, it is important to note that the results and recommendations of the consultant's study would be difficult to implement simultaneously in one year. These limitations relate to a number of factors, including:

1. Any reductions in assessments for Gardena and Hawthorne would need to coincide with commensurate increases from Manhattan Beach and/or contract cities.
2. Additional revenues from contract cities could not materialize until new agreements were adopted, at the earliest. While staff anticipates developing a successor agreement with El Segundo before its current contract expires in September 2020, the contracts with Culver City and Hermosa Beach do not expire until March 2022 and June 2028, respectively.
3. The proposed assessment increase of 47% (including the proposed surcharge) for El Segundo is significantly greater than the average increases of 1.9% per year that have occurred over the past 10 years.
4. The proposed assessment increase of 18% for Manhattan Beach is significantly greater than the average increases of 2.3% per year that have occurred over the past 10 years.

For the reasons outlined above, staff recommends that any plan to adopt the consultant's recommendations be implemented over a multi-year period. Such incremental implementation would allow for the reallocation of assessment payments between the member cities to change in a planned and deliberate manner over an established, mutually agreeable period. In addition, increases to contract city assessments could be timed and anticipated to coincide with the expiration and subsequent renegotiation of contract city agreements.

With the above recommendation in mind, the follow options are available to the Executive Committee:

1. Receive and file this report.
2. Direct staff to work with the consultant to address any questions or issues identified by the Executive Committee and return with updated information at a later date.
3. Direct staff to develop a plan to implement the recommendations of the Comprehensive Cost of Service and Allocation Study over a multi-year period. This implementation plan could include the following action steps:
 - a. Adopt a cost allocation policy resolution that incorporates the study's recommended cost allocation methodology, with or without the proposed Cost Adjustment Surcharge of up to 9%.

- b. Amend the Authority's bylaws as necessary to adjust the assessment formula for member cities.
- c. Begin negotiations with the City of El Segundo to develop a successor agreement in conformance with the cost allocation policy by December 31, 2019.
- d. Develop a quote for Consolidation of 9-1-1 Emergency Communications Services for the City of Redondo Beach in conformance with the cost allocation policy.
- e. Begin negotiations with the City of Culver City to develop a successor agreement in conformance with the cost allocation policy by December 31, 2020.
- f. Begin negotiations with the City of Hermosa Beach to develop a successor agreement in conformance with the cost allocation policy by December 31, 2027.

FISCAL IMPACT

None at this time. If the Authority were to fully implement the consultant's recommendations, nearly \$485,000 in additional annual revenue could be generated in future years to assist with paying expenses associated with unfunded pension and OPEB liabilities and long-term capital costs.

F - 1

Attachment 1

Report on the Cost of Services and Cost Allocation Study

SOUTH BAY REGIONAL PUBLIC
COMMUNICATIONS AUTHORITY



July 2019

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1. Introduction and Executive Summary

The Matrix Consulting Group was contracted to perform a cost of services analysis for the South Bay Regional Public Communications Authority (SBRPCA) and develop a cost allocation plan. This analysis and the approach suggested in this report address the way in which the three member agencies (Gardena, Hawthorne, and Manhattan Beach), and three contracted agencies (Culver City, El Segundo, and Hermosa Beach) share the costs associated with the operations of the Authority.

1 OVERVIEW OF THE STUDY

The South Bay Regional Public Communications Authority was created in 1977 and is a Joint Powers Authority (JPA) owned between the cities of Gardena, Hawthorne, and Manhattan Beach. The Authority provides public safety dispatching services to the three member agencies as well as to the three contracted agencies – Culver City, El Segundo, and Hermosa Beach.

This study examines the current state and methodology of cost allocation at the Authority and outlines new methodologies for allocating the costs of call-taking and dispatch, technical services, and administrative costs. The study also provides alternative allocation methodologies, recommendations on best practices for cost allocations, and operational policies and procedures recommendations.

If implemented as recommended, the results of this analysis would allow the Authority to more accurately account for the services that it is providing to member and contracted agencies and improve the transparency of its cost allocation model. Additionally, the results would tie annual assessments more closely to actual expenditures and provide the Authority with a model for evaluating the fiscal impact of expanding (or reducing) its contract agency clientele.

2 STUDY SCOPE AND METHODOLOGIES

In this study, the Matrix Consulting Group's project team utilized a wide variety of data collection and analytical techniques. The project team conducted the following data collection and analytical activities:

- Developed an in-depth understanding of issues impacting key areas. To gain understanding of the various operations, processes, organizational structure, and issues, the project team conducted multiple interviews with staff. Interviews focused on the roles/responsibilities of staff, levels of services provided by each section, resources available to perform those services, and understanding of current and potential issues.

- The project team developed a profile document that captured staffing levels, current allocation methodologies, and an overview of services provided by Operations and Technical Services. This document was utilized as a base point of comparison for future analysis and comparison for all recommendations and has been included as Appendix B of this report.
- Conducted a comparative survey of other regional dispatch centers to compare how the Authority currently allocates for its services compared to other agencies. The results of this comparative analysis have been included as Appendix A to this Report.
- Collected data from the Authority and the different jurisdictions regarding different potential allocation metrics such as number of police officers/firefighters, calls for service, call duration, work order requests for technical services, etc. The data was collected for three fiscal years to account for any anomalies in the data. This data was used as the basis for the development of the cost allocation model.
- Reviewed and evaluated policies and procedures regarding purchasing and billing of Technical Services parts and labor. This also included discussion of any potential fees or charges for service.

Based on the previously mentioned activities and initial findings, the project team analyzed issues, explored alternative allocation metrics, and developed recommendations to create a more efficient and effective process. The analysis resulted in recommendations to processes, cost allocation calculation, and implementation of revised results.

3 SUMMARY OF RECOMMENDATIONS

Based on the assessment and analysis, there are a variety of recommendations for each topic covered in this assessment that are discussed in detail throughout this report. These are consolidated into the following table which shows the recommendation.

Summary of Recommendations

#	Recommendation
	Current Allocation Methodology
1	The current allocation methodology should be altered and reevaluated to, at a minimum, separately calculate the costs for Dispatch and Technical Services.
2	Annual increases for assessments should be based upon revised allocation methodology rather than cost factors (CPI or budget increases).

#	Recommendation
3	Contracts with contracted agencies should be altered to include a provision that assessments shall be reevaluated if there are any material changes to Agency Operations; to be consistent with member agencies.
4	Assessment methodologies should be reevaluated every 5-7 years to incorporate any major changes in technology, staffing, operations, and organizational structure.
Administrative Functions	
5	Costs associated with Authority Administration including fixed assets, capital outlay, and revenue offsets should be allocated to Technical Services and Operations to accurately account for these services.
Operations Department	
6	Three layers of operation functions should be developed – Police Dispatching, Fire Dispatching, and Call-Taking; to appropriately capture the true services being provided in the Communications Center.
7	The three functional areas of Police Dispatching, Fire Dispatching, and Call-Taking should be allocated based upon number of dedicated dispatchers for each agency, calls for service for each agency, and 911 and Non-Emergency Call volume for each agency.
8	<p>The recommended level of weighting of allocation metrics is as follows:</p> <ul style="list-style-type: none"> - Police Dispatching: 70% Dedicated Police Dispatchers; 30% Police Calls for Service - Fire Dispatching: 70% Dedicated Fire Dispatchers; 30% Fire Calls for Service - Call-Taking: 60% 911 Calls; 40% Non-Emergency calls <p>These weights should be reevaluated if there are any major changes in operational practices for the Authority.</p>
Technical Services Division	
9	Costs associated with Technical Services should be based upon job requests per member and contract agency.
10	In the next 3-5 years, the Technical Services Division should start tracking labor hours and utilize that data to allocate its costs among member and contracted agencies.
Cost Adjustment Surcharge	
11	The Authority has several unfunded liabilities, which are currently only borne by the member agencies. A portion of the costs of the unfunded liabilities should be passed onto the contracted agencies. For FY19-20 the estimated annual unfunded liability costs are approximately \$1.085 million.
12	The proportionate share of the unfunded liability to be borne by the contracted agencies should be determined based upon a measurable metric such as their total assessment value compared to member agencies proposed assessments. This results in a recommended allocation of 45% of unfunded liability costs that should be borne by contracted agencies.
13	The Authority should implement a cost adjustment surcharge of no greater than 9% of total proposed assessment allocation to contract agencies to recover costs associated with unfunded liabilities.
14	The Authority should review the cost adjustment surcharge calculation to ensure its agreement with all assumptions and the methodology behind the calculation.

#	Recommendation
15	The Authority should determine an appropriate cost adjustment surcharge rate between 0-9% to be applied to the proposed assessment for contract agencies.
16	The Authority approved cost adjustment surcharge should be documented in a policy and procedure document, including outlining the assumptions behind the calculation and the reasoning for choosing the specific rate amount.
17	<p>The Authority should update and review its contract language with contracted agencies to ensure at a minimum the following:</p> <ul style="list-style-type: none"> - There is no limit on the annual increase amount - Annual changes in cost are based upon actual service metrics (i.e. dedicated dispatchers, calls for service, job requests, etc.) - Cost Adjustment surcharge - Reevaluation of assessment and methodology if there is a material change in the Authority <p>This ensures that the contract provides greatest flexibility to Authority and transparency to contract agencies.</p>
18	The revenue collected under the unfunded liability cost adjustment surcharge should be stored and accounted for through a separate restricted fund at the Authority.
19	The Authority should develop policies and procedures regarding the establishment of the cost adjustment surcharge restricted fund, as well as appropriate use of fund money.
Future Allocations/Operations Recommendations	
20	The Authority should utilize the Cost Allocation Model provided to annually re-calculate and update the assessments for member and contracted agencies.
21	The Authority should develop informational documentation (1-2 pages), which clearly outlines the methodology employed by the Authority to calculate assessment amounts.
22	The Authority should convert the assessment of all wireless billing charges from fourth quarter charges to quarterly assessments to align with all other reimbursement and assessment charges.
23	The addition of a new contracted agency should require the collection of key pieces of information such as types of services (i.e. police vs. fire), calls for service, emergency call volume, and number of vehicles to be serviced, to accurately estimate the proposed assessment amount and impact to existing member and contracted agencies.
24	The addition of a new contracted agency mid-fiscal year should not only result in pro-rated assessment for the new agency, but also any credits to existing member or contracted agencies due to changes or reductions in their assessments.
25	The Authority should continue its practice of estimating annual assessment amounts, without reconciliation or “trueing-up” of costs for contracted and member agencies
Technical Services Division Cost of Services Analysis	
26	The Authority should continue to charge a mark-up to external agencies for parts. This markup should be no less than 10% of the cost of the billable parts.

#	Recommendation
27	The Authority should review the markup information and determine if there should be a markup percentage applied for member and contract agencies, and if so, what percentage (up to 10%) should be applied to member and contracted agencies.
28	The Authority has the ability to charge the maximum fully burdened blended hourly rate of \$237.50 to fully recover for Technical Service staff support provided to external agencies.
29	<p>The Authority should review and determine through which methodology (Cost Allocation or Time and Materials) it would like to charge the contracted and member agencies.</p> <p>If Cost Allocation, there would be no separate charges for labor for member and contracted agencies, as that would be accounted for through the assessment.</p> <p>If Time and Materials, then Technical Services would be excluded from the assessment calculation and member and contracted agencies would only be billed for Technical Services through an invoicing process. The Assessment calculation would only include the cost for dispatching and administrative support functions.</p>
30	If the Authority chooses time and materials, it should review the fully burdened hourly rate and determine if all components (direct, supplies indirect, and authority overhead) should be charged and recovered through the fully burdened hourly rate. The Authority has the option to choose to charge a rate lower than the fully burdened hourly rate.
31	The parts markup percentage and fully burdened hourly rate should be reviewed and updated every year to account for the most accurate cost. The updates should be based upon actual salaries, benefits, billable hours, and operating expense increases.

The numerical results in this report are meant to be representative of projected costs they are not meant to replace any existing assessment calculations. Any changes to the assessment methodology must be reviewed and approved by the Authority.

The detailed narrative and analysis regarding each of these recommendations is contained in the body of the report.

2. Current Allocation Methodology

The Matrix Consulting Group reviewed the Authority's current allocation methodology and process in order to determine if the process is transparent, and if the methodology allowed for fair and equitable distribution of costs to member and contract agencies. The following sections discuss the current cost allocation methodology and potential opportunities for improvement to the current allocation methodology.

1 CURRENT ALLOCATION PROCESS

While a more detailed description of current cost allocation practices can be found in the profile provided as an appendix to this document, the Authority currently allocates the costs of service to member and contract agencies separately. Member agencies have an ownership stake in the Authority and are responsible for costs related to its annual operations, long-term capital needs, and unfunded liabilities. Their allocation of cost is based on their ownership stake as established in January of 2008. Barring an instance of a material change¹ in the Authority's operating costs, this allocation remains the same. The ownership stake of member agencies is shown in the following table:

Jurisdiction	Percentage of Ownership
Hawthorne	45.07%
Gardena	32.08%
Manhattan Beach	22.85%

Contracted agencies do not have an ownership stake in the Authority, and their costs have historically been assessed according to a separate methodology. The total calls for service from a new contracted agency were calculated as a percentage of the total call volume for the Authority when the calls from that agency are added. The table below provides an example of this from 2017, with Culver City as the new agency:

Agency	Police Calls	Fire Calls	Total	Percentage
Hawthorne Police	85,032		85,032	31.97%
Gardena Police	72,170		72,170	27.14%
Manhattan Beach Police and Fire	45,015	3,200	48,215	18.13%
Culver City Police and Fire	54,889	5,644	60,533	22.76%
Total	257,106	8,844	265,950	100.00%

¹ Material Change refers to items such as change in number of contracted agencies or types of services being provided by the authority. For example, if a new agency comes on board and/or if a contracted agency goes from having police and fire to only police dispatching services.

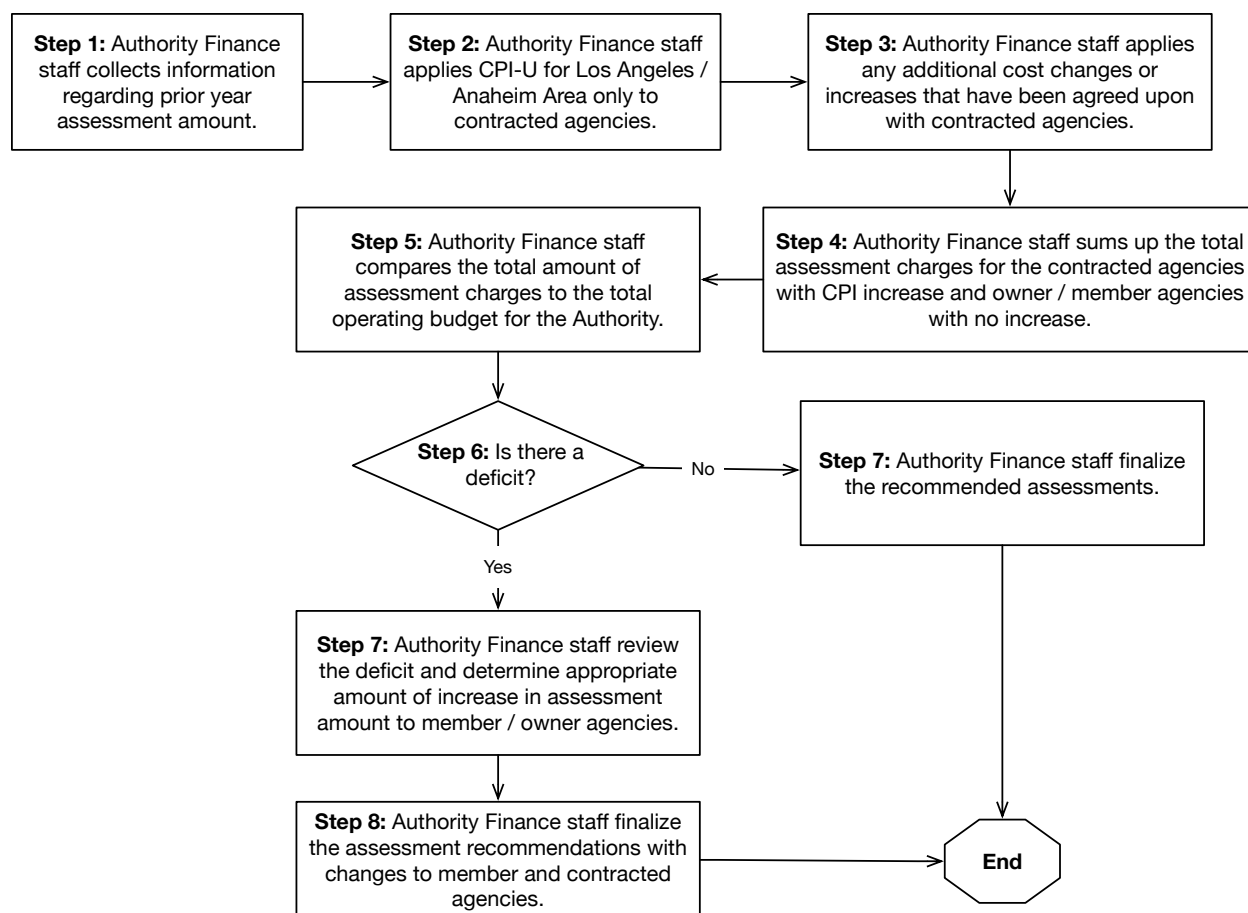
This allocation is changed annually based on the Authority's budget increase and the CPIU for Los Angeles County. Any budget changes which are not covered by the change in allocation to contract agencies are borne by the member agencies.

