

A G E N D A
JOINT SPECIAL MEETING OF THE BOARD OF DIRECTORS
AND REGULAR MEETING OF THE EXECUTIVE COMMITTEE AND USER COMMITTEE
TUESDAY, SEPTEMBER 17, 2019, 2:00 PM
SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY
SECOND FLOOR CONFERENCE ROOM
4440 W. BROADWAY, HAWTHORNE, CA

A. CALL TO ORDER

B. ROLL CALL

C. PUBLIC DISCUSSION

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

D. BOARD OF DIRECTORS GENERAL BUSINESS

1. Election of Board of Directors Chairperson and Vice Chairperson for Fiscal Year 2019/2020
2. Resolution Establishing Vision, Mission, and Values Statements
3. Resolution Amending Article X (Finances) of the Bylaws to Modify the Method of Assessment and Approving a Cost Allocation Policy in Connection Therewith

E. EXECUTIVE COMMITTEE CONSENT CALENDAR

1. Minutes of the Regular Meeting – August 20, 2019
2. Check Register – July 2019
3. Check Register – August 2019
4. Updated Publicly Available Pay Schedule
5. Approval of a Change Purchase Order to Liebert Cassidy Whitmore, a Professional Corporation, in the Amount of \$30,000 for a Total Not-To-Exceed Amount of \$45,000 for Legal Services; and

Approval of a Change Purchase Order to Richards Watson Gershon in the Amount of \$35,000 for a Total Not-To-Exceed Amount of \$50,000 for Legal Services

6. Fiscal Year 2018-2019 Budget Performance Report – Through June 30, 2019

F. ITEMS REMOVED FROM THE CONSENT CALENDAR

G. **EXECUTIVE COMMITTEE GENERAL BUSINESS**

1. Side Letter Agreement Amending the July 1, 2017 to June 30, 2020 Memorandum of Understanding Between the South Bay Regional Public Communications Authority and the California Teamsters Public, Professional and Medical Employees Union Local 911
2. Pension and Other Post-Employment Benefit Unfunded Liabilities
3. Request from the Interoperability Network of the South Bay Joint Powers Authority to Consider Rescheduling the Monthly Regular Joint Meeting of the Executive Committee and User Committee
4. Designation of an Ad Hoc Committee on a Successor Agreement with the City of El Segundo
5. Request from the City of Palos Verdes Estates for Feasibility Analysis & Cost Estimate

H. **EXECUTIVE DIRECTOR'S REPORT**

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

J. **CLOSED SESSION AGENDA**

1. **CONFERENCE WITH LABOR NEGOTIATOR**

Pursuant to Government Code Section 54957.6

Agency Designated Representative: Liebert Cassidy Whitmore

Employee Organization: Teamsters Local 911

2. **CONFERENCE WITH LABOR NEGOTIATOR**

Pursuant to Government Code Section 54957.6

Agency Designated Representative: Liebert Cassidy Whitmore

Employee Organization: Communications Workers of America

L. **ADJOURNMENT**

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

Posting Date/Time: September 12, 2019/4:00PM

Signature:



Erick B. Lee, Executive Director

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Executive Assistant at 310-973-1802 ext. 100. Notification 48 hours prior to the meeting will enable the JPA to make reasonable arrangements to ensure accessibility to this meeting [28CFR35. 102-35. 104 ADA Title II].

D-1



Staff Report

South Bay Regional Public Communications Authority

MEETING DATE: September 17, 2019

ITEM NUMBER: D-1

TO: Board of Directors

FROM: Erick B. Lee, Executive Director

SUBJECT: ELECTION OF BOARD OF DIRECTORS CHAIRPERSON AND VICE CHAIRPERSON FOR FISCAL YEAR 2019/2020

ATTACHMENTS: None

RECOMMENDATION

Staff recommends that the Board of Directors elect from among themselves a Chairperson and a Vice Chairperson for Fiscal Year 2019/2020.

DISCUSSION

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

The Board of Directors shall elect from among the membership of the official representatives of said Board a Chairperson and a Vice Chairperson.

Officers of the Board of Directors shall be elected at the first meeting of said Board 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.

D-2



Staff Report

South Bay Regional Public Communications Authority

MEETING DATE: September 17, 2019

ITEM NUMBER: D-2

TO: Board of Directors

FROM: Erick B. Lee, Executive Director

SUBJECT: RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY ESTABLISHING VISION, MISSION, AND VALUES STATEMENTS

ATTACHMENTS: 1. Resolution

RECOMMENDATION

Staff recommends that the Board of Directors adopt the resolution establishing vision, mission, and values statements.

DISCUSSION

In order for employees at all levels of the organization to have a clear understanding of the Authority's purpose, goals, long-term objectives, and culture, staff has worked with internal and external stakeholders to develop vision, mission, and values statements. Such statements will be used to focus staff's efforts as they deliver the Authority's core services and assist with the management of the Authority's workforce.

Throughout the months of April and May, staff met with interested employees to discuss the reasons for the Authority's existence, its competitive advantages, and the manner in which it currently conducts its business and treats those within and outside of the organization. These meetings were also used to develop a vision of what the Authority should look like many years into the future if it successfully implements its strategies/programs and achieves its full potential. Similar meetings were held with the User Committee, contract city chiefs, and representatives from member and contract city fire and police departments.

Following these input gathering sessions, an internal working group—assembled via an interest memorandum process and representing all levels of the organization—was convened to organize the information received and develop succinct vision, mission, and values statements. This working group met over a series of weeks to review the feedback received and condense this information into the following concise, meaningful statements:

VISION STATEMENT

To lead the way in regional emergency communications and shape the future of public safety through collaboration with our communities.

The vision statement serves to define the desired future state of the organization, providing guidance and inspiration as to what the Authority aims to achieve many years into the future. As a pioneer in the field of consolidated dispatching, the Authority has much to contribute to the emergency communications industry. Additionally, because the communities of the South Bay continue to desire innovative and results-oriented public safety solutions, the Authority will position itself to be a vital partner with its fire and police departments to achieve those goals.

MISSION STATEMENT

We are dedicated to professionalism and excellence in public safety communications.

The mission statement serves to define the present purpose of the organization in a concise manner. Throughout the stakeholder feedback sessions, the term **professionalism** was identified by nearly all participants as the most valuable aspect of the services provided by the Authority. When combined with the Authority's demonstrated ability to routinely perform at an outstanding level even during the most difficult of situations, the two traits of **professionalism** and **excellence** emerged as the defining characteristics of the Authority's services—what it should never lose sight of. The brevity of the mission statement is intentional and meant to underscore the importance of these two qualities in a declaration that is easily to memorize.

VALUES

*Teamwork
Professionalism
Empathy
Innovation*

The values serve to define the core principles that guide and direct the organization and its employees. By its very nature, the Authority's services center around **teamwork**, both internally, as employees collaborate with one another to manage incidents in the field, and externally, as the Authority collaborates with its fire and police departments to provide the highest levels of service with the utmost **professionalism**.

Although the Authority is among the largest communications centers in region—serving a population of over 250,000 residents—staff understands that callers are people just like them and that a tangible display of **empathy** not only shows respect to an individual, but also can help diffuse the stress of an emergency situation, reduce the overall trauma of an event, and help a victim to feel more positively towards police officers and firefighters when they arrive on-scene.

The Authority is also dedicated to continuous improvement and embraces **innovation** as the cornerstone of continued service excellence and sustained fiscal viability.

Staff believes that the recommended vision, mission, and values statements will be inspirational to employees—providing a tangible foundation on which they can anchor their performance to—and are consistent with the goals and objectives of the Authority's member and contract cities.

These statements were presented to the Executive Committee and the User Committee on June 18, 2019. Both bodies expressed support for the statements and recommended that they be presented the Board of Directors for adoption. By adopting these statements, the Board of Directors will be providing current and prospective employees with a clear understanding of the actions, behaviors, and principles that guide the organization.

FISCAL IMPACT

None.

D-2

Attachment

RESOLUTION NO. ____

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTH BAY
REGIONAL PUBLIC COMMUNICATIONS AUTHORITY
ESTABLISHING VISION, MISSION, AND VALUES STATEMENTS**

WHEREAS, it is essential for the Authority to have a clear sense of direction with written vision, mission, and values statements; and

WHEREAS, it is the desire of the Board of Directors to declare the vision, mission, and values of the Authority; and

WHEREAS, the Authority's vision serves to define the desired future state of the organization, providing guidance and inspiration as to what the Authority aims to achieve many years into the future; and

WHEREAS, the Authority's mission serves to define the present purpose of the organization in a concise manner; and

WHEREAS, the Authority's values serve to define the core principles that guide and direct the organization and its employees; and

WHEREAS, the vision, mission, and values statements were developed in conjunction with feedback received from employees, member and contract city police and fire department personnel, and the User Committee and contract city chiefs; and

WHEREAS, the Executive Committee has recommended that the vision, mission, and values statements be adopted by the Board of Directors; and

WHEREAS, Article IV Section G of the Authority's Bylaws grants the Board of Directors the power to make all policy decisions and determinations for the Authority, including the approval of vision, mission, and values statements.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the South Bay Regional Public Communications Authority that:

1. The vision, mission, and values statements attached hereto as Exhibit "A" are adopted.
2. The Executive Director is hereby directed to implement the vision, mission, and values statements throughout the organization's materials, including policy manuals, training materials, webpages, recruitment and promotional processes, performance management tools, and other modes of communication.

Passed, approved, and adopted in a meeting held on the 17th day of September, 2019 by the following vote:

Ayes:
Noes:
Absent:
Abstain:

Board of Directors, Chair

Erick B. Lee, Secretary
Board of Directors

EXHIBIT A

VISION STATEMENT

To lead the way in regional emergency communications and shape the future of public safety through collaboration with our communities.

MISSION STATEMENT

We are dedicated to professionalism and excellence in public safety communications.

VALUES

Teamwork

Professionalism

Empathy

Innovation

D-3



Staff Report

South Bay Regional Public Communications Authority

MEETING DATE: September 17, 2019

ITEM NUMBER: D-3

TO: Board of Directors

FROM: Erick B. Lee, Executive Director

SUBJECT: RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY AMENDING ARTICLE X (FINANCES) OF THE BYLAWS TO MODIFY THE METHOD OF ASSESSMENT AND APPROVING A COST ALLOCATION POLICY IN CONNECTION THEREWITH

ATTACHMENTS:

1. Resolution
2. Tracked Changes of Amendment to Bylaws
3. Matrix Consulting Group's Report on the Cost of Services and Cost Allocation Study – August 2019

RECOMMENDATION

Staff recommends that the Board of Directors adopt the resolution amending Article X (Finances) of the Bylaws to modify the method of assessment and approving a Cost Allocation Policy.

BACKGROUND

The Authority provides dispatching and vehicle upfitting 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.

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. The consultant's final report and associated recommendations were presented to the Executive Committee on August 20, 2019 (Attachment #3). The Executive Committee accepted the recommendations contained in the final report with the following exceptions:

- Recommendation #10: Accelerate implementation horizon for charging Technical Services Division labor hours from 3-5 years to 12 months
- Recommendations #11-19: Revisit Cost Adjustment Surcharge after policy on non-current liabilities has been considered by the Executive Committee.

As part of the action taken on August 20, 2019, the Executive Committee also directed staff to begin implementing the multi-year implementation plan that was presented with the report.

DISCUSSION

The first step in implementation of the consultant's recommendations is the adoption of a formal Cost Allocation Policy. The Authority's Bylaws grants the Board of Directors full control and management of the affairs of the Authority with the power to make all policy decisions. Additionally, the Bylaws require a review and revision of the Authority's assessment formula whenever the Executive Committee determines that there is a material change in the operational costs of the agency.

Based on the recommendations contained in the study conducted by Matrix, which have been accepted by the Executive Committee with the exceptions identified above, staff has developed the Cost Allocation Policy contained in the resolution (Attachment #1). If

adopted, this resolution would require that the Cost Allocation Policy be utilized as the basis for member agency assessment charges beginning in Fiscal Year 2020-2021. It would also require that all future agreements with contract agencies utilize the Cost Allocation Policy as the basis for their assessment charges.

By using the methodology outlined in the Cost Allocation Policy, member and contract agency assessments would be tied as closely as possible to the actual costs incurred by the Authority for providing its services. Each city would be charged for its share of:

- 9-1-1 and non-emergency calls received
- Actual dispatcher services provided to its police and/or fire department
- Surge capacity dispatching capabilities
- Vehicle upfitting services
- Administrative overhead charges

As it relates to costs associated with vehicle upfitting services, the Cost Allocation Policy specifies that these costs will be split evenly between dedicated support and workload support provided by the Technical Services Division. Dedicated support charges will be derived by each agency's corresponding percentage of police and fire vehicles that are anticipated to be active in inventory during the assessment year.

For Fiscal Year 2020-2021, workload support charges will be derived by each agency's corresponding percentage of vehicle installation and repair work orders. Beginning in Fiscal Year 2021-2022, the Authority anticipates changing the calculation of workload support charges to the actual percentage of labor hours associated with vehicle installation and repair work orders. Under the proposed policy, the Executive Director is required to present recommendations on implementing this anticipated change to the Executive Committee by September 30, 2020 after 12 months of data are available for analysis.

In order to implement the Cost Allocation Policy, amendments to the Authority's Bylaws are necessary to reflect the revised ownership and assessment allocations for member cities. Currently, the Bylaws specify that all costs shall be divided among the member agencies in accordance with the formula based on each member's ownership share of the Authority as follows:

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

With the establishment of the Cost Allocation Policy, the ownership share distribution for member cities would change as follows:

City	Fiscal Year 2019-2020 Assessment	Current Ownership Share %	Modeled Assessment	Proposed Ownership Share %	% Increase/ Decrease
Gardena	\$2,391,301	32.08%	\$2,067,757	30.68%	-1.40%
Hawthorne	\$3,359,598	45.07%	\$2,645,895	39.26%	-5.81%
Manhattan Beach	\$1,703,280	22.85%	\$2,026,090	30.06%	7.21%
TOTAL	\$7,454,179	100.00%	\$6,739,742	100.00%	0.00%

Based on the methodology established by the Cost Allocation Policy, and modeling of the Authority's Fiscal Year 2019-2020 assessments according to this policy, the immediate annual assessment increase for the City of Manhattan Beach would be \$322,810, which equates to a 19% year-over-year increase. Given the magnitude of this increase and the impact it would have on this city's budget, the Executive Committee directed staff to develop a plan whereby Manhattan Beach's assessments would gradually increase to the full amount under the Cost Allocation Policy over a four (4) year period. Under this plan, the assessments for the City of Gardena and the City of Hawthorne would decrease to their corresponding amounts over this same period, along with the changes in ownership share distribution between the member cities.

In order to accomplish this phasing of assessment increases and decreases, the Bylaws would be amended to indicate that the City of Manhattan Beach's assessment would be calculated according to the Cost Allocation Policy, and it would receive a series of diminishing discounts over the next four years. During this same period, assessments for the City of Gardena and the City of Hawthorne would also be calculated according to the policy, but their proposed decreases would be softened by way of a premium that would be added on top of the calculated amounts to make-up for the discount provided to the City of Manhattan Beach. Additionally, any budget deficit not covered by member agency assessments, as calculated under the Cost Allocation Policy, and/or contract agency assessments, as specified under their agreements, would be divided between the three (3) member agencies in accordance with each member's ownership share of the Authority.

A summary of these proposed discounts and premiums, in terms of the modeled Fiscal Year 2019-2020 budget, and changes in ownership share distribution between the member cities over the four year period is as follows:

Fiscal Year 2020-2021				
City	Premium/ Discount %	Modeled (Discount)	Premium Amount	Ownership Share
Gardena	4.93%		\$101,956	31.73%
Hawthorne	5.30%		\$140,152	43.62%
Manhattan Beach	-11.95%		(\$242,108)	24.65%

Fiscal Year 2021-2022				
City	Premium/ Discount %	Modeled (Discount)	Premium Amount	Ownership Share
Gardena	3.33%		\$68,869	31.38%
Hawthorne	3.50%		\$92,536	42.16%
Manhattan Beach	-7.97%		(\$161,405)	26.46%

Fiscal Year 2022-2023				
City	Premium/ Discount %	Modeled (Discount)	Premium Amount	Ownership Share
Gardena	1.69%		\$34,906	31.03%
Hawthorne	1.73%		\$45,796	40.71%
Manhattan Beach	-3.98%		(\$80,703)	28.26%

Fiscal Year 2023-2024				
City	Premium/ Discount %	Modeled (Discount)	Premium Amount	Ownership Share
Gardena	0%		-	30.68%
Hawthorne	0%		-	39.26%
Manhattan Beach	0%		-	30.06%

In addition to the changes to the method of assessment, the proposed resolution would also update the budget process dates specified in the Bylaws. Under the budget policy resolution adopted in 2018 (Resolution No. 321), the Executive Committee is required to consider the preliminary budget for the next fiscal year in February and the Board of Directors is required to adopt the recommended budget in March. The proposed resolution would ensure the dates specified in the bylaws conform to the timeline specified in the budget policy.

FISCAL IMPACT

There is no direct fiscal impact to the Authority. However, the Cost Allocation Policy would reallocate costs between the Authority's member and contract cities. Below is summary of how the Authority's Fiscal Year 2019-2020 budgeted assessments compare to the methodology established in the Cost Allocation Policy. (These amounts model the Fiscal Year 2019-2020 budget with the proposed policy and are for illustration only. The actual assessments for the current fiscal year would not change with the adoption of this policy).