Additionally, three types of costs are passed directly from the Authority to its member and contract agencies:

1. **Wireless Service Charges:** The wireless service charges incurred are for data services provided by the carrier to the police or fire department unit's mobile computers. The Authority pays these bills as they are received and charges the billed amount back to member and contract agencies who specifically utilize this service.
2. **Technical Services Parts:** The cost of the parts utilized in technical services job requests. The actual cost of parts and materials used by this unit for each member and contract agency is charged directly to the agency.
3. **Medical Director:** Per Los Angeles County Emergency Medical Services Agency regulations all fire departments are required to procure the services of a Medical Director. Therefore, the Authority has an agreement with a medical director, which is used by both member and contract agencies. These costs are passed directly onto those agencies which utilize the service.

The costs noted above are passed on in three different ways. The wireless service charges are billed for at the end of the year with the fourth quarter assessment billing, the parts charges are billed for as the costs are incurred by the Authority, and the medical director services are billed for separately.

While the basis for the development of the initial assessment amount of the member and contracted agencies has been different, the annual calculation of this assessment amount has also been different. The following flowchart provides an overview of the Authority's methodology for determining the annual assessment amount:



As the flowchart indicates, the contracted agencies would always receive an increase in the cost dependent upon the CPI-U and contract provisions; whereas the member agencies would only receive increases or changes in their amounts depending upon if there is still an operational budget deficit, which is not covered by existing assessment amounts for those agencies.

2 CONTRACTS

The project team also reviewed the current contracts in place with the three contracted agencies – Hermosa Beach, Culver City, and El Segundo. The following table highlights the key information from the contract relevant to the calculation of the assessment.

Agency Name:	Hermosa Beach	Culver City	El Segundo
Contract Start Date:	July 1, 2018	March 1, 2017	October 1, 2010
Contract End Date:	June 30, 2028	March 1, 2022	September 30, 2020
Initial Contract Amount:	\$1,094,259	\$2,262,798	\$1,150,000

Agency Name:	Hermosa Beach	Culver City	El Segundo
Annual Increases:	Based off of 1/5 th of \$394,187 (increase between \$700,072 and \$1,094,259) as well as the following: - Avg of previous 3 yrs. budget % (not to exceed 5%) Plus - CPIU for LA County and Surrounding Areas – (not to be less than 0%)	Average of the previous 3 years' budget increase (not to exceed 5%) and the previous calendar year CPIU for LA County (not to be less than 0%).	Increase/Decrease by CIP-U for LA County, Orange, and Riverside (not to exceed 5%)
Additional Cost Provisions:			\$15,000 for maintenance of transmitter equipment at the City Sites

As the table indicates, both Hermosa and El Segundo are on 10 year contracts whereas Culver City is on a five year contract. All of the contracts have a built-in provision for annual increases, with El Segundo having the special caveat of potential decreases. This is especially relevant as part of the contract period for El Segundo was during the economic recession when there was a possibility for negative CPIU in the LA County/ Orange/ Riverside regions.

The benefits of having contracts that are fixed for five or ten years is that it provides the Authority, as well as the contracted agencies, with stability regarding the services being provided. However, it also has the impact of being locked into specific rate increases or decreases.

3 OPPORTUNITIES FOR IMPROVEMENT WITH EXISTING METHODOLOGY

The prior two sections provided insight regarding not only how the initial assessments were determined, but also how they are further allocated and determined annually, as well as any contract provisions the Authority is tied to as changes occur in the methodology. The project team reviewed all of this information in the context of best practices for dispatch agency allocation services as well as specific operational needs of the Authority and identified certain key areas for improvement:

1. **Single Allocation Basis:** Currently, the Authority utilizes a singular allocation basis for determining the initial assessment for both member agencies and contracted agencies. The use of a singular allocation basis assumes that the basis is appropriate and reflective of all services being provided by the Authority to those agencies. The Authority provides two distinct services – Operations (Dispatch) and Technical Services. The use of ownership share and calls for service does not consider both of these services. Therefore, a distinction must be made between

Technical Services and Operations to allow for appropriate allocation of support of services.

2. **Annual Contract City Assessment Increases Are Based on Cost Factors:** As shown in the flowchart, the annual calculation of the assessment amount is not based upon the services being received, but rather cost factors as defined by CPIU and average operating expense increases. Therefore, these annual increases do not necessarily correlate to the services being received on an annual basis. For example, the initial assessment may have been determined based upon calls for service in an anomalous year for one or some of the agencies, and instead of the costs being reconciled as calls increase or decrease, the annual assessment is always increasing. This type of methodology does not allow for the Authority to accurately reflect the cost of its services to member and contracted agencies.
3. **No Provision for Contract Changes:** The Authority's bylaws allow for there to be changes in the methodology being assessed to the member agencies, if there are material changes in the Authority's operating budget. This type of language should be added to the contracts with the contracted agencies to allow for re-evaluation in annual assessment amount as agencies are added or removed from the Authority.
4. **Reevaluation of Assessment/Allocation Methodology:** Beyond the mandated reevaluation of allocation methodology, as there are changes to the number of contracted or member agencies, a policy should be adopted to allow for reevaluation of methodology every five-seven (5-7) years. This timeframe is usually sufficient enough where there have been major operational, technological, or organizational changes resulting in the need for determining if the current methodology is still appropriate and reflective of the services being provided.

As these points demonstrate there are several key opportunities for improvement that have been identified by the project team. These points along with the exploration of a more transparent and accurate allocation methodology will be the focus of this analysis.

Recommendation #1: The current allocation methodology should be altered and reevaluated to, at a minimum, separately calculate the costs for Dispatch and Technical Services.

Recommendation #2: Annual increases for assessments should be based upon revised allocation methodology rather than cost factors (CPI or budget increases).

Recommendation #3: Contracts with contracted agencies should be altered to include a provision that assessments shall be reevaluated if there are any material changes to Agency Operations; to be consistent with member agencies.

Recommendation #4: Assessment methodologies should be reevaluated every 5-7 years to incorporate any major changes in technology, staffing, operations, and organizational structure.

3. Allocation of Administrative Functions

The administrative function of the Authority includes those staff in management and supervisory roles, financial functions, and clerical or administrative assistant positions. These staff oversee operations, represent the Authority to stakeholders and the public, perform accounting and human resources functions, and generally ensure that line-level staff are equipped and directed in order to maximize their effectiveness. The following subsections provide an overview of services and the proposed methodology for the allocation of these services to the primary users and beneficiary of these services.

1 OVERVIEW

Under the current model, the administrative function is accounted for through communications operations and technical services and allocated the same way, based on calls for service. This methodology does not consider the specific types of services and support the administrative staff and cost centers provide to the internal Authority.

Administrative functions do not provide services directly to member or contracted agencies, or to the public. Rather, they support the communications and technical support functions, which in turn provide those services to the member agencies. The purpose of any cost allocation methodology is to accurately capture the costs associated with providing services. As such, administrative costs are not allocated directly to the member and contracted agencies, rather, they are allocated to the dispatching and technical services functions, which in turn are allocated to the member and contracted agencies.

2 ALLOCATION OF ADMINISTRATIVE COSTS

There are six major cost categories associated with Administrative Costs for the Authority:

1. **Personnel Costs:** These are the salaries, benefits, retirement, workers' compensation, and other employee related costs associated with not only administrative employees (Executive Director, Finance Director, Executive Assistant, etc.), but also Authority-wide expenses for certain employee costs.
2. **Operating Costs:** The operating costs are line item expenditures associated with ensuring appropriate operations of the Authority and include items such as recruitment costs, auditing services, Computer Aided Dispatch (CAD) system costs, technology support, maintenance, etc.
3. **Fixed Assets:** The Authority owns a variety of equipment associated with dispatching services. Per Office of Management and Budget (OMB) guidelines, cost allocation can include the cost associated with annual actual depreciation

incurred for buildings and equipment. This type of cost is meant to account for replacement of those items. The project team accounted for approximately \$689,000 of annual depreciation costs associated with building and equipment.

4. **Capital Outlay:** The Authority currently does not have a separate capital expenses program; as such a minimal amount of cost is budgeted annually for capital-related expenses. These expenses rather than being categorized to a specific functional area as they benefit both Technical Services and Dispatch have been included in the Administrative cost category.
5. **Reallocation of Technical Services Costs:** The Authority currently budgets line-items in the Technical Services Division, which are meant to be Authority-wide costs. These costs such as CAD-Tiburon costs, as well as costs associated with the maintenance of outside equipment and towers should be allocated through the Administration Division. As such, the project team worked with Authority staff to recognize these line items and reallocate them through Administration. .
6. **Revenue Offsets:** The last category included in Administration is related to revenue offsets associated with items such as investment earnings and fees from medical directors. Per cost allocation guidelines, if there are specific revenues being provided to help offset the costs, then those offsets should be included in order to minimize the risk of over-allocation of expenses. Therefore, to be as fair and defensible as possible, the project team included the revenue offsets specifically coded to the Administrative decision.

These six categories are anticipated to total \$3,385,925 in FY 19-20. The costs associated with the Administrative function could be allocated based upon a singular allocation basis or metric; however, as the purpose of this analysis is to most accurately capture the support, the administrative functions were divided into the following three categories:

- **Authority-Wide Support:** Costs apportioned to this function represent services, supplies, and staff support which benefits the Authority as a whole, including both Communications and Technical Services operations and staff.
- **Financial Support:** Costs apportioned to this function relate to staffing and services which are financial in nature, including banking services, audits, and general financial support.
- **Employee Relations Support:** Costs apportioned to this function relate to supporting Agency employees, including administration of benefits, recruitments and promotions.

The costs associated with each function are based on the personnel costs of administrative staff assigned to each respective function, as well as operating costs specifically relating to a function. The subdivision of costs is shown in the following table:

Function	Cost
Authority-Wide Support	\$2,872,555
Financial Support	\$350,187
Employee Relations Support	\$163,183
Total	\$3,385,925

These three functional areas are allocated in different proportions to the communications function and the technical services function. The following subsections detail how costs associated with each function were allocated between Operations (Dispatching) and Technical Services.

1 Authority-Wide Support

Administrative costs which are not clearly focused on employee relations or financial support are considered general or “Authority-Wide”, and are allocated based on the Authority’s respective expenditures for Operations and Technical Services. This is a fairly standardized methodology for allocating these costs; as the logic is that the more expenses associated with a certain department or division, the greater the amount of time and support is provided to that department or division. The more expenses can correlate to more staffing, contractual costs, and generally higher potential of risk associated with that division. The following table illustrates this allocation based upon expenses.

Division	Expenditures	Allocation %	Indirect Cost
Operations	\$8,249,961	81%	\$2,319,540
Technical Services	\$1,966,920	19%	\$553,015
Total	\$10,216,881	100%	\$2,872,555

As the table shows, the support provided under Authority-Wide is allocated 81% to Operations and 19% to Technical Services. These support percentages were reviewed with Authority staff to ensure that they were reflective of the overall level and effort of support provided to each service area.

2 Financial Support

The cost of providing financial support to the Authority is proposed to being allocated equally between Operations and Technical Services. While the financial support provided to Operations is in relation to the annual assessment calculation and the wireless charges, there is support provided all year round related to invoicing for Technical services. As such, during discussion with Authority staff, it was determined that these

costs should be allocated equally between the two divisions. This split is shown in the following table.

Division	% of Support	Allocation %	Indirect Cost
Operations	0.5	50%	\$175,093
Technical Services	0.5	50%	\$175,093
Total	1.0	100%	\$350,187

As the table shows, the total cost of financial support services is allocated equally to Operations and Technical Services. Similar to authority-wide support, this allocation support was reviewed to ensure that it was appropriate and reflective of support provided.

3 Employee Relations Support

As discussed, the employee relations support function is meant to capture the support associated with recruitment, hiring, grievances, disciplinary issues, and training. As such all of the elements of this function are directly related to the employee count of the Authority and therefore, these costs were allocated based upon the number of employees per Division. The following table shows this calculation.

Division	# of FTE	Allocation %	Indirect Cost
Operations	61.00	92%	\$150,821
Technical Services	5.00	8%	\$12,362
Total	66.00	100%	\$163,183

Approximately 92% of the Authority's employees are in the Operations Department; hence, the majority of the employee relation support is being allocated to the Operations Department. In discussion with Authority staff, this support level seemed reflective as the primary effort provided by staff in this area is in relation to recruiting, hiring, onboarding, and training dispatchers/call-takers.

3 SUMMARY TOTALS

Based on the analysis shown above, the total allocation of administrative services to Operations is \$2,645,455, and the total for Technical Services is \$740,470. The table below illustrates the total allocation and the overall percentage of support to each division.

Division	Allocated Cost	% Of Support
Operations	\$2,645,455	78%
Technical Services	\$740,470	22%
Total	\$3,385,925	100%

These allocations to Operations and Technical Services equate to 78% and 22% respectively. The total costs allocated to Operations and Technical Services are then

further allocated out to each member agency and contracted agency based upon those respective areas of service.

Currently, the Authority does not account for these services separately. In order to accurately account for costs associated with Operations and Technical Services the Authority should allocate these costs separately to these divisions. This type of methodology ensures that the Authority is able to truly consider the indirect costs for Operations and Technical Services.

Recommendation #5: Costs associated with Authority Administration, including fixed assets, capital outlay, and revenue offsets should be allocated to Technical Services and Operations to accurately account for these services.

4. Allocation of Operations Costs

The Operations Department consists of the staffing and expenditures associated with calls and dispatching police and fire units from the member and contracted agencies. This division is the core purpose of the Authority. The following subsections discuss the total operation costs to be allocated, the different allocation metrics considered, the proposed weighting of allocation metrics, and the results of the proposed allocation.

1 TOTAL OPERATIONS COSTS TO BE ALLOCATED

Similar to the Administrative Division, the project team collected information regarding the total expenses to be allocated for the Operations Department. The Operations Department has four main types of expenses that were included:

1. **Personnel Costs:** These are the salaries, benefits, retirement, workers' compensation, and other employee related costs associated with the call-takers and dispatchers in the center.
2. **Operating Costs:** The operating costs are line item expenditures associated with the functioning of the dispatch center and consists of items such as membership dues, publications, office supplies, and training costs.
3. **Revenue Offsets:** There are specific revenue offsets that the dispatch center receives, and similar to administrative costs, in order to ensure fair allocation of costs, these offsets were applied to the total expenses to be allocated.
4. **Incoming Indirect Support:** The indirect support calculated in the previous section from the Administrative Division is added to the total direct expenses for Operations to ensure that both direct and indirect expenses for operations are being allocated to the contracted and member agencies.

These four categories are anticipated to total \$10,800,898 in FY 19-20. The costs associated with the Operations function could be allocated based upon a singular allocation basis or metric or multiple metrics and service areas.

2 SELECTION OF ALLOCATION METRICS

To develop a methodology for allocating the costs of operations, the project team considered a number of factors which might be used to calculate the appropriate proportions of costs to be borne by member and contract cities. Some of these are used in other emergency communications centers to allocate costs to their member agencies. For each of these factors, the project team evaluated how accurately they represent the

actual costs incurred to provide service to each agency. The following bullet points discuss the factors considered.

- **Population:** The population of each city was considered as a potential proxy for cost allocation, under the reasoning that the greater a city's population, the more calls for service it would generate. Accurate population statistics are fairly easy to gather and provide a direct point of comparison between cities. However, population neglects the fact that some cities receive dispatch services for both police and fire departments from the Authority, while others use only police dispatch services. It also fails to account for differences in calls-per-capita between cities. Population was therefore determined to be a poor metric for cost allocation.
- **Assessed Value:** The total value of property assessments by Los Angeles County was considered as a method for allocating costs. This data is readily available, and this metric is used by some other joint dispatch centers. It spreads costs roughly based on users' ability to pay, with the reasoning that those with the highest property values would be most able to pay for service. It does not, however, correlate in any meaningful way with the costs of service incurred to the Authority, so it was determined to be a poor metric for cost allocation in this study.
- **Agency Staffing:** The number of staff at police and fire agencies was explored as a metric for allocating the Authority's costs. This metric is readily available, and unlike population and assessed value, accounts for the fact that the Authority serves both police and fire departments in some cities, and only police in others. It could also be reasoned that larger departments would handle more calls, and thus require more work on the part of the Authority. This correlation is not direct, however, and the number of calls for each agency can just as easily be determined. Additionally, a larger department does not mean more staff time or expenditure for the Authority; whether a police department has 30 line staff or 100 line staff, it still has one dedicated dispatcher. For these reasons, agency staffing was abandoned as a potential cost allocation metric.
- **Police/Fire CAD Incidents:** The number of computer-aided dispatch (CAD) incidents for each agency was considered as a possible cost allocation metric. Reports on this data can be produced easily by the Authority, and the dispatching of police and fire units is, at a granular level, the primary work of the organization. Additionally, the differences in the count of CAD incidents between cities directly correlate with a difference in the amount of time that dispatchers spend on each city. Because of this, it was determined that the volume of CAD incidents should be included as a metric for cost allocation.
- **Police/Fire Call Duration:** The average duration of CAD incidents for each respective police and fire agency was considered for use as a cost allocation metric. This data can be used to determine the amount of time, in minutes and

seconds, that dispatchers spend on each member or contracted city. This data, however, is more difficult to obtain and calculate, and was ultimately not included as a cost allocation metric.

- **Agency Dispatchers Assigned:** The number of dispatchers assigned to each agency was considered as a factor to be used for cost allocation. Each City has one dedicated police dispatcher post, and those with fire dispatch service share a portion of a second dispatcher. Since personnel costs are the largest expenditure of the Authority (and in fact most organizations), the number of operational staff assigned to each city is an accurate representation of the cost of providing service to that city. This metric was therefore included in the cost allocation methodology.
- **Phone Call Volume:** The number of emergency and non-emergency calls originating in each city was considered as a cost allocation metric. This data is easy to obtain and directly reflects the proportion of emergency services requested in each member and contract city. It also corresponds with the amount of time spent by call-taking staff at the Authority on each respective city. Because of this, the volume of emergency and non-emergency calls from each agency is included as a factor in the cost allocation methodology.

Based on the considerations above, it was determined that it would be appropriate to divide the services provided by the Operations department into three critical areas:

1. **Police Services:** This is the support provided by the Operations department as it relates to dedicated dispatch support as well as readiness to respond to major incidents. This service is specific to police activities only.
2. **Fire Services:** This is the support provided by the Operations department as it relates to dedicated dispatch support as well as readiness to respond to major incidents specific to Fire operations. This is called out separately as not all of the member or contracted agencies utilize fire services.
3. **Call-Taking:** This is the support provided by the Operations department as it relates to answering 911 and Non-Emergency calls for member and contracted agencies.

Based upon these three critical areas, it was determined that the most appropriate metrics by which to allocate the costs of Operations in the new methodology would be as follows: the number of emergency (911) calls, the number of non-emergency (seven-digit) calls, the number of police and fire CAD incidents, and the number of assigned police and fire dispatchers. All of these metrics are fairly standardized when considering other dispatching agencies throughout the country. Additionally, the use of these metrics allows the agency to capture the nuances of the services being provided.

Recommendation #6: Three layers of operation functions should be developed – Police Dispatching, Fire Dispatching, and Call-Taking; to appropriately capture the true services being provided in the Communications Center.

Recommendation #7: The three functional areas of Police Dispatching, Fire Dispatching, and Call-Taking should be allocated based upon number of dedicated dispatchers for each agency, calls for service for each agency, and 911 and Non-Emergency Call volume for each agency.

3 WEIGHTING OF ALLOCATION METRICS

With the most appropriate factors selected, the project team worked with Authority staff to determine the appropriate weight of each allocation metric associated with each dispatching functional area. The purpose of weighting the metrics is to most accurately and fairly spread the cost between police dispatching, fire dispatching, and call-taking. The following subsections discuss how each of the selected metrics is weighted and measured.

(1) Weight of Operations Functions

The first step in weighting the impact of each cost allocation metric is to determine the proportional impact which should be assigned to each of the three primary operations functions: police dispatch, fire dispatch, and call-taking. The relative weight assigned to each of these three functions was determined based on the number of staff assigned to each of them per shift².

- Police dispatch is the most straightforward of the three functions. There are six (6) positions assigned to this function at all times: one for each city.
- Fire dispatch is comprised of one and a half (1.5) positions. One of these functions is the primary dispatcher for the three participating fire agencies, and the other serves as a backup tactical channel.
- There are three and a half (3.5) positions dedicated to call-taking who handle incoming emergency and non-emergency calls to the dispatch center.

The following table shows the staffing and weighted percentages of each of these three functions. The percentages directly align with the percentage of communications staff dedicated to each function.

² The staffing assignments utilized for the development of the cost allocation analysis are presumed to go into effect July 1, 2020. The use of staffing assumptions that align with contract requirements as well as the direction the Authority is headed in allows the model to be as accurate and defensible as possible.

Function	Positions	Percentage
Police Dispatch	6	55%
Fire Dispatch	1.5	13%
Call-Taking	3.5	32%
Total	11	100%

As the table shows, police dispatching services represents just over half (55%) of the services provided by the Operations department. Call-taking services associated with both emergency and non-emergency phone calls represents almost a third (32%) of the services provided, with fire dispatching representing 13% of the services. If staffing changes in coming years and different numbers of positions are assigned to each function, the weight of these functions can easily be adjusted to align with the relative staffing of each service area.

(2) Police Dispatch

As shown above, 55% of Communications costs relate to police dispatch services. The support provided to member and contract agencies for Police services is dependent upon two major factors:

- **Dedicated Dispatch Services:** This reflects the dedicated staffing each agency receives to coordinate and dispatch police related incidents.
- **Calls for Service:** This reflects the additional support provided to each agency relating to overflow dispatching and readiness to serve in response to major events, where additional dispatchers beyond dedicated staff provide support.

In discussions with Authority staff, and dispatch supervisors, it was determined that dedicated police dispatch services should be weighted at 70%, and calls for service weighted at 30%. This weighting assumes that dedicated staffing should be the majority of an agencies' costs, as these costs are fixed. However, all agencies also receive the benefit of having the support of the additional dispatchers for support of any major incidents. The following table illustrates the breakout of police dispatch.

Allocation Basis	Percent of Police Dispatch Allocation	Percent of Total Operations Allocation
Assigned Staff	70%	39%
CAD Incident Volume	30%	16%
Police Allocation Total	100%	55%

As the table shows, 38% of total costs for the Operations Department would be allocated according to the number of assigned police dispatch staff, while 16% would be allocated according the number of police CAD incidents.

(3) Fire Dispatch

As outlined previously, approximately 18% of Operations costs relate to fire dispatch services. Similar to police dispatch, support provided to member and contract agencies for fire services is dependent upon two major factors:

- **Dedicated Dispatch Services:** This reflects the dedicated staffing each agency receives to coordinate and dispatch fire related incidents.
- **Calls for Service:** This reflects the additional support provided to each agency relating to overflow dispatching, as well as major events, where additional dispatchers beyond dedicated staff provide support for fire or medical related incidents.

In discussions with Authority staff and dispatch supervisors, it was determined that as with police dispatch services, fire dispatch services should also be weighted at 70%, and calls for service weighted at 30%. This weighting assumes that dedicated staffing should be the majority of an agencies' costs, while also accounting for the impact of higher call for services. The following table illustrates the breakout of fire dispatch.

Allocation Basis	Percent of Fire Dispatch Allocation	Percent of Total Operations Allocation
Assigned Staff	70%	9%
CAD Incident Volume	30%	4%
Fire Allocation Total	100%	13%

As the table shows, 9% of total costs for the Operations Department would be allocated according to the number of assigned fire dispatch staff, while 4% would be allocated according the number of fire CAD incidents.

(4) Call-Taking

With three (3) positions assigned to call-taking, a total of 27% of Operations Department costs would be allocated based on call-taking metrics. Call-taking services can be broken out into two main call types:

- **911 Calls:** This reflects calls that come through 911 and need to be immediately answered, routed, and or dispatched.
- **Non-Emergency Calls:** This reflects non-emergency calls (seven digit) which are not required to be answered immediately, as they are received on non-emergency lines, and are typically requests for non-emergency services and can be calls that ultimately are transferred to other agencies or other departments.

In discussions with Authority staff, and dispatch supervisors, it was determined that 911 call-taking services should be weighted at 60%, as they are higher priority and non-emergency calls weighted at 40%. The following table depicts the weighting and allocation based on these metrics.

Allocation Basis	Percent of Police Dispatch Allocation	Percent of Total Operations Allocation
Emergency Calls	60%	19%
Non-Emergency Calls	40%	13%
Call-Taking Allocation Total	100%	32%

As the table shows, 19% of total costs for the Operations Department would be allocated according to the number of incoming emergency calls, while 13% would be allocated according to the number of non-emergency calls.

(5) Summary

Based upon these three different functional areas and the proposed split of 70-30 for dedicated dispatch and readiness to serve, as well as split of 60-40 for Emergency and Non-Emergency Calls, the project team calculated the overall support and proposed cost being allocated by Operations for the six different functional areas. The following table shows this calculation

Allocation Basis	Percent of Total Operations Allocation	Proposed Operations Cost
Police – Dedicated Dispatch	39%	\$4,165,847
Police – Calls for Service	16%	\$1,785,363
Fire – Dedicated Dispatch	9%	\$980,715
Fire – Calls for Service	4%	\$420,306
Call-Taking Emergency Calls	19%	\$2,069,200
Call-Taking Non-Emergency Calls	13%	\$1,379,467
Operations Allocation Total	100%	\$10,800,898

As the table indicates the largest source of operations support is being allocated to Police services. This is reflective of the staffing provided in the dispatch center. It is important to note, that the allocation model created allows for Authority staff to update and make changes to these splits and percentages as any changes occur in the operational procedures of the Dispatch center. For example, if there are changes to the staffing of each of the three service areas, the agency may choose to update the split of 55%, 32%, and 13% (between Police, Call-Taking, and Fire). Alternatively, if there are changes in the level of support; meaning that even though there are dedicated dispatchers for each agency, but the primary driver of support is agency call volume, as high volume agencies are getting more than 1 dedicated dispatcher, the weighting of 70% dedicated dispatch and 30% calls for volume may need to be reevaluated.

Recommendation #8: The recommended level of weighting of allocation metrics is as follows:

- **Police Dispatching: 70% Dedicated Police Dispatchers; 30% Police Calls for Service**
- **Fire Dispatching: 70% Dedicated Fire Dispatchers; 30% Fire Calls for Service**
- **Call-Taking: 60% 911 Calls; 40% Non-Emergency calls**

These weights should be reevaluated if there are any major changes in operational practices for the Authority.

4 ALLOCATION OF DISPATCHER COSTS TO AGENCIES

Once the project team established the appropriate support to be allocated to each functional area, there needed to be appropriate metrics established to allocate these functions to the member and contracted agencies. The following subsections show the allocation basis utilized for each of the functional areas and the proposed results of this allocation.

1 Police Support

The following points detail the allocation metrics used to allocate costs associated with Police Dispatch between the dedicated dispatch and calls for service functions.

- **Dedicated Police Dispatch:** The following table illustrates the cost allocation methodology for the portion of operations costs (39%) which are to be allocated based on the number of assigned police dispatch positions, including number of dispatchers for each agency, allocation percentage, and resulting costs.

City	# of Dedicated Police Dispatchers	% Allocation	Operations Allocation
Culver City	1.00	17%	\$694,308
El Segundo	1.00	17%	\$694,308
Gardena	1.00	17%	\$694,308
Hawthorne	1.00	17%	\$694,308
Hermosa Beach	1.00	17%	\$694,308
Manhattan Beach	1.00	17%	\$694,308
Total	6.00	100%	\$4,165,847

As the table above shows, each agency has one full-time dedicated police dispatcher, so costs to be allocated according to this methodology would be split evenly across all six agencies, resulting in \$694,308 for each member and contracted agency.

- **Police Calls for Service:** The following table shows the cost allocation methodology for the 16% of operations costs which are to be allocated based on

the number of police CAD incidents (calls for service). The table shows the 2018 volume of police calls for service originating in each jurisdiction, the corresponding percentage of all police calls for service, and resulting costs.

City	Police Calls for Service	% Allocation	Operations Allocation
Culver City	61,536	19%	\$340,063
El Segundo	33,739	10%	\$186,450
Gardena	68,849	21%	\$380,476
Hawthorne	86,923	27%	\$480,358
Hermosa Beach	29,525	9%	\$163,162
Manhattan Beach	42,498	13%	\$234,854
Total	323,070	100%	\$1,785,363

As the table shows, the allocation of operations costs differs from one agency to the next, depending on the volume of police calls for service captured in the CAD system. With 86,923 calls for service, Hawthorne has the highest proportion of call volume and as such bears the highest portion of this cost.

Overall, based upon the two functional areas within the police, the following table shows the summary of the percentage of support, and the total allocation by operations:

City	% Allocation	Operations Allocation
Culver City	17%	\$1,034,371
El Segundo	15%	\$880,758
Gardena	18%	\$1,074,784
Hawthorne	20%	\$1,174,665
Hermosa Beach	14%	\$857,470
Manhattan Beach	16%	\$929,162
Total	100%	\$5,951,210

As the table indicates, generally speaking all of the agencies are within 2-5% of each other as it relates to the support received regarding Police Dispatch services. The largest proportion of costs are associated with Hawthorne and Gardena and that is due to their large call volume.

If the number of dedicated dispatch positions or the volume of police calls for service fluctuate in future years, the allocation methodology for each of these metrics can be adjusted accordingly to reflect the updated support being provided to contracted and member agencies.

2 Fire Dispatch

The following points detail the allocation metrics used to allocate costs associated with Fire Dispatch between the dedicated dispatch and calls for service functions.

- **Dedicated Fire Dispatch:** The following table shows the cost allocation methodology for the 9% of operations costs which are to be allocated based on fire dispatching metrics. The table shows the number of dedicated fire dispatch positions assigned to each participating agency, associated allocation percentage, and resulting costs.

City	# of Dedicated Fire Dispatchers	% Allocation	Operations Allocation
Culver City	.50	33%	\$326,905
El Segundo	.50	33%	\$326,905
Manhattan Beach	.50	33%	\$326,905
Total	1.50	100%	\$980,715

As the table shows, only the cities of Culver City, El Segundo, and Manhattan Beach receive fire dispatch services. All three agencies share fire dispatching resources; hence they receive equal support³.

- **Fire Calls for Service:** The following table shows the allocation of the 4% of communications costs which are to be apportioned based on the volume of fire CAD incidents (calls for service) for each agency. The table shows the 2018 volume of fire calls for service originating in each jurisdiction, the corresponding percentage of all fire calls for service, and resulting costs.

City	# of Fire Calls for Service	% Allocation	Operations Allocation
Culver City	7,280	49%	\$206,913
El Segundo	4,005	27%	\$113,831
Manhattan Beach	3,503	24%	\$99,563
Total	14,788	100%	\$420,306

As the table shows, the allocation for each city varies. Culver City accounts for nearly half of all fire calls for service, and their allocation of cost is \$276,406. El Segundo and Manhattan Beach account for smaller percentages of fire calls for service, and thus take on smaller portions of the cost allocation.

Overall, the total support related to Fire dispatching is allocated to the contracted and member agencies as follows:

City	% Allocation	Operations Allocation
Culver City	38%	\$533,818
El Segundo	32%	\$440,735
Manhattan Beach	30%	\$426,468
Total	100%	\$1,401,021

³ The proposed allocation metric of equal dedicated dispatching resources for all three fire agencies is based upon the current contract with Culver City. Once the Authority transitions to the INSB network, Culver City will then be on the same frequency as other fire agencies to enable them to share a fire dispatcher. This would align with Culver City's contract of paying for shared fire dispatching services.

As the table indicates, the largest proportion of fire support is associated with Culver City as it has the largest call volume; while El Segundo and Manhattan Beach are fairly similar in their level of calls.

If the number of dedicated fire dispatch positions or the volume of fire calls for service fluctuate in future years, the allocation methodology for each of these metrics can be adjusted accordingly to reflect the updated support being provided.

3 Call-Taking

The following points detail the allocation metrics used to allocate costs associated with Call-Taking services between the 911 and non-emergency functions.

- **911 Calls:** The following table shows the methodology of cost allocation for the 19% of operations costs to be allocated according to the number of emergency 911 calls received from each agency. The table shows 2018 call volume, associated percentage of 911 calls, and resulting costs allocated to each agency.

City	# of 911 Calls	% Allocation	Operations Allocation
Culver City	16,464	17%	\$342,416
El Segundo	9,068	9%	\$188,595
Gardena	23,757	24%	\$494,095
Hawthorne	38,936	39%	\$809,785
Hermosa Beach	4,229	4%	\$87,954
Manhattan Beach	7,037	7%	\$146,355
Total	99,491	100%	\$2,069,200

As the table shows, the volume of incoming emergency calls varies by agency. Hawthorne generates more calls than any other city, with 39% of incoming emergency calls translating into \$809,785 of total operations costs. Other cities have smaller call volumes; Hermosa Beach has the smallest call 911 call volume, and accounts for \$87,954 of communications costs.