City	Current Assessment	Modeled Assessment	\$ Increase/ Decrease	% Increase/ Decrease
Culver City	\$2,587,601	\$2,620,619	\$33,018	1%
El Segundo	\$1,372,870	\$1,852,694	\$479,824	35%
Gardena	\$2,391,301	\$2,067,757	(\$323,544)	-14%
Hawthorne	\$3,359,598	\$2,645,895	(\$713,703)	-21%
Hermosa Beach	\$975,208	\$1,175,233	\$200,025	21%
Manhattan Beach	\$1,703,280	\$2,026,090	\$322,810	19%
TOTAL	\$12,389,858	\$12,388,288	(\$1,570)	0%

Additionally, the four year plan to fully implement the Cost Allocation Policy, as articulated in the amendment to the Bylaws, would result in an estimated cumulative savings of \$484,216 in the form of discounts on the Member Cost Allocation Assessments to the City of Manhattan Beach. This savings would be offset by premiums on the Member Cost Allocation Assessments charged to the City of Gardena and the City of Hawthorne.

D-3

Attachment 1

RESOLUTION NO. _____**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY AMENDING ARTICLE X (FINANCES) OF THE BYLAWS TO MODIFY THE METHOD OF ASSESSMENT AND APPROVING A COST ALLOCATION POLICY IN CONNECTION THEREWITH**

WHEREAS, Article IV of the Authority's Bylaws grants the Board of Directors full control and management of the affairs of the Authority, and also establishes the Board of Directors as the governing body of the Authority with plenary powers to take such actions necessary and appropriate to accomplish the general purposes of the Authority;

WHEREAS, Article IV Section G of the Authority's Bylaws grants the Board of Directors the power to make all policy decisions and determinations for the Authority;

WHEREAS, Article X of the Authority's Bylaws requires a review and revision of its assessment formula whenever the Executive Committee determines that there is a material change in the operational costs of the Authority;

WHEREAS, the Executive Committee approved an agreement with Matrix Consulting Group for consulting services related to a Comprehensive Cost of Service and Allocation Study on February 19, 2019;

WHEREAS, the Executive Committee accepted the recommendations of the Matrix Consulting Group's study on August 20, 2019, with the exception of modifying the implementation horizon for Recommendation #10 from 3-5 years to 12 months and revisiting the possibility of implementing Recommendations #11 through #19 after the Authority's policy on non-current liabilities has been considered by the Executive Committee, and directed staff to develop a cost allocation policy based on the study;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the South Bay Regional Public Communications Authority:

SECTION 1. Cost Allocation Policy. The Cost Allocation Policy identified as Exhibit "A" of this resolution is hereby adopted.

SECTION 2. Amendment to Bylaws. Article X (Finances) of the Bylaws, is hereby amended in its entirety to read as provided in Exhibit "B" to this resolution.

SECTION 3. Agreements with Contract Agencies. All future agreements with contract agencies shall utilize the Cost Allocation Policy as the basis for their assessment charges and, to the extent possible, conform with the tenets of the policy.

SECTION 4. This resolution shall become effective immediately, and shall remain in full force and effect until the further order of the Board of Directors.

Passed, approved, and adopted in a meeting held on the 17th day of September, 2019
by the following vote:

Ayes:
Noes:
Absent:
Abstain:

_____, Chair
Board of Directors

Erick B. Lee, Secretary
Board of Directors

Approved as to Form:

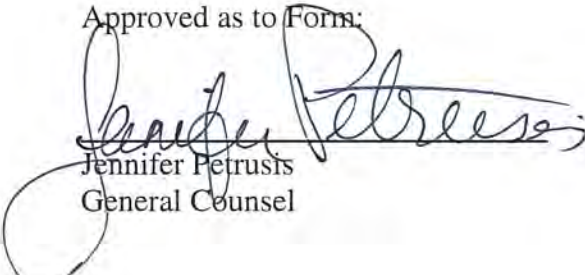

Jennifer Petrusis
General Counsel

EXHIBIT “A”

Cost Allocation Policy

Section 1. Background. This Cost Allocation Policy is based on the Matrix Consulting Group’s *Report on the Cost of Services and Cost Allocation Study – August 2019* that was accepted by the Executive Committee on August 20, 2019.

Section 2. Updating of Policy. In accordance with the consultant’s recommendations, the assessment methodologies and corresponding cost allocation model that serve as the foundation of this Cost Allocation Policy should be updated every 5-7 years or when a new agency begins to receive, or an existing agency ceases to receive, services from the Authority.

Section 3. Total Fiscal Year Costs. As established by the Authority’s Budgetary Policy, staff shall develop a preliminary fiscal year operating and capital outlay budget for presentation to the Executive Committee in February of each year. This budget will include the total costs to operate the Authority for the fiscal year (“Total Fiscal Year Costs”). Based on this preliminary budget, staff shall separate the Total Fiscal Year Costs into the following three categories:

1. Administrative costs
2. Operations Department costs
3. Technical Services Division costs

Each agency shall be assessed its proportionate share of Operations Department and Technical Services Division costs, including commensurate allocations of indirect Administrative costs, as part of the fiscal year budget adopted by the Board of Directors in March of each year.

Section 4. Administrative Costs. The portion of the Total Fiscal Year Costs relating to the Authority’s Administration shall be determined to be its Administrative costs. Such costs shall include:

1. Personnel Costs: Administration Department salaries and benefits
2. Operating Costs: Administration Department supplies, equipment, and services
3. Fixed Assets: Annual depreciation costs associated with building and equipment
4. Capital Outlay: Any capital improvement program expenses
5. Reallocation of Technical Services Costs: Any Authority-wide costs budgeted in the Technical Services Division
6. Revenue Offsets: Reimbursement and investment earnings revenues

Section 4.A. Administrative Functions. Administrative costs shall be allocated to the following four functional areas:

Function	Allocation of Administrative Costs
Authority-wide support	14%
Financial support	10%
Personnel and support services support	54%
Operations support	22%
Total	100%

Section 4.B. Allocation of Administrative Costs. Administrative costs from the four functional areas shall be allocated between the Operations Department and the Technical Services Division in accordance with the following schedule:

Function	Operations Department	Technical Services Division	Total
Authority-wide support	81%	19%	100%
Financial support	50%	50%	100%
Personnel and support services support	92%	8%	100%
Operations support	100%	0%	100%

Section 5. Operations Department Costs. The portion of the Total Fiscal Year Costs relating to dispatching services shall be determined to be the Operations Department costs. Such costs shall include:

1. Personnel Costs: Operations Department salaries and benefits
2. Operating Costs: Operations Department supplies, equipment, and services
3. Revenue Offsets: Reimbursement revenues
4. Incoming Indirect Support: Administrative costs and support received from the Technical Services Division

Section 5.A. Operations Department Functions. As part of the annual budget development process, the Executive Director shall develop a staffing allocation plan that allocates Communications Operator staffing between the Operations Department's three functional areas of Call-Taking, Police Dispatch and Fire Dispatch. All Operations Department costs shall be allocated according to this staffing allocation plan.

Beginning in Fiscal Year 2020-2021 and until a modified staffing allocation plan is recommended by the Executive Director and approved by the Executive Committee, the staffing allocation plan and corollary allocation of Operations Department costs between the three functional areas is as follows:

Function	Position Allocations	Allocation of Operations Department Costs
Call-Taking	3.5	32%
Police Dispatch	6.0	55%
Fire Dispatch	1.5	13%
Total	11.0	100%

Section 5.B. Allocation of Operations Department Costs. The allocation of Operations Department costs between its three functional areas shall be in accordance with the following schedules:

Call-Taking	Percent of Call-Taking Allocation	Percent of Total Operations Department Costs
9-1-1 Calls	60%	19%
Non-Emergency Calls	40%	13%
Total	100%	32%

Call-Taking charges will be derived by each agency's corresponding percentage of 9-1-1 calls and non-emergency calls. In developing the Call-Taking allocations, a rolling three-year average of calls for each agency, as of December 31, shall be used, except in cases where three years of reliable data is not available. In such cases, a two-year average, one year of actual data, or an annual projection may be used.

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

For Police Dispatch, Assigned Staff costs for each agency will be determined by the assessment year's staffing allocation plan. CAD Incident Volume charges will be derived by each agency's corresponding percentage of all police calls for service. In developing the CAD Incident Volume allocation, a rolling three-year average of calls for service for each agency, as of December 31, shall be used, except in cases where three years of reliable data is not available. In such cases, a two-year average, one year of actual data, or an annual projection may be used.

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

For Fire Dispatch, Assigned Staff costs for each agency will be determined by the assessment year's staffing allocation plan. CAD Incident Volume charges will be derived by each agency's corresponding percentage of all fire calls for service. In developing the CAD Incident Volume allocation, a rolling three-year average of calls for service for each agency, as of December 31, shall be used, except in cases where three years of reliable data is not available. In such cases, a two-year average, one year of actual data, or an annual projection may be used.