- **Non-Emergency Calls:** The following table shows the allocation of the 13% of operations costs which are spread among the participating agencies based on their non-emergency call volume, the number of seven-digit calls which their residents make to the Authority. The table shows the call volume, the percent of non-emergency calls, and the corresponding operations costs to be allocated.

City	# of Non-Emergency Calls	% Allocation	Operations Allocation
Culver City	73,046	32%	\$435,392
El Segundo	19,251	8%	\$114,746
Gardena	40,371	17%	\$240,632
Hawthorne	46,956	20%	\$279,882
Hermosa Beach	15,879	7%	\$94,647
Manhattan Beach	35,931	16%	\$214,167
Total	231,434	100%	\$1,379,467

As the table shows, Culver City generates nearly a third of all non-emergency calls, and thus bears the largest percentage of allocated costs (\$435,392). The cities of El Segundo and Hermosa Beach have the lowest call volumes, and account for \$114,746 and \$94,647 of the call taking costs respectively.

Similar to Police and Fire, the project team calculated the overall support and projected operations allocation to the member and contracted agencies for the Call-Taking functional area. The following table shows by jurisdiction, the resulting percentage of support, and the proposed operations allocation for call-taking.

City	% Allocation	Operations Allocation
Culver City	23%	\$777,808
El Segundo	9%	\$303,341
Gardena	21%	\$734,727
Hawthorne	32%	\$1,089,668
Hermosa Beach	5%	\$182,601
Manhattan Beach	10%	\$360,522
Total	100%	\$3,448,666

As the table indicates the largest percentages of support for call-taking are associated with Hawthorne, Culver City, and Gardena. Agencies such as Hermosa Beach, El Segundo, and Manhattan Beach have lower emergency and non-emergency call volumes.

If the number of emergency or non-emergency calls fluctuate in future years, the allocation methodology for each of these metrics can be adjusted accordingly to reflect updated support.

4 ALLOCATION OF OPERATIONS COSTS - SUMMARY

The following table summarizes the results of the proposed allocation methodology for operations costs. It shows the total cost for each agency according to the different metrics used.

City	Police Support	Fire Support	Call-Taking Support	Total Operations
Culver City	\$1,034,371	\$533,818	\$777,808	\$2,345,997
El Segundo	\$880,758	\$440,735	\$303,341	\$1,624,834
Gardena	\$1,074,784	\$0	\$734,727	\$1,809,511
Hawthorne	\$1,174,665	\$0	\$1,089,668	\$2,264,333
Hermosa Beach	\$857,470	\$0	\$182,601	\$1,040,071
Manhattan Beach	\$929,162	\$426,468	\$360,522	\$1,716,152
Total	\$5,951,210	\$1,401,021	\$3,448,666	\$10,800,898

Overall, Operations allocated approximately \$10.8 million to member and contract agencies. Based upon the total costs allocated, the largest proportion of support is received by Culver City at \$2.35 million followed by Hawthorne at \$2.26 million.

5. Allocation of Technical Services Costs

The Authority's Technical Services Division works on vehicles for each of the participating agencies, outfitting them with equipment related to emergency response and communications work and making repairs as necessary. This includes lights, sirens, gun racks, communications equipment, and other use-specific outfitting which goes beyond traditional body work. The following subsections provide an overview of the current methodology for capturing Technical Services costs, the total costs to be allocated for Technical Services, the proposed allocation metrics considered, the resulting proposed allocation, and miscellaneous fees and charges for Technical Services.

1 CURRENT ALLOCATION METHODOLOGY

As discussed in the overview of the current methodology, the support provided by Technical Services is accounted for in two different manners:

1. **Direct Parts:** The cost of any parts purchased as it relates to Technical services job requests are passed on directly to the member or contracted agencies. There is no mark-up on these parts.
2. **Labor:** The cost of the labor associated with processing the technical services requested are accounted for through the Authority's overall assessment and are not billed separately to the member/contracted agencies.

As the points demonstrate there are currently two different components of Technical Services and they are being accounted for separately and distinctly. For any non-member or non-contracted agency to which the Technical Services Division provides support, costs are billed at time and materials. The time is based on a fully burdened billable hourly rate and the materials account for direct costs as well as a markup associated with managing the process of acquiring those parts.

Due to the unique nature of Technical services, it is not appropriate to allocate it in the same manner as operations, as the level of call volume or number of dispatchers does not correlate to the work provided by Technical Services staff. Therefore, as discussed in the current methodology chapter, these costs must be broken out separately in the assessment calculation and allocated utilizing different metric(s).

2 TOTAL TECHNICAL SERVICES COSTS TO BE ALLOCATED

Similar to the Operations Department, the Technical Services Division is a separate budgetary unit within the Authority. The costs to be allocated for Technical Services consist of the following five major categories:

1. **Personnel Costs:** These are the salaries, benefits, retirement, workers' compensation, and other employee related costs associated with the technical services specialists.
2. **Operating Costs:** The operating costs are line item expenditures associated with the functioning of the technical services center related to items such as uniforms, purchasing of parts, towers, etc.
3. **Excluded Costs:** There are certain line items in the operating cost component of the Technical Services Division, which are related to Authority-wide functions and support and as such should not be allocated through Technical Services. These line items associated with CAD costs and equipment / tower maintenance were excluded from Technical Services and allocated to the Administration Division.
4. **Revenue Offsets:** There are specific revenue offsets that the technical service center receives, and similar to administrative costs in order to ensure fair allocation of costs, these offsets were applied to the total expenses to be allocated. The most important of these revenue offsets is the billing of parts; as this ensures that member and contracted agencies are only charged once for the parts costs.
5. **Incoming Indirect Support:** The indirect support calculated from the Administrative Division is added to the total direct expenses for Technical Services to ensure that both direct and indirect expenses for these services are being allocated to the contracted and member agencies.

These four categories are anticipated to total \$1,587,390 in FY 19-20. The costs associated with the Technical Services function could be allocated based upon a singular allocation basis or metric or multiple metrics and service areas.

3 SELECTION OF ALLOCATION METRICS

The project team considered three separate metrics for determining how the costs associated with Technical Services work should be allocated. The following points discuss these metrics and the project team's decisions about each of them.

- **Job Volume:** The number of job requests submitted by each agency was the first consideration. This metric is easy to track and generally correlates with the amount of time dedicated to each agency. The more job requests results in more time being spent with that agency. However, it does not account for the different sizes of job request; outfitting a new police cruiser counts as one job, the same as doing a single light replacement.

- **Invoice Amounts:** The total amount invoiced to agencies was the second consideration. Because the only costs billed to agencies are the cost of parts, this metric would simply use the compiled cost of parts over the course of the year and allocate the total costs of technical services in the same proportions. Job costs don't easily correlate to staff efforts, as a minor low dollar parts may need to be replaced, but due to the location of the part, it could take several staff hours. Conversely, an expensive part, may take minimal staff hours to install. Additionally, depending upon the philosophy of certain agencies, parts may be salvaged from other vehicles and utilized; while other agencies might request all new parts. As such, the invoice amounts are less dependent upon staff effort and more dependent upon the types of equipment and spending philosophy of each contracted or member agency.
- **Vehicle Count:** The total number of vehicles in each agency was considered as a basis for cost allocation, since it would roughly correlate with the amount of services required from the technical services staff. The more vehicles an agency has, the more need it has to utilize Technical Services to help outfit its fleet appropriately. However, this methodology assumes that all vehicles are the same and does not consider whether a vehicle is police cruiser or undercover police car.

As the points demonstrate all three metrics are able to generate some nexus between service provided and the service received; however, the metric with the strongest nexus is the number of job requests. This metric, barring the use of labor hours, most accurately captures the level of effort spent by staff based upon workload directly generated by the member or contracted agencies. The use of job requests in lieu of part costs and vehicle count was discussed with Authority and Technical services staff to verify that any support generated from this metric was reflective of the time spent by staff working on contracted/ member agencies.

The Authority is in the process of constantly improving its tracking on parts and labor costs for Technical services. The best allocation metric for Technical Services would be the use of labor hours as that would most accurately capture the support being provided as one job request could take 5 hours and one job request could take 2 weeks to complete. In the next 3-5 years, Technical services should start to track labor hours and convert to utilizing that as an allocation metric. The use of this metric would most accurately capture the support spent for each member and contracted agency.

Recommendation #9: Costs associated with Technical Services should be based upon job requests per member and contracted agency.

Recommendation #10: In the next 3-5 years, the Technical Services Division should start tracking labor hours and utilize that data to allocate its costs among member and contracted agencies.

4 ALLOCATION OF TECHNICAL SERVICES COSTS

Due to the cyclical nature of Technical Services, as not all vehicles or equipment would require support ever year, the project team reviewed multiple years of job request data in order to determine if a singular year or multiple years of data should be used to develop the allocation methodology. The following table shows the count of job requests for each agency over the last three calendar years.

City	2016 Job Count	2017 Job Count	2018 Job Count	3 yr Job Total	3 yr Job Average
Culver City	17	18	9	44	14.67
El Segundo	27	26	16	69	23.00
Gardena	42	20	15	77	25.67
Hawthorne	89	50	9	148	49.33
Hermosa Beach	20	11	9	40	13.33
Manhattan Beach	51	24	12	87	29.00
Total	246	149	70	465	155.00

As the table indicates, job requests vary significantly from year to year. For example, Hawthorne goes from having 89 job requests in 2016 to only 9 job requests in 2018; similarly, Manhattan Beach goes from 51 requests to 12 requests. As such, a three-year average is recommended in order to smooth the allocation and avoid dramatic swings in costs from year to year. The three-year time period allows for enough time to have passed to require an upgrade to existing equipment and/or the need for installing new equipment. The following table shows the three-year average of job requests for each agency, the allocation percentage, and corresponding cost associated with Technical Services which would be allocated to each agency as a result.

City	3-Year Average Job Count	% Allocation	Technical Services Allocation
Culver City	14.67	9%	\$150,205
El Segundo	23.00	15%	\$235,548
Gardena	25.67	17%	\$262,858
Hawthorne	49.33	32%	\$505,234
Hermosa Beach	13.33	9%	\$136,550
Manhattan Beach	29.00	19%	\$296,996
Total	155.00	100%	\$1,587,390

As the table shows, Hawthorne has the greatest average number of job requests, resulting in \$505,234 in Technical Services cost allocation. Hermosa Beach (\$136,550) and Culver City (\$150,205) have low averages, resulting in the least amount of costs associated with Technical services.

6. Proposed Assessment Cost Allocation Results

The following sections outline the costs which would be allocated to each of the member and contract agencies under the proposed methodology developed for the Assessment calculation based upon the changes to Administrative, Operations, and Technical Services Allocations. The following subsections show the proposed allocation results and compare the current and proposed results under the recommended assessment methodology.

1 ALLOCATION RESULTS

Including all personnel costs, operating costs, revenue offsets, capital costs, and fixed assets, the Authority's FY 19-20 costs total \$12,388,288. As outlined in the previous chapters, these costs were allocated to member and contract agencies based on the type of services (Operations and Technical Services), as well as specific metrics that reflect how those services impact staffing and support provided by the Authority. The following table outlines the results of a cost allocation study for each contract and member agency, broken down by Operations and Technical Services allocations.

City	Operations Allocation	Technical Services Allocation	Total Allocation	% of Authority Cost
Culver City	\$2,345,997	\$150,205	\$2,496,201	20%
El Segundo	\$1,624,834	\$235,548	\$1,860,382	15%
Gardena	\$1,809,511	\$262,858	\$2,072,369	17%
Hawthorne	\$2,264,333	\$505,234	\$2,769,567	22%
Hermosa Beach	\$1,040,071	\$136,550	\$1,176,621	9%
Manhattan Beach	\$1,716,152	\$296,996	\$2,013,147	16%
TOTAL	\$10,800,898	\$1,587,390	\$12,388,288	100%

As shown in the table above, the City of Hawthorne receives the highest total allocation of Authority costs at 22%, which equates to \$2,769,567; followed by Culver City who receives 20% of the support, which equates to \$2,496,201. The City of Hermosa Beach receives the lowest allocation (\$1,176,621) of Authority costs at 9%.

2 COMPARISON OF CURRENT AND PROPOSED ALLOCATIONS

As discussed earlier in this report, the Authority currently uses a singular metric (calls for service) to allocate all services provided by the Authority. Furthermore, once costs have been allocated, the resulting numbers are then increased by an annual percentage according to contracts, rather than re-evaluating costs annually. The following table

shows how the current allocation of Authority costs for FY 19-20 compares to the proposed allocation of Authority costs for FY 19-20.

Jurisdiction	Current Assessment	Current %	Proposed Assessment	Proposed %	\$ Increase/Decrease	% Increase/Decrease
Culver City	\$2,587,601	21%	\$2,496,201	20%	(\$91,400)	-4%
El Segundo	\$1,372,870	11%	\$1,860,382	15%	\$487,512	36%
Gardena	\$2,391,301	19%	\$2,072,369	17%	(\$318,932)	-13%
Hawthorne	\$3,359,598	27%	\$2,769,567	22%	(\$590,031)	-18%
Hermosa Beach	\$975,208	8%	\$1,176,621	9%	\$201,413	21%
Manhattan Beach	\$1,703,280	14%	\$2,013,147	16%	\$309,867	18%
Total	\$12,389,858	100%	\$12,388,288	100%	(\$1,570)	0%

For FY 19-20, the Authority allocated \$12,389,858 in costs to member and contract agencies excluding direct charges for materials and parts from Technical Services, as well as direct costs associated with Operations such as wireless data and medical director services. While the overall difference between the total costs being allocated currently and the proposed allocation is only \$1,570, each agency sees a significant change in allocated costs (except for Culver City). The largest dollar value change is for Hawthorne, for which the costs would decline by approximately \$590,000. The largest percentage change between current and proposed would be El Segundo; which would see a 36% increase in costs.

The numerical results shown in this section of the report are meant to indicate the true cost of providing services to each member and contracted agency based upon the metrics discussed. These costs are based on FY19-20 expenses and metrics primarily from 2018, with the exception of Technical Services for whom the project team utilized a 3 year average (2016, 2017, and 2018). The nature of cost allocation is that it is calculated based off of a fixed point in time and usually utilizes prior year statistics to inform future costs and trends.

The results of this analysis do not indicate an immediate change in assessment amounts. The Authority already has determined the assessment amount for FY19-20, based upon existing methodology and contract provisions. The calculations in this study are meant to be reflective of utilizing a more detailed cost allocation approach.

7. Cost Adjustment Surcharge

The previous chapters have discussed how the Authority currently allocates budgeted costs, and provides options and recommendations for improving allocations to more fairly allocate costs between member and contract agencies. However, the Authority also has unfunded liabilities associated with Public Employees' Retirement System (PERS), Other Post-Employment Benefits (OPEB) and long-term capital improvement needs which are not currently accounted for in annual budgets.

The unfunded liabilities associated with PERS and OPEB are common to most municipal organizations and agencies in California. The member agencies of Gardena, Hawthorne, and Manhattan Beach hold a stake in the Authority, and are responsible for additional financial liabilities such as maintaining reserves, funding capital improvement projects, and paying for OPEB and PERS liabilities for staff if a contract agency should leave the Authority. For this reason, there are currently specific costs being borne by member agencies, but not by contracted agencies. Therefore, the project team worked with Authority staff to consider the creation of a Cost Adjustment Surcharge that could be applied to contract agencies to help offset future liabilities.

The following subsections look at current unfunded liabilities, development of a Cost Adjustment Surcharge, impacts to contract agencies, and the implementation of the Cost Adjustment Surcharge.

1 CURRENT UNFUNDED LIABILITIES

In discussions with Authority staff, the three major funding liabilities facing the Authority are PERS, OPEB and CIP's. These liabilities could total \$9,725,000 over the next 10 years. The project team worked with Authority staff to derive the 10 year life for the PERS and OPEB liabilities. The typical timeframe for the risk and liability associated with PERS and OPEB varies from 10-50 years depending upon the fiscal risk nature of the agency. However, due to the typical structuring of 10 year contracts by the Authority, with contractual agencies having the ability to end their contractual relationship at the end of that term without assuming any of the liability, the 10 year figure was derived. This estimate is meant to enable the Authority to annualize its risk factor, rather than the member agencies assuming the risk of the full liability. The following table outlines each cost component, its projected cost, the number of years for which that cost is meant to cover, and the resulting annual cost.

Cost Adjustment Categories	Total Projected Cost	# of years	Annual Cost
PERS Unfunded Liability	\$6,800,000	10	\$680,000
OPEB Liability	\$2,800,000	10	\$280,000
Capital Improvement Projects	\$125,000	1	\$125,000
TOTAL	\$9,725,000		\$1,085,000

As shown in the table above, PERS is projected to cost \$6,800,000 and OPEB is expected to cost \$2,800,000 over the next ten years. Unfunded CIP's are only expected to cost \$125,000 over the next year. Looking at these costs on an annual basis, the Authority should be setting aside \$1,085,000 annually to fund these liabilities.