Section 6. Technical Services Division Costs. The portion of the Total Fiscal Year Costs relating to vehicle upfitting services shall be determined to be the Technical Services Division costs. Such costs shall include:

1. Personnel Costs: Technical Services Division salaries and benefits
2. Operating Costs: Technical Services Division supplies, equipment, and services
3. Excluded Costs: Certain line items relating to Authority-wide functions and support

4. Revenue Offsets: Reimbursement revenues
5. Incoming Indirect Support: Administrative costs

Section 6.A. Technical Services Division Functions. The Technical Services Division costs shall be allocated to the following two functional areas:

Function	Allocation of Technical Services Division Costs
Dedicated Support	50%
Workload Support	50%
Total	100%

Section 6.B. Allocation of Technical Services Division Costs. The Technical Services Division's functional costs will be allocated in accordance with the following schedules:

Dedicated Support	Percent of Dedicated Support Allocation	Percent of Total Technical Services Division Costs
Number of Police & Fire Vehicles	100%	50%
Total	100%	50%

Dedicated Support charges will be derived by each agency's corresponding percentage of police and fire vehicles that are anticipated to be active in inventory (either in-service or pending commissioning/decommissioning) during the assessment year. All such vehicles shall be listed on each agency's "Active Vehicle Inventory List" and certified annually by its Chief of Police or Fire Chief. Accounting of and billing for Dedicated Support will occur as part of the annual assessment process.

Workload Support	Percent of Workload Support Allocation	Percent of Total Technical Services Division Costs
Number of Work Orders	100%	50%
Total	100%	50%

For Fiscal Year 2020-2021, Workload Support charges will be derived by each agency's corresponding percentage of vehicle installation and repair work orders. Accounting of and billing for Workload Support will occur on a quarterly basis.

Beginning in Fiscal Year 2021-2022, the Authority anticipates changing the calculation of Workload Support charges from a three-year average of work orders to the actual percentage of labor hours associated with vehicle installation and repair work orders. The Executive Director shall present recommendations on implementing this anticipated change to the Executive Committee by September 30, 2020.

Section 7. Cost Adjustment Surcharge for Contract Agencies. In addition to the assessments for Operations Department and Technical Services Division costs, each contract agency shall be required to pay any cost adjustment surcharge as established by a resolution of the Executive Committee. This cost adjustment surcharge can be assessed in order to fund future costs related to unfunded liabilities associated with the California Public Employees' Retirement System ("CalPERS"), Other Post-Employment

Benefits ("OPEB") and/or long-term capital improvement needs, which are not currently accounted for in annual budgets. The aforementioned resolution shall specify the source(s) of costs for the surcharge, provide for surcharge funds to accumulate in a separate restricted fund, and designate parameters and conditions under which surcharge funds may be expended.

Section 8. Policy Exceptions. This policy shall be not be applicable to any contract agency that has entered into an agreement with the Authority which authorizes a specific assessment amount that is less than this policy would otherwise require.

EXHIBIT "B"

Amendment to Bylaws

ARTICLE X FINANCES

(Article Renumbered by Resolution 31, 6/26/80,
Formerly Article X)

- A. **Fiscal Year.** The fiscal year of the Authority shall begin July 1 of each year. If more than fifty percent of the finances for the Authority during any twelve-month period are provided by grant funds, the fiscal year may be modified by the Board of Directors to coincide with the contract period of such grant.

- B. **Budget Submission and Adoption.** The Authority budget of the following fiscal year shall be submitted by the Executive Director to the Executive Committee in February of each year and the Board of Directors in March of each year. The Board of Directors shall approve and adopt the annual budget for the Authority not later than March 31 of each year. The annual budget shall include the necessary funds with which the Authority shall obtain and maintain workers' compensation insurance, liability insurance and other such insurance as deemed necessary by the Executive Committee to fully protect the Authority and each of the member agencies. Said insurance shall be obtained and maintained in force at all times during the effective term of this Agreement.

- C. **Yearly Membership Assessment.** Each year, concurrent with the adoption of the annual budget, the Board of Directors shall fix membership assessments for all member agencies in the amounts sufficient to provide the funds required by the budget and shall advise the legislative body of each member agency thereof on or before May 1 of each year. Said assessments shall be due and payable to the Authority by each member agency quarterly, July 15 (35% of total due); October 15 and January 15 (25%) and April 15 (15%). If any member agency fails to pay its entire assessment prior to the foregoing date, such agency shall be deemed in default for the purposes of Paragraph "E" hereof.

The amount of each member agency's assessment shall be determined in accordance with the formula set forth in Paragraph "D" hereof. (Amended by Resolution 31, 6/26/80 and Resolution 73 (12/21/83).)

D. **Method of Assessment.**

(Phase III assessment schedule deleted by Resolution 31, 7/02/80;
Phase IV assessment schedule deleted by Resolution 54, 12/16/81;
Amended by Resolution 262, 1/15/08.)

Computation of assessments to be paid by the member agencies for the operation and maintenance of the Authority shall be as follows:

1. Beginning Fiscal Year 2008-2009, the annual budgeted expenditures and indebtedness incurred by the Authority shall be divided among the member

agencies in accordance with the formula based 100% on each member's ownership share of the Authority as follows:

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

2. Beginning Fiscal Year 2020-2021, each member shall pay an assessment that is the total of the sum of the Member Cost Allocation Assessment, the Deficit Assessment, and the Debt Assessment, as such terms are defined below.
 - a. The "Member Cost Allocation Assessment" shall mean an amount that is determined by dividing the annual budgeted expenditures among the member agencies in accordance with the Cost Allocation Policy, adopted by resolution of the Board of Directors. To allow cost increases for the City of Manhattan Beach to be phased in over a four year period, for each fiscal year through fiscal year 2022-23, the Member Cost Allocation Assessment shall be further adjusted as follows:
 - i. For Fiscal Year 2020-2021, the City of Manhattan Beach will receive an 11.95% discount on its Member Cost Allocation Assessment. The City of Gardena will pay a 4.93% premium on its Member Cost Allocation Assessment. The City of Hawthorne will pay a 5.30% premium on its Member Cost Allocation Assessment.
 - ii. For Fiscal Year 2021-2022, the City of Manhattan Beach will receive a 7.97% discount on its Member Cost Allocation Assessment. The City of Gardena will pay a 3.33% premium on its Member Cost Allocation Assessment. The City of Hawthorne will pay a 3.50% premium on its Member Cost Allocation Assessment.
 - iii. For Fiscal Year 2022-2023, the City of Manhattan Beach will receive a 3.98% discount on its Member Cost Allocation Assessment. The City of Gardena will pay a 1.69% premium on its Member Cost Allocation Assessment. The City of Hawthorne will pay a 1.73% premium on its Member Cost Allocation Assessment.
 - b. The "Deficit Assessment" shall mean an amount that represents each member's Ownership Share (defined below) of the sum of the following: any budgeted expenditures not covered by (i) the total amount of the Member Cost Allocation Assessments and (ii) all assessments paid by a non-member agency pursuant to contract.
 - c. The "Debt Assessment" shall mean an amount that represents each member's Ownership Share (defined below) of the annual cost of any indebtedness incurred by the Authority.

3. The "Ownership Share" shall mean:

a. For Fiscal Year 2020-2021:

City of Gardena	31.73%
City of Hawthorne	43.62%
City of Manhattan Beach	24.65%

b. For Fiscal Year 2021-2022:

City of Gardena	31.38%
City of Hawthorne	42.16%
City of Manhattan Beach	26.46%

c. For Fiscal Year 2022-2023:

City of Gardena	31.03%
City of Hawthorne	40.71%
City of Manhattan Beach	28.26%

d. For Fiscal Year 2023-2024 and beyond:

City of Gardena	30.68%
City of Hawthorne	39.26%
City of Manhattan Beach	30.06%

This assessment formula shall be reviewed and revised whenever the Executive Committee determines that there is a material change in the operational costs of the Authority. A material change in operating costs shall mean such circumstances that would compel the Authority to substantially increase staffing levels to provide dispatch services to its members or to a new contracting or member agency. Individual member agency's communications equipment maintenance shall be paid for entirely by such member agency.

- E. **Default on Obligations.** If any member agency fails to make payment of its membership assessment on the due date, the following penalties shall be imposed automatically:

Payment Received by the Authority

- 15 days past due - 5% of the amount due.

Payment Received by the Authority

- 30 days past due - 10% of the amount due.

The levying of a default membership assessment shall not limit the Authority's power to seek any other remedies in the law, or as contained in these Bylaws. (First paragraph added by Resolution 10, 5/19/77.)

Notwithstanding any other provision of the Agreement or the Bylaws to the contrary, an official representative or alternate from any member agency to the Board of Directors, Executive

Committee, User Committee or any other Board or Committee of the Authority as may be established, shall not be eligible to vote on any matter before such Board or Committee during any period that such member agency is in default on any financial obligation to the Authority. During the existence of such default, such representative shall not be counted as a member of any such Board or Committee for purposes of determining a quorum or any requisite vote required pursuant to any provision of these Bylaws. After the initial five year mandatory term of membership as provided in the Agreement and these Bylaws, if a member agency remains in default on any obligation to the Authority for a period of more than ninety consecutive days thereafter, the membership of such agency shall automatically be terminated.

The Authority shall have the power to commence an action in its own name against any member agency in default to recover the amount of the obligation due to the Authority hereunder.

- F. **Treasurer and Controller.** The Treasurer and Controller shall be the chief financial officer of the Authority and shall be appointed by, and hold office at the pleasure of, the Executive Committee. The Treasurer and Controller shall receive such compensation as may be fixed by the Executive Committee. Said controller and treasurer shall have the powers and duties as set forth in Sections 6505 and 6505.5 of the Government Code, any other provision of state law, an agreement, these Bylaws or as may be established by the Executive Committee.
- G. **Property Custodian.** The Executive Committee shall, by resolution, designate the public officers or persons who have charge of, handle or have access to any property of the Authority and shall require such public officers or persons to file an official bond in an amount to be fixed by said resolution.
- H. **Indemnification of Tort Liability.** Pursuant to Section 895 et seq. Of the Government Code of the State of California, each member agency shall be liable for any debts and liabilities imposed by law upon any one or more of the member agencies for injury caused by a negligent or wrongful act or omission occurring in the performance of this Agreement in the same proportions as specified for membership assessments set forth in Paragraph D of Article VIII hereof. To achieve such purpose, each member agency hereby indemnifies and holds harmless the other member agencies for any loss, cost or expense that may be imposed upon such other member agencies in excess of such prorate liability. The rules for interpreting agreement of indemnity as set forth in Section 2778 of the Civil Code are hereby made a part of these Bylaws.

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Attachment 2

Amendment to Bylaws

Tracked Changes

ARTICLE X

FINANCES

(Article Renumbered by Resolution 31, 6/26/80,
Formerly Article X)

- A. **Fiscal Year.** The fiscal year of the Authority shall begin July 1 of each year. If more than fifty percent of the finances for the Authority during any twelve-month period are provided by grant funds, the fiscal year may be modified by the Board of Directors to coincide with the contract period of such grant.
- B. **Budget Submission and Adoption.** The Authority budget of the following fiscal year shall be submitted by the ~~executive director~~Executive Director to the Executive Committee in February of each year and the Board of Directors ~~on or before April 1~~in March of each year. The Board of Directors shall approve and adopt the annual budget for the Authority not later than ~~May~~4 March 31 of each year. The annual budget shall include the necessary funds with which the Authority shall obtain and maintain workers' compensation insurance, liability insurance and other such insurance as deemed necessary by the Executive Committee to fully protect the Authority and each of the member agencies. Said insurance shall be obtained and maintained in force at all times during the effective term of this Agreement.
- C. **Yearly Membership Assessment.** Each year, concurrent with the adoption of the annual budget, the Board of Directors shall fix membership assessments for all member agencies in the amounts sufficient to provide the funds required by the budget and shall advise the legislative body of each member agency thereof on or before May 1 of each year. Said assessments shall be due and payable to the Authority by each member agency quarterly, July 15 (35% of total due); October 15 and January 15 (25%) and April 15 (15%). If any member agency fails to pay its entire assessment prior to the foregoing date, such agency shall be deemed in default for the purposes of Paragraph "E" hereof.

The amount of each member agency's assessment shall be determined in accordance with the formula set forth in Paragraph "D" hereof. (Amended by Resolution 31, 6/26/80 and Resolution 73 (12/21/83).)

D. **Method of Assessment.**

(Phase III assessment schedule deleted by Resolution 31, 7/02/80;
Phase IV assessment schedule deleted by Resolution 54, 12/16/81;
Amended by Resolution 262, 1/15/08.)

Computation of assessments to be paid by the member agencies for the operation and maintenance of the Authority shall be as follows:

~~a. Category 1 Charges.~~

1. Beginning Fiscal Year 2008-2009, the annual budgeted expenditures ~~made~~ and indebtedness incurred by the Authority ~~relating to services associated with central dispatch activities~~ shall be divided among the member agencies in accordance with the formula based 100% on each member's ownership share of the Authority as follows:

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

2. Beginning Fiscal Year 2020-2021, each member shall pay an assessment that is the total of the sum of the Member Cost Allocation Assessment, the Deficit Assessment, and the Debt Assessment, as such terms are defined below.

- a. The "Member Cost Allocation Assessment" shall mean an amount that is determined by dividing the annual budgeted expenditures among the member agencies in accordance with the Cost Allocation Policy, adopted by resolution of the Board of Directors. To allow cost increases for the City of Manhattan Beach to be phased in over a four year period, for each fiscal year through fiscal year 2022-23, the Member Cost Allocation Assessment shall be further adjusted as follows:

- i. For Fiscal Year 2020-2021, the City of Manhattan Beach will receive an 11.95% discount on its Member Cost Allocation Assessment. The City of Gardena will pay a 4.93% premium on its Member Cost Allocation Assessment. The City of Hawthorne will pay a 5.30% premium on its Member Cost Allocation Assessment.

- ii. For Fiscal Year 2021-2022, the City of Manhattan Beach will receive a 7.97% discount on its Member Cost Allocation Assessment. The City of Gardena will pay a 3.33% premium on its Member Cost Allocation Assessment. The City of Hawthorne will pay a 3.50% premium on its Member Cost Allocation Assessment.

- iii. For Fiscal Year 2022-2023, the City of Manhattan Beach will receive a 3.98% discount on its Member Cost Allocation Assessment. The City of Gardena will pay a 1.69% premium on its Member Cost Allocation Assessment. The City of Hawthorne will pay a 1.73% premium on its Member Cost Allocation Assessment.

- b. The "Deficit Assessment" shall mean an amount that represents each member's Ownership Share (defined below) of the sum of the following: any budgeted expenditures not covered by (i) the total amount of the Member Cost Allocation Assessments and (ii) all assessments paid by a non-member agency pursuant to contract.

c. The “Debt Assessment” shall mean an amount that represents each member’s Ownership Share (defined below) of the annual cost of any indebtedness incurred by the Authority.

3. The “Ownership Share” shall mean:

a. For Fiscal Year 2020-2021:

<u>City of Gardena</u>	<u>31.73%</u>
<u>City of Hawthorne</u>	<u>43.62%</u>
<u>City of Manhattan Beach</u>	<u>24.65%</u>

b. For Fiscal Year 2021-2022:

<u>City of Gardena</u>	<u>31.38%</u>
<u>City of Hawthorne</u>	<u>42.16%</u>
<u>City of Manhattan Beach</u>	<u>26.46%</u>

c. For Fiscal Year 2022-2023:

<u>City of Gardena</u>	<u>31.03%</u>
<u>City of Hawthorne</u>	<u>40.71%</u>
<u>City of Manhattan Beach</u>	<u>28.26%</u>

d. For Fiscal Year 2023-2024 and beyond:

<u>City of Gardena</u>	<u>30.68%</u>
<u>City of Hawthorne</u>	<u>39.26%</u>
<u>City of Manhattan Beach</u>	<u>30.06%</u>

This assessment formula shall be reviewed and revised whenever the Executive Committee determines that there is a material change in the operational costs of the Authority. A material change in operating costs shall mean such circumstances that would compel the Authority to substantially increase ~~its central dispatch~~ staffing ~~level~~ levels to provide dispatch services to its members or to a new contracting or member agency. Individual member agency’s communications equipment maintenance shall be paid for entirely by such member agency.
(Amended by Resolution 262, 1/15/08.)

- E. **Default on Obligations.** If any member agency fails to make payment of its membership assessment on the due date, the following penalties shall be imposed automatically:

Payment Received by the Authority

- 15 days past due - 5% of the amount due.

Payment Received by the Authority

- 30 days past due - 10% of the amount due.

The levying of a default membership assessment shall not limit the Authority's power to seek any other remedies in the law, or as contained in these Bylaws. (First paragraph added by Resolution 10, 5/19/77.)

Notwithstanding any other provision of the Agreement or the Bylaws to the contrary, an official representative or alternate from any member agency to the Board of Directors, Executive Committee, User Committee or any other Board or Committee of the Authority as may be established, shall not be eligible to vote on any matter before such Board or Committee during any period that such member agency is in default on any financial obligation to the Authority. During the existence of such default, such representative shall not be counted as a member of any such Board or Committee for purposes of determining a quorum or any requisite vote required pursuant to any provision of these Bylaws. After the initial five year mandatory term of membership as provided in the Agreement and these Bylaws, if a member agency remains in default on any obligation to the Authority for a period of more than ninety consecutive days thereafter, the membership of such agency shall automatically be terminated.

The Authority shall have the power to commence an action in its own name against any member agency in default to recover the amount of the obligation due to the Authority hereunder.

- F. **Treasurer and Controller.** The Treasurer and Controller shall be the chief financial officer of the Authority and shall be appointed by, and hold office at the pleasure of, the Executive Committee. The Treasurer and Controller shall receive such compensation as may be fixed by the Executive Committee. Said controller and treasurer shall have the powers and duties as set forth in Sections 6505 and 6505.5 of the Government Code, any other provision of state law, an agreement, these Bylaws or as may be established by the Executive Committee.
- G. **Property Custodian.** The Executive Committee shall, by resolution, designate the public officers or persons who have charge of, handle or have access to any property of the Authority and shall require such public officers or persons to file an official bond in an amount to be fixed by said resolution.
- H. **Indemnification of Tort Liability.** Pursuant to Section 895 et seq. Of the Government Code of the State of California, each member agency shall be liable for any debts and liabilities imposed by law upon any one or more of the member agencies for injury caused by a negligent or wrongful act or omission occurring in the performance of this Agreement in the same proportions as specified for membership assessments set forth in Paragraph D of Article VIII hereof. To achieve such purpose, each member agency hereby indemnifies and holds harmless the other member agencies for any loss, cost or expense that may be imposed upon such other member agencies in excess of such prorated liability. The rules for interpreting agreement of indemnity as set forth in Section 2778 of the Civil Code are hereby made a part of these Bylaws.