Recommendation #11: The Authority has several unfunded liabilities, which are currently only borne by the member agencies. A portion of the costs of the unfunded liabilities should be passed onto the contracted agencies. For FY19-20 the estimated annual unfunded liability costs are approximately \$1.085 million.

2 COST ADJUSTMENT CALCULATION

Once annual liability costs were calculated, the project team looked at determining the appropriate amount of liability that should be funded by contract agencies; as it is not defensible nor equitable for all unfunded liability costs to be passed onto contract agencies. There were two steps involved in this calculation: First the amount of liability that should be borne by contract agencies needed to be determined, and then a surcharge was developed. The following subsections outline these calculations.

(1) Share of Liability Borne by Contract Agencies

When looking at how best to apportion costs between contract and member agencies, the most equitable way is to look at the overall proportion of Authority costs. Based on the proposed allocation of costs outlined in this report, contract agencies represent approximately 45% of Authority costs, while member agencies represent 55%. The following table outlines this assumption.

Jurisdiction	Proposed Assessment	% of Cost
Culver City	\$2,496,201	
El Segundo	\$1,860,382	
Hermosa Beach	\$1,176,621	
Total Contract Agencies	\$5,533,205	45%
Gardena	\$2,072,369	
Hawthorne	\$2,769,567	
Manhattan Beach	\$2,013,147	
Total Member Agencies	\$6,855,083	55%
Total Authority Costs	\$12,388,288	100%

Based on the proposed assessment of Authority costs, contract agencies represent \$5,533,205 of the total costs, while member agencies account for \$6,855,083. Using

these proportions, contract agencies should bear approximately 46% of the Authority's unfunded liabilities. The following table calculates these costs.

Cost Adjustment Categories	Annual Cost	% Borne by Contract Agencies	Annual Contract Agency Cost
PERS Unfunded Liability	\$680,000	45%	\$303,721
OPEB Liability	\$280,000	45%	\$125,061
Capital Improvement Projects	\$125,000	45%	\$55,831
TOTAL	\$1,085,000		\$484,613

The total annual cost associated with unfunded liabilities that should be borne by contract agencies is approximately \$485,000.

Recommendation #12: The proportionate share of the unfunded liability to be borne by the contracted agencies should be determined based upon a measurable metric such as their total assessment value compared to member agencies proposed assessments. This results in a recommended allocation of 45% of unfunded liability costs that should be borne by contracted agencies.

(2) Cost Adjustment Surcharge

A cost adjustment surcharge was developed by looking at the ratio of unfunded costs to allocated costs. The following table outlines this calculation.

Annual Contract Agency Liability	\$484,613	9%
Annual Contract Agency Assessment	\$5,533,205	

Based on the proportionality of costs identified above, a 9% surcharge could be applied to contract agency assessments in order to collect funds to offset unfunded liabilities.

Recommendation #13: The Authority should implement a cost adjustment surcharge of no greater than 9% of total proposed assessment allocation to contract agencies to recover costs associated with unfunded liabilities.

3 COST ADJUSTMENT SURCHARGE IMPACTS

If the Authority were to adopt and implement a 9% surcharge, applicable to contract agencies, funds could be raised to offset unfunded liabilities. The following table shows how this surcharge would increase contract agency costs, as well as the resulting change in share of Authority costs.

City	Proposed Allocation	Cost Adjustment	Total Allocation	% of Cost
Culver City	\$2,496,201	\$218,624	\$2,714,825	21%
El Segundo	\$1,860,382	\$162,937	\$2,023,320	16%
Gardena	\$2,072,369		\$2,072,369	16%
Hawthorne	\$2,769,567		\$2,769,567	22%
Hermosa Beach	\$1,176,621	\$103,052	\$1,279,673	10%
Manhattan Beach	\$2,013,147		\$2,013,147	16%
TOTAL	\$12,388,288	\$484,613	\$12,872,901	100%

As outlined in the table above, Culver City would see the greatest increase in Authority costs, with a cost adjustment of \$218,624, while Hermosa Beach would see the smallest increase, with a cost adjustment of \$103,052. The following table shows how the inclusion of the cost adjustment surcharge would compare to the current Authority assessment.

Jurisdiction	Current Assessment	Current %	Proposed Assessment	Proposed %	\$ Increase/Decrease	% Increase/Decrease
Culver City	\$2,587,601	21%	\$2,714,825	21%	\$127,224	5%
El Segundo	\$1,372,870	11%	\$2,023,320	16%	\$650,450	47%
Gardena	\$2,391,301	19%	\$2,072,369	16%	(\$318,932)	-13%
Hawthorne	\$3,359,598	27%	\$2,769,567	22%	(\$590,031)	-18%
Hermosa Beach	\$975,208	8%	\$1,279,673	10%	\$304,465	31%
Manhattan Beach	\$1,703,280	14%	\$2,013,147	16%	\$309,867	18%
Total	\$12,389,858	100%	\$12,872,901	100%	\$483,043	4%

Should the Authority implement a cost adjustment surcharge, contract cities would see a larger increase than was discussed between the current assessment and the proposed methodology. Culver City would still see the least increase of costs of \$127,224, while El Segundo would see the greatest increase of \$650,450.

4 ADOPTION AND IMPLEMENTATION

The Authority should review the costs included for recovery, determine an appropriate surcharge level, and address contract agency agreements when appropriate to implement any surcharges.

1 Surcharge Adoption

The cost adjustment surcharge developed through this study is based on projected costs, and assumes an equitable distribution of liability between member and contract agencies. The Authority would need to review all assumptions associated with this calculation, including:

- **Adjustment Categories:** The cost adjustment categories only account for PERS and OPEB Unfunded liabilities and additional capital projects. As the Authority continues to refine its financial projection models, there might be additional cost adjustment categories to be considered.
- **Projected Costs:** The costs included in this analysis are meant to be estimated projected costs of future unfunded liabilities. The Authority is in the midst of constantly adjusting and refining these estimates. As more accurate estimates become available the cost adjustment surcharge should be updated.
- **Length of Liability:** The project team has utilized standardized life of liability calculations; however, as the costs and cost categories are further defined, these lengths should be reviewed for accuracy.
- **Proportion of Liability Borne by Contract Agencies:** The recommended proportion of liability to be shared or borne by contract agencies is based upon the total assessments of contracted compared to member agencies. However, as there are changes to member agencies or contract agencies, this proportion should be evaluated. Additionally, the Authority should determine if it would like to use different criteria for determining this share.

Assuming the Authority agrees with the basis of the cost adjustment surcharge to account for unfunded liabilities, as well as the cost assumptions utilized, the Authority would then need to determine the appropriate surcharge amount. The project team has calculated a justifiable and defensible cost adjustment surcharge of 9% to be applied to the total assessments calculated for the contracted agencies. This 9% is the maximum surcharge that could be applied based upon the assumptions outlined in this section. The Authority has the authority to apply a surcharge at any rate between 0% (no surcharge) to a high of 9%.

Recommendation #14: The Authority should review the cost adjustment surcharge calculation to ensure its agreement with all assumptions and the methodology behind the calculation.

Recommendation #15: The Authority should determine an appropriate cost adjustment surcharge rate between 0-9% to be applied to the proposed assessment for contract agencies.

2 Surcharge Implementation

Once the Authority determines the appropriate surcharge amount, the Finance and Executive staff should update their policies and procedures documentation to outline this surcharge amount, the methodology and basis for it, and the reasoning behind the specific surcharge amount chosen. This is not only best practice, but ensures that if there

are any operational or procedural changes regarding the unfunded liabilities, it has clearly documented the portion of the liability that was chosen to be recovered through this cost adjustment surcharge.

Additionally, while the Authority can choose to adopt and implement a cost adjustment surcharge, it may not be feasible to implement the surcharge immediately, as each contract agency has an agreement with the Authority regarding when and by how much costs can increase annually. Therefore, the Authority would need to determine what costs it would like to recover and develop a plan for implementation with each contract agency. The results of this analysis have revealed that there may be the need for the Authority to restructure its contracts with the contracted agencies to ensure that the contract:

- does not limit the total annual cost increases
- ensures annual cost increases are based on actual services provided (i.e. updates to cost allocation model)
- accounts for the Authority adopted surcharge application
- accounts for any re-evaluation of new methodology if there are “material changes”⁴ to the Authority

This type of language change would allow the greatest flexibility to the Authority, as well as ensure contracted agencies that their increases in costs are tied directly to increases/ changes in Authority operating expenses (not a regional CPI factor) as well as any changes to unfunded liabilities. The inclusion of the “material changes” clause also ensures that the same criteria for updating contracted agencies is in place as is for the member agencies. This promotes consistency in methodology changes and ensures that any new assessment charges are applied across all agencies.

Beyond developing an implementation plan for each contract agency, the Authority should also develop a plan for setting collected surcharge funds aside in a restricted fund. This would ensure that the Authority keeps these funds separate from general operating funds, and if and when there is the need to pay for those future liabilities there is specific funding set aside for those needs.

This restricted fund would need to be created and established based upon Authority approval and be reported upon annually during the budget process. A policy and procedure regarding appropriate and acceptable uses of this funding source should also be established to ensure that the funds are being used for identified purposes. For example, if there is a need for additional staffing, that should not be paid out of this funding source; however, if there is the need to pay down some unfunded liability costs, then those funds should be taken from this cost adjustment surcharge fund.

⁴ The use of “material changes” is deliberate to be consistent with the language utilized in the Authority’s bylaws.

Recommendation #16: The Authority approved cost adjustment surcharge should be documented in a policy and procedure document, including outlining the assumptions behind the calculation and the reasoning for choosing the specific rate amount.

Recommendation #17: The Authority should update and review its contract language with contracted agencies to ensure at a minimum the following:

- There is no limit on the annual increase amount***
- Annual changes in cost are based upon actual service metrics (i.e. dedicated dispatchers, calls for service, job requests, etc.)***
- Cost Adjustment surcharge***
- Reevaluation of assessment and methodology, if there is a material change in the Authority***

This ensures that the contract provides greatest flexibility to Authority and transparency to contract agencies.

Recommendation #18: The revenue collected under the unfunded liability cost adjustment surcharge should be stored and accounted for through a separate restricted fund at the Authority.

Recommendation #19: The Authority staff should develop policies and procedures regarding the establishment of the cost adjustment surcharge restricted fund, as well as appropriate use of fund money.

8. Future Allocation / Operational Recommendations

The primary focus of the analysis was to help the Authority identify the most defensible and streamlined approach for allocating its services to contracted and member agencies. However, a secondary focus of this analysis was, upon conclusion of this study, the results be used to enable the Authority to continue to meet best practices regarding dispatch and technical services cost allocation. Therefore, this chapter of the report was developed to provide recommendations specifically related to future operational and allocation needs for the Authority. The following subsections discuss the annual re-calculation of assessments, development of simplified methodology explanation documentation, billing for wireless services, the changes in composition of contracted agencies, and the reconciliation of assessment costs.

1 ANNUAL RE-CALCULATION OF ASSESSMENTS

While the Authority currently does recalculate assessments annually, this recalculation is limited to cost factor increases and not based upon actual service levels or expenses of the Authority. Therefore, the project team recommends, that per best management practices and cost allocation guidelines, the Authority should annually update its cost allocation model to ensure that assessments are fair, accurate, and representative of services being received.

The annual reevaluation of the key service driver metrics also ensures that if there are changes in dispatch or technical services operations, those are captured and passed along appropriately to all member and contracted agencies. The annual update to the assessment would require reviewing the following key factors annually:

- Review annual operating expenses for the Authority for Administrative, Technical Services, and Operations, to ensure that costs are appropriately spread to all agencies.
- Review of dedicated dispatch positions by agency for police and fire services.
- Update the number of police calls for service and fire calls for service by agency.
- Update the volume of non-emergency and emergency (911) calls by agency.
- Review/update as necessary technical services job requests, including evaluating the continued need for utilizing averages.

The project team has provided the Authority with a cost allocation model, in which staff would be able to enter these updated metrics as well as updated cost information and

recalculate on an annual basis the total assessment (with or without approved cost adjustment surcharge) annually.

Recommendation #20: The Authority should utilize the Cost Allocation Model provided to annually re-calculate and update the assessments for member and contracted agencies.

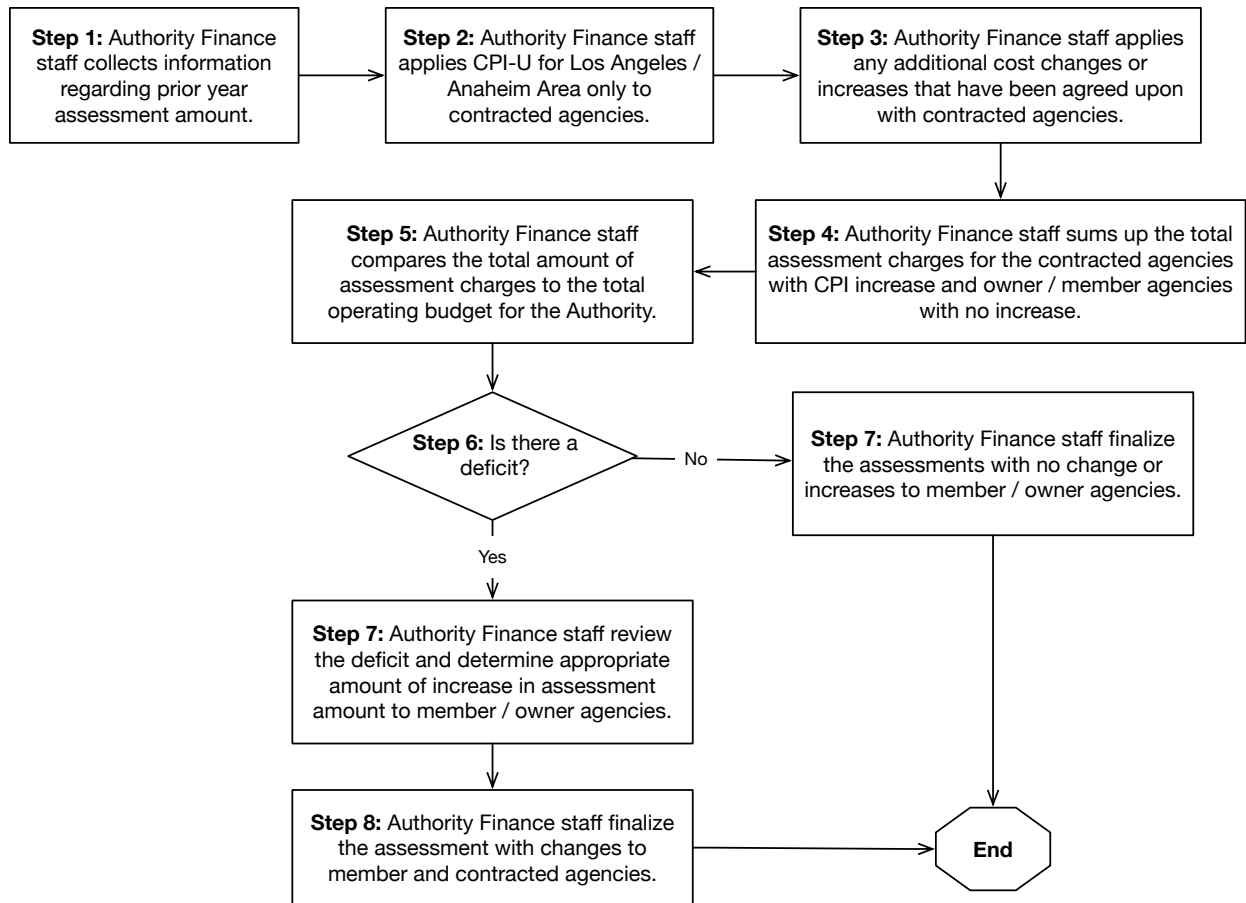
2 TRANSPARENCY OF COST ALLOCATION

As part of the evaluation of the cost allocation of assessment charges by the Authority to its member and contracted agencies, the project team interviewed the contract agencies. The key theme and focus of this interview was a lack of understanding and transparency regarding the current allocation methodology in use by the Authority. Therefore, one of the key recommendations of this analysis is that the Authority should develop an informational page or brochure that clearly outlines its current and proposed methodology.

The purpose of this documentation is that it can be provided to any of the current internal agencies (member or contracted agencies) as well as any potential agencies to demonstrate the methodology that the Authority utilizes for determining its annual assessment amount.

The current methodology in use by the Authority is fairly simplified as it relates to determining or calculating the annual increase amounts. The primary source of complication in this methodology relates to the calculation of the original or base assessment amount as that is the only amount that can be traced to calls for service volume. As such, the methodology is based on two different layers; Year 1 the contracted agency is charged based upon calls for service volume, and all future years it is charged based upon annual cost factor increases.