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Attachment 3

Report on the Cost of Services and Cost Allocation Study

SOUTH BAY REGIONAL PUBLIC
COMMUNICATIONS AUTHORITY



August 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 allocated 50% based on number of job requests and 50% based upon the vehicle inventory (police and fire) for each jurisdiction.
10	In the next 3-5 years, the Technical Services Division should start tracking labor hours and utilize that data in lieu of job requests to allocate the variability in workload 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 46% 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.

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

#	Recommendation
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.
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 \$162.85 to fully recover for Technical Service staff support provided to external agencies.
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.
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.

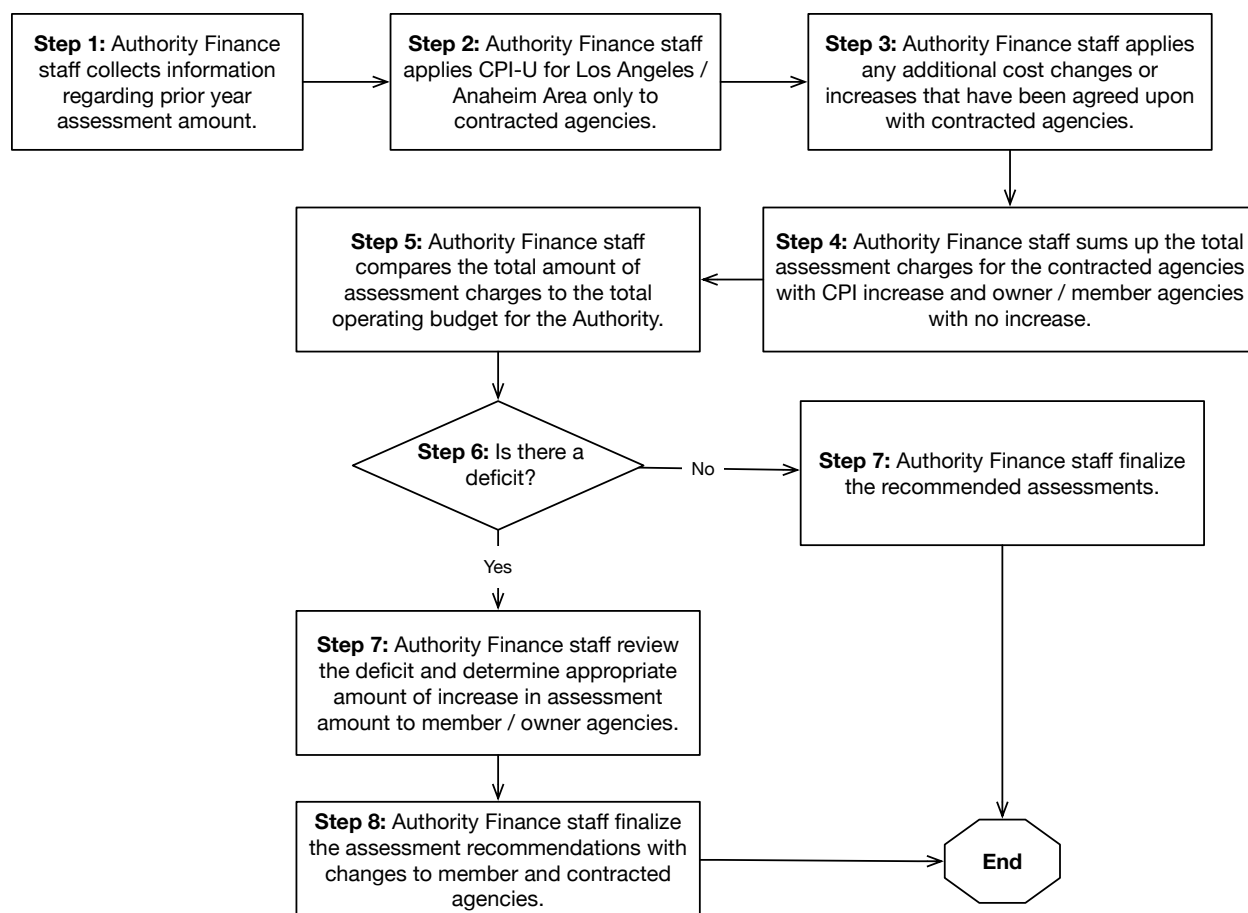
This allocation is changed annually based on the Authority's budget increase and the CPIU for Los Angeles County. Any budget changes which are not covered by the change in allocation to contract agencies are borne by the member agencies.

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 & Performance Audit Manager, 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 Administration.

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 four 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.
- **Personnel and Support Services Support:** Costs apportioned to this function relate to supporting Agency employees, including administration of benefits, recruitments and promotions, as well as other support services that are based upon employee support such as facility maintenance, electricity, etc.

- **Operations Support:** Costs apportioned to this function relate to those administrative line items which are only in relation to dispatch activities and do not provide any support to the Technical Services Division.

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	\$481,176
Financial Support	\$350,187
Personnel & Support Services Support	\$1,818,756
Operations Support	\$735,806
Total	\$3,385,925

These four 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%	\$388,541
Technical Services	\$1,966,920	19%	\$92,634
Total	\$10,216,881	100%	\$481,176

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 Personnel and Support Services Support

As discussed, the personnel and support services 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%	\$1,680,972
Technical Services	5.00	8%	\$137,785
Total	66.00	100%	\$1,818,756

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.

4 Operations Support

The Operation Support function is representative of support provided by Authority which is directly related to dispatch services; as such, these costs have been allocated only to Operations. The following table shows this calculation.

Division	Direct to Operations	Allocation %	Indirect Cost
Operations	100%	100%	\$735,806
Technical Services	0%	0%	\$0
Total	100%	100%	\$735,806

As the table indicates there is a direct cost of approximately \$736,000 that is allocated from the Administration budget to the Operations Department.

3 SUMMARY TOTALS

Based on the analysis shown above, the total allocation of administrative services to Operations is \$2,980,413, and the total for Technical Services is \$405,512. The table below illustrates the total allocation and the overall percentage of support to each division.

Division	Allocated Cost	% Of Support
Operations	\$2,980,413	88%
Technical Services	\$405,512	12%
Total	\$3,385,925	100%

These allocations to Operations and Technical Services equate to 88% and 12% 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. Additionally, support received from the Technical Services Division staff as it relates to equipment and facility maintenance for dispatch operations have been factored into this cost component.

These four categories are anticipated to total \$11,259,284 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.

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.

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.

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 Call-Taking 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%	\$4,343,326
Police – Calls for Service	16%	\$1,860,997
Fire – Dedicated Dispatch	9%	\$1,022,428
Fire – Calls for Service	4%	\$438,183
Call-Taking Emergency Calls	19%	\$2,157,210
Call-Taking Non-Emergency Calls	13%	\$1,438,140
Operations Allocation Total	100%	\$11,259,284

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%	\$723,721
El Segundo	1.00	17%	\$723,721
Gardena	1.00	17%	\$723,721
Hawthorne	1.00	17%	\$723,721
Hermosa Beach	1.00	17%	\$723,721
Manhattan Beach	1.00	17%	\$723,721
Total	6.00	100%	\$4,342,326

As the table 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 \$723,721 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%	\$354,469
El Segundo	33,739	10%	\$194,349
Gardena	68,849	21%	\$396,594
Hawthorne	86,923	27%	\$500,707
Hermosa Beach	29,525	9%	\$170,074
Manhattan Beach	42,498	13%	\$244,803
Total	323,070	100%	\$1,860,997

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%	\$1,078,190
El Segundo	15%	\$918,070
Gardena	18%	\$1,120,315
Hawthorne	20%	\$1,224,428
Hermosa Beach	14%	\$893,795
Manhattan Beach	16%	\$968,524
Total	100%	\$6,203,323

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%	\$340,809
El Segundo	.50	33%	\$340,809
Manhattan Beach	.50	33%	\$340,809
Total	1.50	100%	\$1,022,428

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 Operational Fire Calls for Service	# of Non-Operational Fire Calls for Service	# of Total Fire Calls for Service	% Allocation	Operations Allocation
Culver City	6,585	695	7,280	49%	\$215,714
El Segundo	2,807	1,198	4,005	27%	\$118,672
Manhattan Beach	3,367	136	3,503	24%	\$103,797
Total	12,759	2,029	14,788	100%	\$438,183

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 \$215,714. El Segundo and Manhattan Beach account for smaller percentages of fire calls for service, and thus take on smaller portions of the cost allocation.

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.