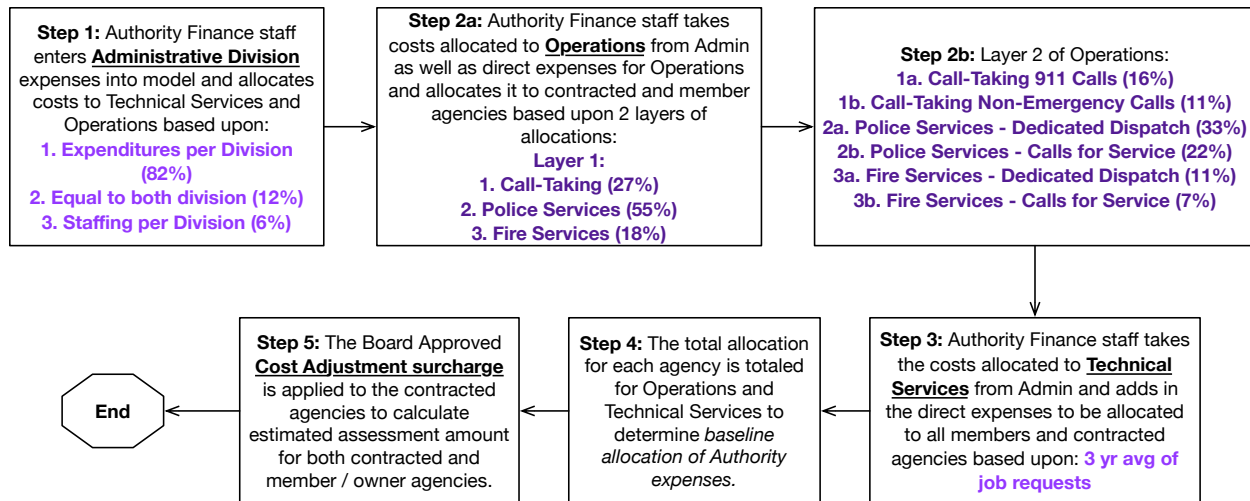
The following flowchart shows a visual representation of the current methodology employed by the Authority as it relates to current contracted and member agencies.



As the flowchart demonstrates, it is clear how the annual assessment amount is determined for all existing agencies; however, it is not very clear to any potential agencies, how their assessment could potentially be determined.

The proposed allocation methodology recommended through this study takes a much more granular approach and is directly related to the services provided to each of the jurisdictions. Additionally, one of the key recommendations of this analysis is that there should be annual updates to the Cost Allocation Model to ensure that any increases in costs are due to expense increases, as well as service level provision and not just on regional cost factors.

The following flowchart prepared by the project team outlines the steps for the proposed allocation methodology.



As the proposed flowchart indicates that not only does it cut the number of steps from 7 or 8 steps to a total of 5 steps, it also clearly indicates to any internal and external agencies the key drivers of the allocation calculation, as well as that there are essentially three layers of allocation:

Layer 1: Agency Administrative Costs – these are allocated to Operations and Technical Services.

Layer 2: Allocation of Operations to Call-Taking, Police, and Fire Services; Allocation of Technical Services to agencies based upon 3 year average of job requests.

Layer 3: Allocation of Call-Taking among 911 and Non-Emergency Calls; and Police/ Fire among Dedicated Dispatch and Calls for Service for each respectively.

This type of documentation would be critical for the Authority to develop and update as any proposed changes occur to the methodology, such as changes in the percentage of support between the functional areas, and/or if there are changes to the types of metric utilized.

Recommendation #21: The Authority should develop informational documentation (1-2 pages), which clearly outlines the methodology employed by the Authority to calculate assessment amounts.

3 QUARTERLY WIRELESS DATA SERVICE CHARGES

The authority currently assesses member and contract agencies for the cost of wireless data service on an annual basis. This differs from the assessment of other costs, which occurs quarterly. The Authority should align the assessment of costs for wireless services with the assessment of other costs by prorating the expense and charging member and

contract cities on a quarterly basis rather than annually. This not only promotes consistency of allocation charges of wireless services; but it also ensures that there is no danger of loss of wireless bills, as wireless bills are only available from the wireless companies for the prior 3-4 months; subsequently, they have to be requested from their headquarters. Therefore, the cost of the wireless bills should be calculated and assessed quarterly.

Recommendation #22: The Authority should convert the assessment of all wireless billing charges from fourth quarter charges to quarterly assessments to align with all other assessment charges.

4 CHANGE IN AUTHORITY CONTRACTED/MEMBER AGENCIES

SBRPCA currently comprises of three (3) member agencies and three (3) contracted agencies. However, there is the ability for the Authority to gain and lose contracted agencies. Therefore, there should be a clear policy and procedure established for determining the re-calculation or re-evaluation of total assessments for the member and contracted agencies in the event of the addition or subtraction of an agency.

The project team recommends that if a new agency is interested in contracting with the Authority, it should calculate its proposed assessment amount as if it is an existing agency; therefore, it would need to determine the following key elements:

1. The types of services being requested – Police Only or Police and Fire
2. Any increased direct expenses, associated with acquisition of any additional staff
3. The number of dedicated dispatcher(s) assigned to the agency for each service
4. The non-emergency (if they have that) and emergency call volume for the agency
5. The calls for service (CAD) incident data for the agency
6. Size of Agency Fleet to be potentially serviced by Technical Services

While the first five components can be utilized to drop into the allocation model and calculate the updated resulting allocation for the proposed new agency, for Technical services it would be slightly more complicated. As such, the size of the fleet can be used to approximate to which existing agency the proposed agency is most similar and utilize an average of labor hours or job requests for that agency to estimate the technical services charges.

Inputting this information into the Cost Allocation model would enable the Authority to not only estimate the assessment for the proposed agency, but also determine how this would impact existing contracted and member agencies allocations. As per the earlier recommendations, the addition of a new agency would result in a “material change” to the Authority’s operations and recalculation of assessments for member and contracted agencies.

Additionally, if an agency is requesting to contract with the Authority mid-year, the policy and procedure should specify the pro-rating (similar to what was done for Culver City) for not only the proposed agency; but also credits to existing member and contracted agencies for any changes in their proposed assessment amounts.

Recommendation #23: The addition of a new contracted agency should require the collection of key pieces of information such as types of services (i.e. police vs. fire), calls for service, emergency call volume, and number of vehicles to be serviced, to accurately estimate the proposed assessment amount and impact to existing member and contracted agencies.

Recommendation #24: The addition of a new contracted agency mid-fiscal year should not only result in pro-rated assessment for the new agency, but also any credits to existing member or contracted agencies due to changes or reductions in their assessments.

5 RECONCILIATIONS OF ASSESSMENT AMOUNTS

The Authority currently calculates the annual assessment for each of the member and contracted agencies starting in January as part of the budget development process. Due to the nature of cost allocation, typically prior years' information is being used to estimate future costs. Some larger agencies choose to account for this difference in costs, by reconciling at the end of the fiscal year the true costs that should have been paid by each contracted and member agency based upon actual expenses and activity incurred in that fiscal year.

The practice of reconciliation of costs, does ensure that the Authority accurately recovers its costs from each member and contracted agency. However, the reconciliation process can be time-consuming for Authority staff, as well as result in causing potential volatility in regards to assessment projections for member and contracted agencies. An example of potential volatility would be: Agency A was estimated to pay \$100,000 in the Assessment, and the reconciliation process reveals that it actually owed \$120,000 then there would be a \$20,000 additional bill to the agency or that would be tacked onto the next year's allocation. Similarly, that would mean Agency B was estimated to pay \$100,000 but it only incurred \$80,000; meaning it either receives a check of \$20,000 in credits, or that \$20,000 credit is accounted for in the following fiscal year. If these credits and increases are accounted for in the next fiscal year, this would result in the assessments no longer purely being based upon the different allocation drivers. This would result in complicating the transparency component of cost allocation further.

Based upon these factors, the project team recommends that the Authority should continue its current practice of estimating assessment amounts at the beginning of the

fiscal year and there should be no reconciliation of costs. The only time there should be any reconciliation considered, is if/when there is a new agency added and all agencies assessments are affected.

Recommendation #25: The Authority should continue its practice of estimating annual assessment amounts, without reconciliation or “trueing-up” of costs for contracted and member agencies.

9. Technical Services Division Cost of Services Analysis

As briefly discussed in the allocation metrics section and the current methodology, the best practice for Technical Services Division is to bill for time and materials. Santa Clara County Communications Agency is one of the few agencies surveyed through the comparative survey; which also has a Technical Services component. Their Technical Services Division is fully reimbursable based upon the fully burdened hourly rates, parts costs, and markup on parts costs.

If the Technical Services Division were to transition to the billing of time and materials for its services, including services to member and contracted agencies, their costs would not be included in the assessment amount. The Technical services labor, materials, and any other overhead related costs would be removed from the assessment calculation and amounts. The member and contracted agencies would, similar to the current process of being billed for parts, be billed for both parts and labor. The removal of Technical Services from the assessment calculation would eliminate any danger of potentially double-charging any member or contracted agency.

For any miscellaneous or external services that Technical Services provides, it should have fully burdened hourly rate(s) as well as an established rate mark-up methodology in place. This type of methodology does not require the Authority to develop a pre-established fee schedule or rate sheet; rather, agencies are billed directly based upon the services that they receive. The following subsections discuss the methodology used by the project team to develop the two key components to charge for miscellaneous services.

1 PARTS

As part of the scope of services of this analysis, the project team was asked to evaluate best practices related to purchasing and acquisition of parts for Technical Services. The typical best practice for parts is to not only charge directly for those parts, but to also account for administrative overhead associated with the acquisition of those parts.

Currently, the Technical Services Division staff is responsible for putting together quotes based upon the scope of work. These quotes require staff to contact multiple vendors, determine the best and most cost efficient deal for the Authority, as well as the member or contracted agency; and if there are any parts that can be surplussed, calculate the appropriate credit to the member or contracted agency. Therefore, there is a significant amount of administrative work, which should be factored into determining the markup percentage on parts.

The following table shows the total administrative cost calculated for parts and invoicing support:

Category	Amount
Public Safety Communications Specialist II – Salaries & Benefits	\$153,823
Total % of time spent on administrative support for parts	40%
TOTAL ADMINISTRATIVE COST	\$61,529

Based upon the table the PSC Specialist II (the lead Technical Services Division position) spends approximately 40% of their time managing the parts and invoicing process. As such, the direct administrative cost for this position is approximately \$61,500.

In order to calculate the total markup percentage, the project team took the total administrative cost and divided it by the projected cost for parts in FY19-20. The following table shows the markup percentage calculation:

Category	Amount
Total Administrative Cost	\$61,529
FY19-20 Projected Parts Cost	\$600,000
Parts Markup %	10%

As the table indicates, the proposed parts markup percentage being calculated for the Authority is at 10%. The typical range for parts markup ranges from a low of 5% to a high of 20%. Therefore, the Authority at 10% seems to be within the acceptable range of typical markups seen for parts.

It is recommended that at a minimum the authority begin to utilize this 10% markup on external agencies such as El Camino Community College. However, best practices would dictate that this markup should also be applied to internal agencies (member agencies and contracted agencies).

Due to this being a shift from the current practice of not marking up internal agencies, the project team would recommend that the Authority have a discussion with member and contracted agencies before implementing the internal markup policy. Additionally, the 10% noted above is merely meant to reflect the maximum amount of markup that could be charged. The Authority may choose to adopt a policy that has different markups for internal agencies versus external agencies.

Overall, the Authority should review the information in this report and document if there would be a markup, the percentage, and if there is no markup then that should be documented as well, per best practices. This enables the Authority, to review historical information and purposes behind not marking up parts and services.

Recommendation #26: The Authority should continue to charge a mark-up on external agencies for parts. This markup should be no less than 10% of the cost of the billable parts.

Recommendation #27: The Authority should review the markup information and determine if there should be a markup percentage applied for member and contract agencies, and if so, what percentage (up to 10%) should be applied to member and contracted agencies.

2 LABOR

The second component to the miscellaneous fees and charges for Technical Services is related to the cost of labor. In order for the Authority to fully recover the costs for its services, it must ensure that not only all of the direct costs associated with parts are included, but also the cost associated with labor. Including labor costs would require tracking time. Currently, the Technical Services Division only tracks time on job requests or work orders for external entities.

The project team calculated fully burdened hourly rates for Technical Services Division staff. These fully burdened hourly rates have the following components:

- **Salaries and Benefits (Direct Costs):** This cost component refers to the actual salaries and benefits paid to the staff in Technical Services.
- **Billable Hours:** The staff in Technical Services work approximately 2,080 hours a year; however, they are not billable for all of those hours. The billability of staff depends upon holidays, vacations, sick leave, and mandatory breaks. Additionally, due to the nature of being available for this type of work, there is some unbillable time also built into this calculation. The project team reviewed the Authority's MOU and calculated the following for billable hours:

Category	Amount
Total Annual Hours	2,080
Holidays ⁵	116
Vacation	144
Sick	96
Breaks (45 min per day)	187.5
Subtotal Hours	543.5
<i>Subtotal Net Available Hours</i>	<i>1,536.5</i>
Billability Rate ⁶	87%
Total Billable Hours	1,336.75

As the table indicates, the total billable hours being utilized for the fully burdened hourly rate are approximately 1,336.75 hours. This represents an overall productivity or billable rate of 64%. On average when calculating productivity and billable rates, the rate ranges from a low of 60% to a high of 70%. Utilizing a rate of 64% is somewhere in the middle and ties to the Authority's operations.

⁵ Assumes 14.5 days of holidays, which includes floating/administrative holidays

⁶ The rate meant to account for time actually actively spent working on equipment, infrastructure, or vehicles.

- **Operating Expenses Overhead:** This cost component spreads the costs associated with general supplies, uniforms, and other line item costs that are necessary for Technical Services staff to operate effectively. Any operating costs not directly related to the operations of Technical Services were excluded such as costs associated with CAD Tiburon and equipment and maintenance of Towers. Additionally, any revenue offsets associated with parts were also excluded.
- **Authority-Wide Overhead:** The last component of the fully burdened rate is the authority-wide overhead. This is the cost that is calculated from the Administrative Division in support of all of the Technical Services activities. Including this cost component ensures that the Authority does not need to account for time spent by Finance staff to review, approve, issue, and collect invoices, or support staff to answer phones and questions regarding invoices, etc. This is a fairly standardized overhead component and is in lieu of a Citywide Overhead or Countywide Overhead calculation.

Based upon these different cost components, the following table shows the fully burdened hourly rate for Technical Services.

Cost Component	Public Safety Communications Specialist II	Public Safety Communications Specialist I	Technical Services Position Blend
Direct Cost Per Hour	\$115.07	\$99.04	\$102.25
Operating Expenses Per Hour	\$24.46	\$24.46	\$24.46
Authority-Wide Overhead Per Hour	\$110.79	\$110.79	\$110.79
FULLY BURDENED RATE	\$250.32	\$234.29	\$237.50

As the table indicates there are two positions within Technical Services. The primary difference between these two positions is their direct cost per hour. In order to ensure the most streamlined and consistent use of hourly rates, the project team is proposing a blended fully burdened hourly. The blended rate of \$237.50 would help recover the costs associated with direct employee costs, billable hours, services and supplies, as well as authority overhead.

Similar to the parts discussion, the Authority should utilize this fully burdened hourly rate to bill any external entities to allow for the greatest amount of cost recovery possible. However, as it relates to billing internal customers – member or contracted agencies, a policy decision should be made by the Authority regarding the appropriate cost recovery level for the fully burdened rate.

The Authority has the ability to charge at any rate up to \$237.50 for its Technical Services Division staff. For example, to be competitive in the market, the Authority may only choose

to recover for its direct and operating expenses per hour, which would reduce the hourly rate from \$237.50 to \$126.71 per hour.

As the Technical Services Division starts to track time spent per job request (internal or external) there are two options for the Authority:

1. **Option #1 – Allocate Technical Services through Cost Allocation:** This option assumes that the only change from tracking time would be that instead of utilizing number of job requests, the Authority would utilize the amount of labor hours to allocate to member and contracted jurisdictions. This would mean that the Authority is capturing the labor cost through the assessment calculation. Member and contracted agencies would not be billed for labor separately under this methodology. The labor hours would only be used for allocation purposes.
2. **Option #2 – Bill Time and Materials:** This option assumes that once the Authority starts tracking time spent on internal activities, that similar to external clients it would bill internal agencies (member and contract agencies) based upon the fully burdened hourly rate and parts (including markup). This would mean that the Authority is removing Technical Services from the assessment calculation and member and contracted agencies would only be billed for actual time spent (labor hours) and parts for Technical Services. There would be no Technical Services as part of the assessment calculation, to mitigate any danger of double-charging member or contracted agencies.

For Option #2, the Authority has the ability to adopt different hourly rates and markup percentages that would be used to bill to the member or contracted agencies relative to external agencies, as discussed above.

Utilizing either of these options would enable the Authority to recover for its costs. The Cost Allocation methodology is more predictable and defined; whereas billing for time and materials is harder to budget for from the perspective of the contracted or member agencies.