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%	\$556,523
El Segundo	32%	\$459,481
Manhattan Beach	30%	\$444,607
Total	100%	\$1,460,611

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%	\$356,980
El Segundo	9,068	9%	\$196,617
Gardena	23,757	24%	\$515,110
Hawthorne	38,936	39%	\$844,228
Hermosa Beach	4,229	4%	\$91,695
Manhattan Beach	7,037	7%	\$152,579
Total	99,491	100%	\$2,157,210

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 \$844,228 of total operations costs. Other cities have smaller call volumes; Hermosa Beach has the smallest 911 call volume, and accounts for \$91,695 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%	\$453,911
El Segundo	19,251	8%	\$119,626
Gardena	40,371	17%	\$250,867
Hawthorne	46,956	20%	\$291,786
Hermosa Beach	15,879	7%	\$98,673
Manhattan Beach	35,931	16%	\$223,277
Total	231,434	100%	\$1,438,140

As the table shows, Culver City generates nearly a third of all non-emergency calls, and thus bears the largest percentage of allocated costs (\$453,911). The cities of El Segundo and Hermosa Beach have the lowest call volumes, and account for \$119,626 and \$98,673 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%	\$810,891
El Segundo	9%	\$316,243
Gardena	21%	\$765,977
Hawthorne	32%	\$1,136,015
Hermosa Beach	5%	\$190,368
Manhattan Beach	10%	\$375,856
Total	100%	\$3,595,350

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	\$1,078,190	\$556,523	\$810,891	\$2,445,604
El Segundo	\$918,070	\$459,481	\$316,243	\$1,693,794
Gardena	\$1,120,315	\$0	\$765,977	\$1,886,293
Hawthorne	\$1,224,428	\$0	\$1,136,015	\$2,360,443
Hermosa Beach	\$893,795	\$0	\$190,368	\$1,084,163
Manhattan Beach	\$968,524	\$444,607	\$375,856	\$1,788,987
Total	\$6,203,323	\$1,406,611	\$3,595,350	\$11,259,284

Overall, Operations allocated approximately \$11.3 million to member and contract agencies. Based upon the total costs allocated, the largest proportion of support is received by Culver City at \$2.45 million followed by Hawthorne at \$2.36 million.

5. Allocation of Technical Services Costs

The Authority's Technical Services Division works on vehicles for each of the participating agencies, upfitting 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 upfitting 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 \$1,252,432 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 AND WEIGHTING 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; upfitting 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 upfit its fleet appropriately. However, this methodology assumes that all vehicles are the same and does not consider whether a vehicle is police cruiser, undercover police car, or fire engine.

As the points demonstrate all three metrics are able to generate some nexus between service provided and the service received; however, the two metrics with the strongest nexus is the number of job requests and the number of vehicles associated with each agency. The number of job requests, barring the use of labor hours, most accurately captures the level of effort spent by staff based upon variability in workload. The vehicle count and inventory helps the Authority capture the fixed workload associated with the Technical Services staff. The depth and breadth of a jurisdiction's vehicle inventory directly correlates to the possibility and need for upfitting and maintaining those vehicles.

Similar to the Operations Department, the project team worked with Authority staff to determine the appropriate allocation split between job requests and vehicle inventory. The decision was made to utilize an even split of 50-50; as that would most fairly allow the allocation model to capture the variability in workload based upon job requests, but also allocate costs based upon the higher likelihood of vehicles being serviced for those agencies with a larger inventory.

The Authority is in the process of improving its tracking on parts and labor costs for Technical services. The best allocation metrics for Technical Services would be the use of labor hours (which would most accurately capture the support being provided as one job request could take 2 hours or 2 weeks to complete) and the use of vehicle inventory. In the next 3-5 years, Technical services should start to track labor hours and convert to utilizing that as an allocation metric in lieu of job requests. 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 allocated 50% based on number of job requests and 50% based upon the vehicle inventory (police and fire) for each jurisdiction.

Recommendation #10: In the next 3-5 years, the Technical Services Division should start tracking labor hours and utilize that data in lieu of job requests to allocate the variability in workload among member and contracted agencies.

4 ALLOCATION OF TECHNICAL SERVICES COSTS

As discussed in the previous section, the Technical Services Division is being proposed to be allocated based upon two allocation metrics: job requests and vehicle inventory. However, the staff in Technical Services Division does not only provide vehicle upfitting services. The staff also provides support services to the Operations Department in the form of facility maintenance, radio tower maintenance, etc. Therefore, the Technical Services Division costs are being proposed to be allocated through the following three functional areas:

- **Technical Support – Workload Support:** The workload support function measures the support provided by Technical Services Division staff as it relates to the variability in requests that are received throughout the year for upfitting and servicing the different vehicles. These costs were determined as 45% of personnel expenses and indirect costs and 50% of direct services and supplies expenses.
- **Technical Support – Dedicated Support:** The dedicated support function measures the support provided by Technical Services Division staff as it relates to the fixed costs associated with each jurisdiction's vehicle inventory. The greater the inventory the higher likelihood of that jurisdiction being serviced. These costs were determined as 45% of personnel expenses and indirect costs and 50% of direct services and supplies expenses.
- **Operations Support:** The Operations Support function measures the support provided Technical Services staff as it relates to facility and radio tower maintenance, which is in direct relation to dispatch services provided by the agency. These costs were calculated as 10% of personnel and indirect expenses. No direct expenses were coded to this functional area.

Based upon these three functional areas, the project team allocated the \$1.25 million in expenses. The following table shows how the allocation support was broken out between the three different functional areas:

Allocation Basis	Percent of Total Tech Svcs. Allocation	Proposed Tech. Svcs. Cost
Tech Support – Workload Support	45%	\$564,502
Tech Support – Dedicated Support	45%	\$564,502
Operations Support	10%	\$123,428
Technical Services Allocation Total	100%	\$1,252,432

The following subsections show the allocation breakout for each of these three functional areas.

(1) Technical Support – Workload Support

As discussed in the previous section, while the ideal metric for measuring workload support is actual labor hours, as the division does not currently track that information, the project team utilized job requests as a proxy. Due to the cyclical nature of Technical Services, as not all vehicles or equipment would require support every 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%	\$53,415
El Segundo	23.00	15%	\$83,765
Gardena	25.67	17%	\$93,477
Hawthorne	49.33	32%	\$179,669
Hermosa Beach	13.33	9%	\$48,559
Manhattan Beach	29.00	19%	\$105,617
Total	155.00	100%	\$564,502

As the table shows, Hawthorne has the greatest average number of job requests, resulting in \$179,669 in Technical Services cost allocation. Hermosa Beach (\$48,559) and Culver City (\$53,415) have low averages, resulting in the least amount of costs associated with Technical services.

(2) Technical Support – Dedicated Support

Along with the variability in workload requests on a year-to-year basis, the project team also utilized the variable of vehicle inventory to capture the support to a jurisdiction based upon the number of total vehicles likely to be serviced or upfitted by the Authority. The larger the vehicle inventory, the greater the likelihood that the specific jurisdiction will require services from the Authority. It is important to note that for jurisdictions which receive both Police and Fire services, both Police and Fire vehicles are included in the inventory count. The following table shows the breakout of vehicle inventory by jurisdiction:

City	# of Police Vehicles	# of Fire Vehicles	Total Vehicles
Culver City	102	21	123
El Segundo	55	21	76
Gardena	89	0	89
Hawthorne	107	0	107
Hermosa Beach	43	0	43
Manhattan Beach	115	18	133
Total	511	60	571

As the table above demonstrates only those jurisdictions to which the Authority provides fire services had fire vehicles included in their vehicle inventory count. While fire and police vehicles are very different in nature, as it relates to the potential to be serviced from the Technical Services Division staff there was no differentiation created. Therefore, each vehicle, whether police or fire was weighted in the same manner.

Based upon the information from the previous table, the following table shows the total number of vehicles by jurisdiction, the resulting allocation percentage and technical services allocation:

City	# of Vehicles	% Allocation	Technical Services Allocation
Culver City	123.00	22%	\$121,600
El Segundo	76.00	13%	\$75,135
Gardena	89.00	16%	\$87,987
Hawthorne	107.00	19%	\$105,782
Hermosa Beach	43.00	8%	\$42,511
Manhattan Beach	133.00	23%	\$131,486
Total	571.00	100%	\$564,502

As the table indicates, the agencies with the largest number of vehicles to have the likelihood of being serviced are Manhattan Beach and Culver City as they receive both Police and Fire Services from the authority. Hermosa Beach not only has the smaller inventory but also only receives Police dispatching services from the Authority.

(3) Operations Support

The final function for allocating Technical Services is the support provided in relation to Dispatching services. These costs have been allocated directly to the Operations Department and have been filtered through to the jurisdictions based upon how the costs for Operations are allocated. As discussed earlier in this chapter, the costs allocated to Operations from Technical Services represent approximately 10% of the total Technical Services division's expenses. The following table shows by cost category, the percentage of cost allocated to the Operations Department:

Cost Category	Total Dollar Amount	% Allocation	Total Operations Allocation
Personnel Costs	\$738,770	10%	\$78,377
Operating Costs	\$1,183,150	0%	\$0
Excluded Costs	\$470,000	0%	\$0
Revenue Adjustments	\$650,000	0%	\$0
Incoming Admin Support	\$405,512	10%	\$40,551
Total	\$1,252,432	10%	\$123,428

As the table above indicates, the only costs allocated to the Operations Department from Technical services were related to personnel costs for staff time spent in relation to maintenance of communication sites, as well as incoming admin support. As the majority of the incoming administrative support was related to the number of personnel and work performed by personnel, a portion of that support was also allocated to operations.