Recommendation #28: The Authority has the ability to charge the maximum fully burdened blended hourly rate of \$237.50 to fully recover for Technical Service staff support provided to external agencies.

Recommendation #29: The Authority should review and determine through which methodology (Cost Allocation or Time and Materials) it would like to charge the contracted and member agencies.

If Cost Allocation, there would be no separate charges for labor for member and contracted agencies, as that would be accounted for through the assessment.

If Time and Materials, then Technical Services would be excluded from the assessment calculation and member and contracted agencies would only be billed for Technical Services through an invoicing process. The Assessment calculation would only include the cost for dispatching and administrative support functions.

Recommendation #30: If the Authority chooses time and materials, it should review the fully burdened hourly rate and determine if all components (direct, supplies indirect, and authority overhead) should be charged and recovered through the fully burdened hourly rate. The Authority has the option to choose to charge a rate lower than the fully burdened hourly rate.

3 SUMMARY OF TECHNICAL SERVICES CHARGES

Overall, in order for the Authority to accurately recover for its miscellaneous fees and services it provides through Technical Services it should apply a 10% markup on parts and utilize the fully burdened hourly rate of \$237.50 per hour for its specialists. The rates calculated in this study are based upon a fixed point in time (FY19-20); as such, these rates should be reviewed and updated every year based upon proposed increases in operating expense, labor costs, and any changes in billable hour assumptions. Utilizing this type of rate and markup would enable the Authority to more accurately recover for its charges. Additionally, if there are any services that are added or expanded, the time and materials methodology allows for the Authority to fully recover its costs for those services.

Recommendation #31: The parts markup percentage and fully burdened hourly rate should be reviewed and updated every year to account for the most accurate cost. The updates should be based upon actual salaries, benefits, billable hours, and operating expense increases.

Appendix A: Profile of Authority Operations

The purpose of this document is to provide an overview of the South Bay Regional Public Communications Authority's (SBRPCA) operations, as well as the current cost allocation methodology and service rates being charged by the Authority for its call-taking, dispatch, and technical services. Information contained in this document was developed based on the work conducted by the project team, including interviews with staff, data collected by the project team, and review of existing processes for cost allocation and reimbursement.

The descriptive document that follows does not attempt to include all steps of the cost allocation methodology. Rather, it provides an overview and serves as the "base line" or "status quo" against which recommendations are made for developing and implementing alternate cost allocation methodologies.

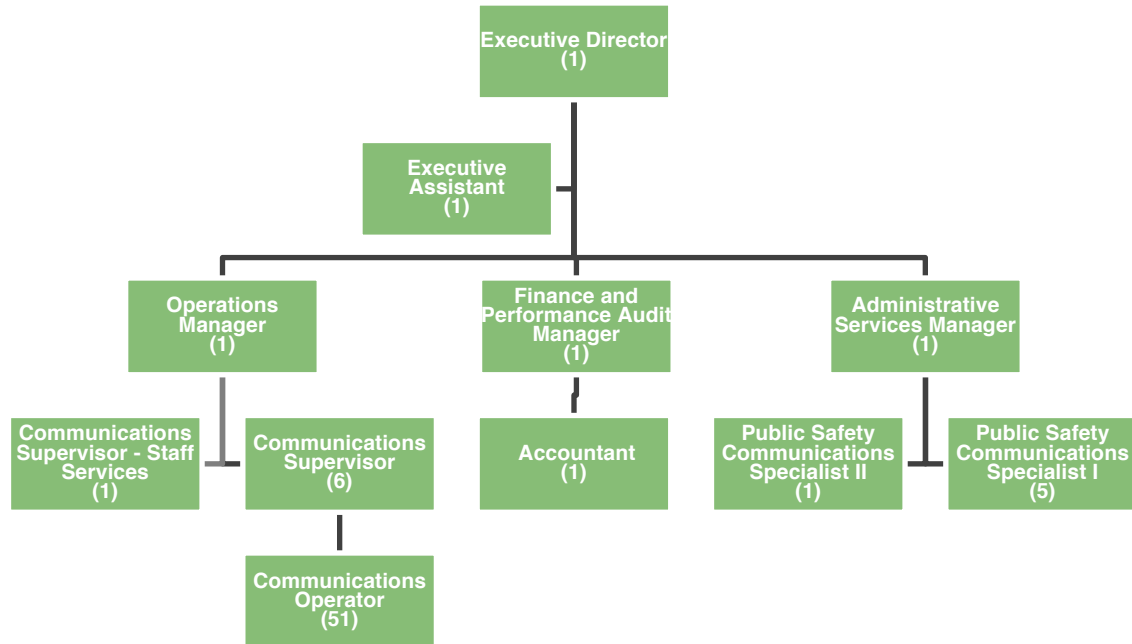
1 AGENCY OVERVIEW

The South Bay Regional Public Communications Authority (SBRPCA) is a 911 call-taking and dispatch center created in 1977, which provides emergency communications services and some other technical and fleet-related services. It is a joint powers authority owned by the cities of Hawthorne, Gardena, and Manhattan Beach; while also providing services on a contract basis to Hermosa Beach, El Segundo, and Culver City. Annual incident volume processed by the Authority across the six municipalities approximates 300,000 incidents on average.

The Authority is led by an Executive Director who is appointed by the Executive Committee, which consists of the City Managers from each of the member cities. Budgetary control is exercised by the Board of Directors, which consists of one City Councilmember from each of the member cities. Police and fire chiefs from member cities also sit on a User Committee and provide guidance related to day-to-day operations as they impact emergency responders in the region.

2 CURRENT ORGANIZATIONAL STRUCTURE

The following organizational chart summarizes the personnel structure and reporting relationships within the Authority for the current fiscal year (FY18-19).



As the previous chart shows, there are three primary departments reporting to the Executive Director. The following points outline the key functions and responsibilities of each division.

- **Operations Department:** This group is responsible for providing emergency communications / dispatch services to police and fire agencies. This involves staffing and managing the dispatch floor, taking 911 and non-emergency seven-digit calls and responding to text-to-911 messages, dispatching police and fire personnel, monitoring radio channels, and accessing case records.
- **Finance:** The Finance and Performance Audit Manager and the Accountant are responsible for overseeing accounts payable and receivable, conducting payroll, making journal entries and doing reconciliations, and billing contract agencies. It also includes developing the Authority's annual budget and contracting for fiscal and performance audits.
- **Administrative Services Department:** This group is responsible for managing recruitment and onboarding of new staff, tracking expenses for operations and building maintenance, managing human-resources related tasks for the Authority's staff, and maintaining the website. This department also includes technical services division, who build out and repair the member and contract agencies' police cars and other emergency vehicles.

Together, these three services and the staff within them comprise the Authority's organizational structure.

3 CURRENT STAFFING LEVELS

The following table shows by position the total number of employees authorized for the Authority by major functional area and position title for the current fiscal year and for the next fiscal year.

Position	FY18-19 FTE	FY19-20 Proposed FTE
Administration		
Executive Director	1	1
Operations Manager	1	1
Administrative Services Manager	1	1
Executive Assistant	1	1
Finance & Performance Audit Manager	1	1
Accountant	1	1
Information Technology Manager	1	0
Operations		
Communications Operator	51	54
Communications Supervisor	7	7
Technical Services		
Lead Communications Technician	1	0
Public Safety Communications Specialist II	1	1
Public Safety Communications Specialist I	5	4
Total	72	72

As the table shows, there are a total of 72 authorized positions for both the current and next fiscal year. The primary difference in the positions has to do with elimination of the Information Technology Manager (contracted out) and the Lead communications Technician position. The Public Safety Communications Specialist I position is vacant and also scheduled for elimination in FY19-20. Staff will look at evaluating the current workload to determine if there is the need for an additional position. In lieu of those three eliminations, the Authority was able to increase the number of Communication Operators to handle current workload.

4 ADMINISTRATION AND SUPPORT STAFF OVERVIEW

The Authority has 6 full-time positions dedicated as Administrative and Support staff positions. The purpose of these positions is primarily to provide internal support to the Operations and Technical Services staff. The role of the six administrative positions are outlined in the following points:

- **Executive Director:** The role of the Executive Director is to provide general oversight and day-to-day management of the Authority. The Director is responsible for making fiscal and policy decisions and implementing policy direction received from the Executive Committee and the Board of Directors.
- **Operations Manager:** The Operations Manager is responsible for the oversight of the Dispatch and Call-taking component of the Authority's organizational structure. The Manager oversees the Call Center supervisors, participates in recruitment, testing, evaluations, trainings, and assignments of job duties.
- **Administrative Services Manager:** The Administrative Services Manager, along with overseeing the Technical Services Division, also serves as the Human Resources Manager for the Authority. In the role of Human Resources Manager, the Administrative Services Manager oversees recruitment, on-boarding, testing, interviewing, benefits, retirement, discipline, etc.
- **Executive Assistant:** The Executive Assistant reports to the Executive Director but also provides support to the Executive Committee, Board of Directors, the Police and Fire Task Forces, as well as the Administrative Services Manager. The Executive Assistant also prepares agenda packets and minutes for the Executive Committee, Board of Directors, User Committee, Police Task Force, Fire Task Force, and INSB Technical Committee. Additionally, as part of support to the Administrative Services Manager, the Executive Assistant also assists with recruitment in scheduling tests and interviews.
- **Finance and Performance Audit Manager:** The Finance and Performance Audit Manager position is responsible for the financial oversight of the Authority, including the development and calculation of the assessments to the member and contracted agencies. The position manages the development of the annual budgeting process and the contract for annual financial reports, and also performs the work of the accountant during times when the accountant is on leave or absent.
- **Accountant:** The Accountant reports to the Finance and Performance Audit Manager and is responsible for processing all Authority financial transactions, which includes – payroll, accounts payable (bills), and accounts receivable (any payments). The primary bills being processed are associated with wireless companies for the wireless data charges, as well as generating invoices for Technical Services Division work for external stakeholders and outside entities.

As the points demonstrate, the positions in the Administrative section of the organization primarily serve to support the internal employees of the Authority.

5 DISPATCH OPERATIONS OVERVIEW

The largest component of the Authority, and the primary purpose of the authority, is to provide call-taking and dispatch support to its member and contracted agencies.

All operations staff work a total of 80 hours over a 2-week pay period. The table below shows the shift schedule:

Day 1	12 hour shift	Day 8	12 hour shift
Day 2	12 hour shift	Day 9	12 hour shift
Day 3	12 hour shift	Day 10	12 hour shift
Day 4	8 hour shift	Day 11	off
Day 5	off	Day 12	off
Day 6	off	Day 13	off
Day 7	off	Day 14	off

The Authority staffs its communications center operations according to an established number of positions, with total floor staffing ranging from 11 to 13 at a given time. The following points describe the active positions on the floor:

- **Police Dispatch (6):** Six staff function as police dispatchers: one for each of the six police departments served by the Authority (Gardena, Culver City, El Segundo, Manhattan Beach, Hermosa Beach, and Hawthorne). These staff alert officers of calls for service, check on officers during incidents, update CAD/RMS case data in real time, and run license plates and background checks. Manhattan and Hermosa Beach have a single combined dispatcher for the two departments four days per week, but this arrangement is being phased out over a period of three years. Beginning on July 1, 2019, the combined dispatching was reduced to two days per week. By Fiscal Year 2020/2021, the combined dispatching arrangement will be eliminated. On days when these two dispatch seats are combined, a call-taker position operates as the parking and animal control dispatcher for Hermosa Beach and Manhattan Beach.
- **Fire Dispatch (2):** Two staff function as fire dispatchers: one for Culver City⁷ and one combined for Manhattan Beach and El Segundo. These staff dispatch fire units to incidents, coordinate backup, and create/update CAD/RMS cases in real time. In the time between dispatch incidents for fire departments, these two staff function as call-takers, answering incoming 911 and non-emergency seven-digit calls to the Authority.

⁷ The INSB project is near completion and that project will enable Culver City Fire Department to be part of the Fire Main network, which will allow them to share fire dispatching services, per their contract.

- **911 Call-Taker (1-2):** Staff assigned to this position answer incoming 911 and non-emergency seven-digit calls. One of the dedicated call-takers assists the fire dispatcher on a backup/tactical channel when a major incident requires switching related communications to a dedicated channel.
- **Relief (1):** One position rotates from station to station, relieving call-takers and dispatchers for their required breaks. This position serves as a dedicated call-taker during non-break times.
- **Supervisors (1-2):** One or two supervisors are active on the floor at all times.

As the points demonstrate, the staff assigned for each shift have a variety of functions and services to perform. It is important to obtain a clear understanding of these services, as these services are the primary basis for the assessments to the member and contract agencies.

6 TECHNICAL SERVICES DIVISION OVERVIEW

The Technical Services Division is primarily responsible for the outfitting of patrol and fire vehicles as well as any maintenance on items related to communication and dispatch on vehicles. Regular maintenance of the vehicle such as tire rotation, oil changes, etc. are performed by the agencies themselves.

The Technical Services Division is overseen by the Administrative Services Manager and consists of one (1) Public Safety Specialist II and five (5) Public Safety Specialist I's. The Division operates Monday through Friday between the hours of 6am-4pm with at least two staff members on site during those hours.

Unlike Dispatch and the Call center, the Technical Services Division is work-order based. A member or contracted agency will submit a work order request to the Public Safety Specialist II identifying the type of work that needs to be completed. Depending upon the scope of work requested, the Public Safety Specialist II will put together a pre-invoice of parts that need to be ordered and the total cost associated with those parts and provide that quote to the member or contract agency. The member or contract agency reviews and approves the quote and once that is approved, the Public Safety Specialists can begin to order the parts and then perform the work on the vehicle as requested.

While the bulk of the activity associated with the Technical Services Division is for member and contract agencies, the Division does conduct some work for outside agencies, including the Redondo Beach Police Department, the El Camino College Police Department, and federal agencies. For El Camino Community College, the division is able to bill for not only parts but also for any labor spent on upgrading or outfitting the vehicles with appropriate communication gear. The Division has also performed some special

projects such as with the San Diego Zoo on their vehicles and have also billed time and materials for those projects.

All invoices for parts (member and contract agencies) and parts and labor (for El Camino Community College) are generated by Technical Services, and reviewed and distributed for payment by staff in Finance (Accountant).

The division is also responsible for the maintenance and oversight of the contracts regarding the technical infrastructure for communications and dispatch services. The Division currently manages a contracted third party vendor for the radio towers; however, if there are any issues with the radio towers, the Administrative Services Manager and Technical Services Division staff have to get involved. Currently, the support for Technical Services is captured as part of the larger assessment charged to the member and contract agencies and it is not accounted for separately.

7 BUDGET INFORMATION

In addition to the staffing level information, the project team also collected data regarding expenditures and revenue associated with the Authority. The following table shows revenues received for FY17-18, estimated revenues for FY18-19, and proposed revenues for FY19-20.

Revenues	FY17/18 Actual	FY18/19 Estimated	FY19/20 Adopted
ASSESSMENTS			
Member Cities			
Gardena	\$2,391,301	\$2,391,301	\$2,391,301
Hawthorne	\$3,359,598	\$3,359,598	\$3,359,598
Manhattan Beach	\$1,703,280	\$1,703,280	\$1,703,280
Contract Cities			
Hermosa Beach	\$700,072	\$828,439	\$975,208
El Segundo	\$1,294,928	\$1,330,766	\$1,372,870
Culver City	\$2,360,551	\$2,507,365	\$2,587,601
Total	\$11,809,730	\$12,120,749	\$12,389,858
OTHER REVENUES			
El Camino Community College	\$790	\$790	\$790
Medical Director / Hermosa Beach	\$12,500		
Medical Director / Manhattan Beach	\$26,250	\$27,000	\$27,000
Medical Director / El Segundo	\$26,250	\$27,000	\$27,000
Investment Earnings	\$59,183	\$57,173	\$50,000
POST Reimbursements	\$574	\$600	\$600
Unrealized Gain/Loss on Investments	\$10,527	-\$8,632	
Vending Machine Revenue			

Revenues	FY17/18 Actual	FY18/19 Estimated	FY19/20 Adopted
Other Miscellaneous Revenues	\$379	\$4,862,935	\$2,500
Total	\$136,452	\$4,966,866	\$107,890
OPERATIONS REVENUE			
DUI Reimbursement - Overtime	\$2,275	\$2,000	\$2,000
Sprint Wireless Reimbursements	\$80,257	\$77,289	\$77,289
Verizon Wireless Reimbursements	\$10,869	\$15,229	\$15,229
Pink Patch Project		\$356	
Total	\$93,401	\$94,874	\$94,518
TECHNICAL SERVICES REVENUE			
Installation Labor		-\$561	
Billable Parts Reimbursements	\$710,838	\$542,156	\$600,000
GST Software Reimbursements	\$47,574	\$50,000	\$50,000
ES Chat Software Reimbursements			
NetMotion Reimbursements			
GETAC Project Reimbursements			
Culver City Transition Reimbursement	\$15,014		
Total	\$773,427	\$591,595	\$650,000
GRANT REVENUE (FUND 20)			
20-80-433-4270 Grant Reimb/P25 Comm Repeater	\$3,505,856	\$5,000,000	
TOTAL ALL FUNDS	\$16,318,865	\$22,774,084	\$13,242,267

As the table indicates, the revenue for FY18/19 is estimated to be significantly higher than FY17/18 or FY19/20 due to the high amount of one-time miscellaneous revenue as well as \$5 million in grant reimbursements.

The following table shows a summary of the Authority's expenditures (both operating and capital) by division and expenditure type for FY17-18, estimated expenditures for FY18-19, and proposed expenditures for FY19-20.

Expenditures	FY17/18 Actual	FY18/19 Estimated	FY19/20 Proposed
ADMINISTRATION			
Salaries & Benefits	\$1,603,581	\$1,027,428	\$1,177,578
Supplies/Services/Equipment	\$820,423	\$1,137,374	\$1,032,068
Total	\$2,424,005	\$2,164,802	\$2,209,646
OPERATIONS			
Salaries & Benefits	\$6,865,303	\$7,627,464	\$7,990,434
Supplies/Services/Equipment	\$201,499	\$230,240	\$259,528
Total	\$7,066,802	\$7,857,704	\$8,249,962
TECHNICAL SERVICES			
Salaries & Benefits	\$823,697	\$704,322	\$783,770
Supplies/Services/Equipment	\$1,736,794	\$7,819,635	\$1,183,150

Expenditures	FY17/18 Actual	FY18/19 Estimated	FY19/20 Proposed
Total	\$2,560,491	\$8,523,957	\$1,966,920
CAPITAL OUTLAY			
Total Capital Outlay	\$130,808	\$17,500	\$125,000
TOTAL EXPENDITURES	\$12,182,107	\$18,563,963	\$12,551,528

As the revenue and expenditure tables show, the vast majority (92% in FY17-18) of non-grant revenue comes from assessments on the member and contract cities. The largest portion of resources (77% of non-capital expenditures in FY17-18) are spent on salaries and benefits. Operations, having the most staff by far, accounts for the largest portion of spending of any division, with well over 50% of total expenditures.

The following table shows the net revenues and expenses for the Authority for the last three fiscal years:

Category	FY17/18 Actual	FY18/19 Estimated	FY19/20 Proposed
Revenues	\$16,318,865	\$22,774,084	\$13,242,267
Expenses	\$12,182,107	\$18,563,963	\$12,551,528
NET IMPACT	\$4,136,758	\$4,210,121	\$690,739

As the table indicates, the Authority has a positive net impact, much of this positive net impact is due to reimbursements from grants and miscellaneous revenue sources rather than through the use of assessments.

8 CURRENT COST ALLOCATION OVERVIEW

As part of the documentation of the existing operations of the Authority, the project team also reviewed the current cost allocation process in place for determining the costs to the member and contracted agencies. The following subsections outline the process and results associated with dispatch cost allocation to agencies as well as other costs and charges billed to member and contracted agencies.

9 DISPATCH COST ALLOCATION

SBRPCA has three member agencies – Gardena, Hawthorne, and Manhattan Beach; and it currently provides services to three contracted agencies – Culver City, El Segundo, and Hermosa Beach.

The current methodology in place for determining assessments is based separately for member agencies and contracted agencies.

1 Member Agencies

The current methodology in place for member agency's assessment was adopted by Board Resolution No. 262 in January 2008, and has not been updated since. The resolution states that the assessment for member agencies would be based upon share of ownership as follows:

Jurisdiction	Percentage
Hawthorne	45.07%
Gardena	32.08%
Manhattan Beach	22.85%

The largest share is borne by the City of Hawthorne, followed by Gardena, and then Manhattan Beach. Prior to 2008, the methodology was based on the usage of dispatch operations. This methodology was changed in 2008, as it was determined that it would result in discouraging officers from calling into the dispatch center.

The resolution from 2008 also identified that the methodology for the assessment would remain the same until there was a "material change in the Authority's operating costs". The material change was defined as a substantial change in staffing, or change in membership agencies or contracted agencies.

2 Contracted Agencies

For contracted agencies, the Authority utilizes a separate methodology from its member agencies. This methodology primarily relies on calls for service. When a new city wishes to become a customer of the Authority for 911 and dispatch services, a calculation is conducted to determine the share of overall calls for service which will be generated by the new city relative to the existing member agencies. The table below provides an example of this from 2017, with Culver City as the new agency:

Agency	Police Calls	Fire Calls	Total	Percentage
Hawthorne Police	85,032		85,032	31.97%
Gardena Police	72,170		72,170	27.14%
Manhattan Beach Police and Fire	45,015	3,200	48,215	18.13%
Culver City Police and Fire	54,889	5,644	60,533	22.76%
Total			265,950	100.00%

The percentage determined from this calculation is then applied to the anticipated budget for the Authority, which is modified to anticipate the addition of staff, supplies, and support associated with the addition of a new customer city. The table below illustrates this allocation, with the following figures used as the basis for calculation:

- **Adjusted Operations Budget:** \$7,454,179 – this budget includes all of the operations costs (personnel, services and supplies) associated with the Authority for member and new contract agency, excluding existing contract cities.
- **Administrative Costs:** \$2,487,360 – this amount reflects the administrative staff support and facility costs associated with the Authority.

Agency	Percentage	Operations Budget	Admin Costs	Total
Hawthorne Police	31.97%	\$2,383,319	\$795,282	\$3,178,601
Gardena Police	27.14%	\$2,022,817	\$674,987	\$2,697,804
Manhattan Beach Police and Fire	18.13%	\$1,351,394	\$450,942	\$1,802,336
Culver City Police and Fire	22.76%	\$1,696,649	\$566,149	\$2,262,798
Total	100.00%	\$7,454,179	\$2,487,360	\$9,941,539

As the table indicates, the total costs associated with Culver City are projected to be approximately \$2.3 million.

Once the initial assessment amount is determined based upon the calls for service and adjusted budget allocations, a secondary step is used to govern changes in the year-to-year assessments from each municipality. The structure is different for member cities and client cities.

- Client cities pay an assessment increase percentage which is equal to the average budget increase percentage for the Authority over the last three years (but not to exceed 5%) plus the CPIU for Los Angeles County and surrounding areas. The assessments for client cities may not decrease.⁸
- Member cities pay an assessment sufficient to achieve the Board of Director's desired fund balance target after client cities' assessments have been calculated. Depending on the budget outlook and the trend of the preceding three years, the assessments required of member cities may increase or decrease by as much as is necessary to meet the Board's target.⁹

In practice, this methodology has resulted in the following assessments over the last several years:

⁸ B-11 New Client Assessment Policy

⁹ FY19/20 Budget, pg. 25

Assessments	FY16/17 Actual	FY17/18 Actual	FY18/19 Estimated	FY19/20 Proposed
Member Cities				
Gardena	\$ 2,391,301	\$ 2,391,301	\$ 2,391,301	\$ 2,391,301
Hawthorne	\$ 3,359,598	\$ 3,359,598	\$ 3,359,598	\$ 3,359,598
Manhattan Beach	\$ 1,703,280	\$ 1,703,280	\$ 1,703,280	\$ 1,703,280
Contract Cities				
Hermosa Beach ¹⁰	\$ 671,081	\$ 700,072	\$ 828,439	\$ 975,208
El Segundo	\$ 1,271,063	\$ 1,294,928	\$ 1,330,766	\$ 1,372,870
Culver City ¹¹	\$ 754,266	\$ 2,360,551	\$ 2,507,365	\$ 2,587,601
Total	\$ 10,150,589	\$ 11,809,730	\$ 12,120,749	\$ 12,389,858

As the table shows, member cities' assessments have remained unchanged for the last four years, while the assessments of client cities have experienced consistent incremental growth.

10 OTHER COSTS CHARGED TO AGENCIES

In addition to the cost of dispatch operations, the Authority initially bears the costs of wireless charges and materials for the work done by Technical Services staff, and charges them to the appropriate agency.

1 Wireless Services Charges

The wireless service charges incurred by calls from each member and contract city are billed to the Authority by their respective telecommunications providers (Sprint, Verizon, etc.) on a monthly basis. The Authority pays these bills as they are received. At the end of the year, the Authority charges each city for the total wireless charge associated with their usage of those services. This is done at the same time as the assessment billing for Q4. In FY18/19, wireless billings totaled \$93,636.

2 Technical Services

The technical services unit generates costs associated with labor and benefits, capital expenditures, and parts and materials. The labor and benefits costs, as well as the capital outlay associated with maintaining the work space and equipment necessary for installing police packages on vehicles, are considered to be part of the Authority's general budget. Only the parts and materials used are charged to member and contract cities separate from their regular assessment. For El Camino College and other smaller customers of the division, the costs of labor are also charged in addition to the cost of parts.

¹⁰ In 2017, the Authority determined that the rates paid by Hermosa Beach were lower than anticipated, so a new assessment amount was calculated based upon a revised methodology. The difference was amortized progressively over 5 years.

¹¹ Culver City contracted for services partway through the FY16-17 year.

Appendix B: Comparative Survey

As part of the Cost of Services and Cost Allocation Study, the project team conducted a comparative survey of other regional dispatch agencies. In conjunction with the Authority, the project team identified four agencies: Verdugo Dispatch Center, Orange County Communications, West Cities Police Communications, and Santa Clara County. However, the project team did not receive any information from Orange County Communications. The following table summarizes some key pieces of information received from the three agencies surveyed:

Category	Verdugo Fire	Santa Clara Communications	West Cities Police Comm.
Budget	\$4.8m Operating	\$25m Operating	\$2.7m Operating
FTE's	1 Battalion Chief 1 Ops Manager 3 Admin 5 Supervisors 15 Dispatchers	104 Dispatchers 14 Admin Employees	12 Dispatchers 4 Lead Dispatchers 1 Manager 1 Director 1 Assistant
Agencies Served	<u>3 owners</u> : Glendale, Pasadena, Burbank. <u>11 contract</u> : Alhambra, Arcadia, Monrovia, Montebello, Monterey Park, San Gabriel, San Marino, Sierra Madre, Vernon, South Pasadena, Bob Hope Airport	County-owned Serve the Sheriff's Department and other contract agencies: <u>Contract Agencies</u> : Cupertino Los Altos Hills Stanford Foothill De Anza West Valley College Los Altos Los Gatos Morgan Hill Monte Sereno Saratoga	Cypress PD, Los Alamitos PD, Seal Beach PD, Orange County Park Rangers.

Category	Verdugo Fire	Santa Clara Communications	West Cities Police Comm.
Governance Model	<p>Enterprise fund of City of Glendale. Owned by Glendale, Burbank, and Pasadena.</p> <p>All three Fire Chiefs, City Managers, and Finance Directors meet annually. City Managers must approve budget before sending to Glendale Council.</p> <p>Battalion Chief oversees operations, reports to the 3 Fire Chiefs quarterly.</p> <p>Also have quarterly technical committee of IT and GIS staff from the 3 owner agencies.</p> <p>Also, a monthly task force of reps from all owner and contract agencies.</p> <p>Also, a finance committee that meets “quarterly” but hasn’t much lately.</p>	County Department	<p>JPA owned by Cypress, Los Alamitos, and Seal Beach. OC Park Rangers are contracted.</p> <p>Led by Director. Reports to board (one council member from each city)</p> <p>Oversight committee is City Manager from each city. Approve items for voting by the board.</p> <p>Technical committee is composed of police chiefs, functions in advisory role.</p>
Services Provided	Secondary PSAP – 911 calls for Fire/EMS transferred from Primary. Both Fire and EMS for <i>all</i> agencies served.	Primary PSAP; dispatch for Police, Fire / Med, and other services (PW, Parks, Probation, etc.)	Primary PSAP and dispatch for the police agencies.
Allocation Methodology	<p><u>Operations</u>: About half paid by owner cities using method weighted by population (15%), assessed value (15%), and annual incident volume (70%).</p> <p>Contract cities pay a flat per-incident rate (currently \$69 per) which cannot increase more than 5% per year.</p> <p><u>Capital</u>: CIP budget assessed equally to the 3 equity members according to 10-year plan.</p>	<p>2 Layers of Allocation:</p> <p>Layer 1: Allocation to Law, Fire, Medical, and Local Government based upon number of events.</p> <p>Layer 2: Within Law, Fire, and Local Government allocated based upon number of total activities for each agency.</p>	Member cities each pay a set percentage. Percentage remains the same year to year and nobody can remember how it was originally set. OC Rangers are on a 5-year contract which goes up 5% per year.
Most Recent Update	Methodology in 2009, adjusted annually	Original methodology in 1990s; reevaluated in 2018	Methodology 1998, not adjusted since

As the table indicates, of the three agencies surveyed the one that resembles SBRPCA the most closely in terms of organizational structure is Verdugo Fire, as there are three owner agencies and 11 contracted agencies. However, in terms of staffing levels and terms of operating budget, the SBRPCA is much closer in size to the Santa Clara County 911 Center compared to the other agencies.

Important items to note from the comparative survey are the following:

- Allocation methodologies for all three agencies surveyed varied.
- Allocation methodology for Verdugo Fire is different for owner cities (based upon population, value, and incident volume); whereas contracted agencies are charged based upon a per incident rate.
- Allocation methodology for Santa Clara Communications prior to the reevaluation of the methodology in 2018 was based upon shift schedules and weighted activities. In 2018 this methodology was reviewed and it was determined that costs should be allocated first to the four different functional areas and then internally within each area based upon unweighted incident volume. The unweighted volume still captured support to those agencies, which required the greatest amount of support.
- The methodology for Verdugo has not been adjusted since 2009 and for West Cities Communication the original basis of the allocation methodology was established in 1998 and there have been no changes.

Based upon these points, it demonstrates that other than Santa Clara County Communications, which has had a recent reevaluation of its allocation methodology, many of the surrounding regional dispatch centers do not have an updated and defensible allocation methodology for dispatch and technical services. Additionally, as the other two agencies are significantly smaller in terms of budget and staffing to the SBRPCA, they are not comparable.

Overall, the current methodology in use by SBRPCA is different from other agencies, but its lack of consistency between member and contracted agencies is similar to Verdugo, and that it has not been updated or reevaluated is also a trend throughout all of the dispatch centers. Information from this comparative survey was primarily utilized to help evaluate potential allocation metrics for review; and to ensure that any metrics reviewed or considered were in line with other agencies.

G - 1



Staff Report

South Bay Regional Public Communications Authority

MEETING DATE: July 16, 2019

ITEM NUMBER: G-1

TO: Executive Committee

FROM: Erick B. Lee, Executive Director

SUBJECT: ELECTION OF USER COMMITTEE CHAIR AND VICE CHAIR
FOR FISCAL YEAR 2019-2020

ATTACHMENTS: None

RECOMMENDATION

Staff recommends that the User Committee elect from among themselves a Chair and a Vice Chair.

DISCUSSION

The Authority's Bylaws call for the election of officers at the first regular meeting on or after July 1 of each year thereafter. Said election shall be the first item of business at said meetings and the newly elected officers shall assume office immediately following their election.

The Authority's Bylaws provide for the establishment of a User Committee. Representation on the User Committee is specified as follows:

1. The membership of the User Committee shall be composed of two representatives from each member agency of the Authority.
2. Only the official representatives or designated alternate representatives from each member agency, as hereinafter provided, shall represent such member agency in the User Committee.
3. The official representatives from each member agency shall be the Fire Chief and Police Chief/Director of Public Safety of such member agency. In a member agency with a Director of Public Safety, that Director shall appoint a senior fire representative and a senior police representative to represent that agency. The Executive Director shall be an ex-officio member of the User Committee.

4. The Fire Chief and Police Chief/Director of Safety of each member agency shall designate in writing to the Authority the name of their respective alternate representatives to the User Committee. Such notice of designation shall include the mailing address of the official representative and alternate representatives so appointed. The names and addresses shown on such notice shall be used as the official mailing roster for the purpose of giving any notices required by this Agreement or by these Bylaws.
5. An official representative or alternate representative shall serve until a successor is appointed, except if an official representative or alternate representative ceases to be an employee of the appointing member agency, in which case the seat of the official representative or alternate representative shall be vacant until a successor is appointed.

During Fiscal Year 2018-2019, Hawthorne served as the Chair and Manhattan Beach served as the Vice Chair. Current members of the User Committee are:

Chief of Police, Gardena:	Thomas Kang
Chief of Police, Hawthorne:	Michael Ishii
Chief of Police, Manhattan Beach:	Derrick Abell
Fire Chief, Manhattan Beach:	Daryn Drum

FISCAL IMPACT

None.

H



Staff Report

South Bay Regional Public Communications Authority

MEETING DATE: July 16, 2019

ITEM: H

TO: Executive Committee and User Committee

FROM: Erick B. Lee, Executive Director

SUBJECT: EXECUTIVE DIRECTOR'S REPORT

ATTACHMENTS: None

The Executive Committee and User Committee will be provided an oral report on the following topics:

- Recruitment of Communications Operators
- INSB Network Project Update