The following table demonstrates that the \$123,428 calculations for the Operations Support function are allocated directly to the Operations Department.

Dept / Division	Direct to Operations	% Allocation	Technical Services Allocation
Operations	100%	100%	\$123,428
Total	100%	100%	\$123,428

The costs of \$123,428 are passed onto the individual member and contracted through the Operations Department allocation based upon 911 calls, non-emergency calls, dedicated police and fire dispatchers, and police and fire calls for service.

5 ALLOCATION OF TECHNICAL SERVICES COSTS - SUMMARY

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

City	3 yr Avg of Job Requests	# of Vehicles	Total Technical Services
Culver City	\$53,415	\$121,600	\$175,015
El Segundo	\$83,765	\$75,135	\$158,900
Gardena	\$93,477	\$87,987	\$181,464
Hawthorne	\$179,669	\$105,782	\$285,452
Hermosa Beach	\$48,559	\$42,511	\$91,070
Manhattan Beach	\$105,617	\$131,486	\$237,103
Total	\$564,502	\$564,502	\$1,129,004

Overall, Technical Services allocated approximately \$1.1 million to member and contract agencies. Based upon the total costs allocated, the largest proportion of support is received by Hawthorne at \$285,452 followed by Manhattan Beach at \$237,103.

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	\$2,445,604	\$175,015	\$2,620,619	21%
El Segundo	\$1,693,794	\$158,900	\$1,852,694	15%
Gardena	\$1,886,293	\$181,464	\$2,067,757	17%
Hawthorne	\$2,360,443	\$285,452	\$2,645,895	21%
Hermosa Beach	\$1,084,163	\$91,070	\$1,175,233	9%
Manhattan Beach	\$1,788,987	\$237,103	\$2,026,090	16%
TOTAL	\$11,259,284	\$1,129,004	\$12,388,288	100%

As shown in the table above, the Cities of Hawthorne and Culver City receive the highest total allocation of Authority costs at 21%, which equates to \$2,645,895 and \$2,620,619 respectively. The City of Hermosa Beach receives the lowest allocation (\$1,175,233) 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%	\$2,620,619	21%	\$33,018	1%
El Segundo	\$1,372,870	11%	\$1,852,694	15%	\$479,824	35%
Gardena	\$2,391,301	19%	\$2,067,757	17%	(\$323,544)	-14%
Hawthorne	\$3,359,598	27%	\$2,645,895	21%	(\$713,703)	-21%
Hermosa Beach	\$975,208	8%	\$1,175,233	9%	\$200,025	21%
Manhattan Beach	\$1,703,280	14%	\$2,026,090	16%	\$322,810	19%
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 \$714,000. The largest percentage change between current and proposed would be El Segundo; which would see a 35% 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 job requests 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 46% of Authority costs, while member agencies represent 54%. The following table outlines this assumption.

Jurisdiction	Proposed Assessment	% of Cost
Culver City	\$2,620,619	
El Segundo	\$1,852,694	
Hermosa Beach	\$2,067,757	
Total Contract Agencies	\$5,648,546	46%
Gardena	\$2,067,757	
Hawthorne	\$2,645,895	
Manhattan Beach	\$1,175,233	
Total Member Agencies	\$6,739,741	54%
Total Authority Costs	\$12,388,288	100%

Based on the proposed assessment of Authority costs, contract agencies represent \$5.6 million of the total costs, while member agencies account for \$6.7 million. 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	46%	\$310,052
OPEB Liability	\$280,000	46%	\$127,668
Capital Improvement Projects	\$125,000	46%	\$56,995
TOTAL	\$1,085,000		\$494,715

The total annual cost associated with unfunded liabilities that should be borne by contract agencies is approximately \$495,000.

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	\$494,715	9%
Annual Contract Agency Assessment	\$5,648,546	

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	\$229,521	\$2,850,140	22%
El Segundo	\$1,860,382	\$162,264	\$2,014,958	16%
Gardena	\$2,072,369		\$2,067,757	16%
Hawthorne	\$2,769,567		\$2,645,895	21%
Hermosa Beach	\$1,176,621	\$102,930	\$1,278,163	10%
Manhattan Beach	\$2,013,147		\$2,026,090	16%
TOTAL	\$12,388,288	\$494,715	\$12,883,003	100%

As outlined in the table above, Culver City would see the greatest increase in Authority costs, with a cost adjustment of \$229,521, while Hermosa Beach would see the smallest increase, with a cost adjustment of \$102,930. 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%	\$2,850,140	22%	\$262,539	10%
El Segundo	\$1,372,870	11%	\$2,014,958	16%	\$642,088	47%
Gardena	\$2,391,301	19%	\$2,067,757	16%	(\$323,544)	-14%
Hawthorne	\$3,359,598	27%	\$2,645,895	21%	(\$713,703)	-21%
Hermosa Beach	\$975,208	8%	\$1,278,163	10%	\$302,955	31%
Manhattan Beach	\$1,703,280	14%	\$2,026,090	16%	\$322,810	19%
Total	\$12,389,858	100%	\$12,883,003	100%	\$493,145	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 \$262,539, while El Segundo would see the greatest increase of \$642,088.

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.

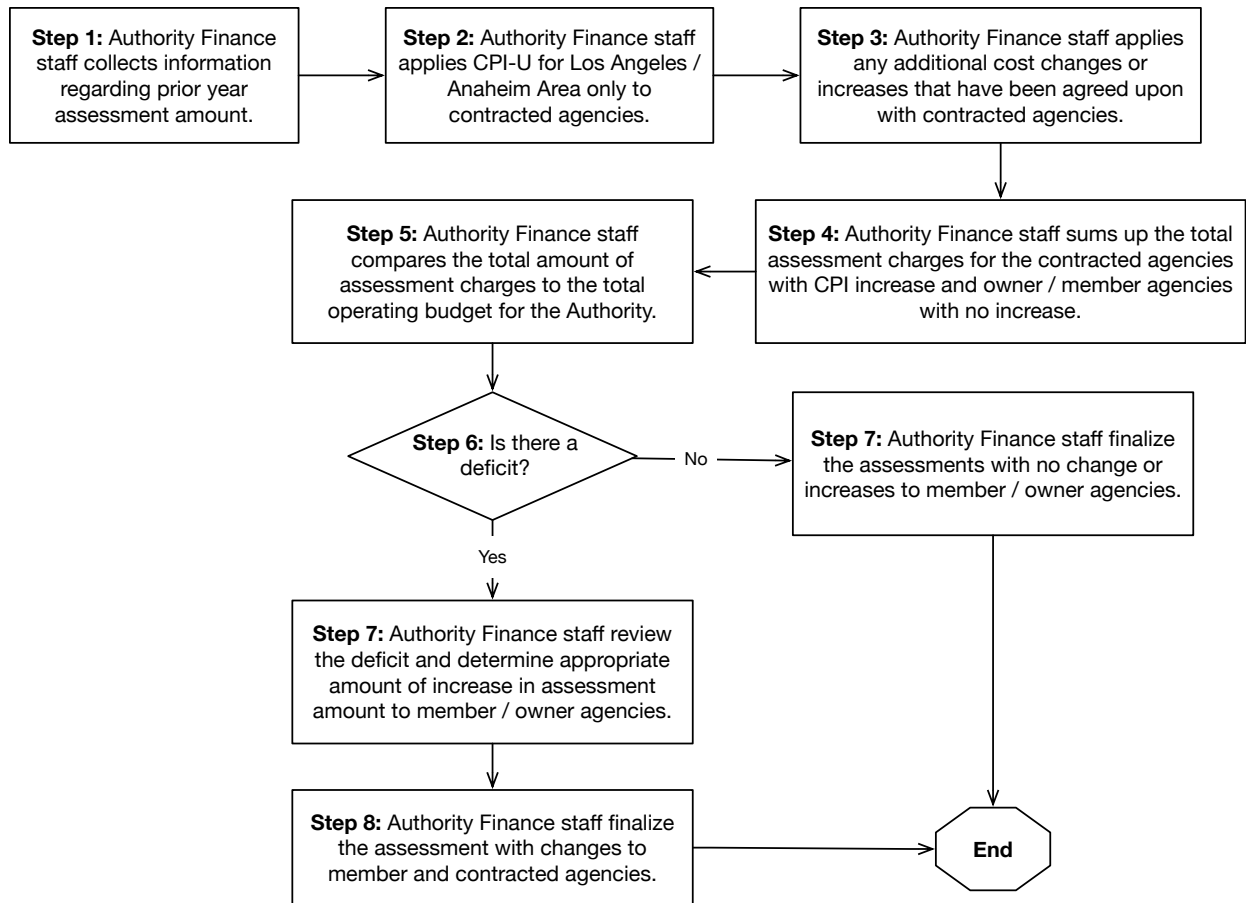
2 TRANSPARENCY OF COST ALLOCATION

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.

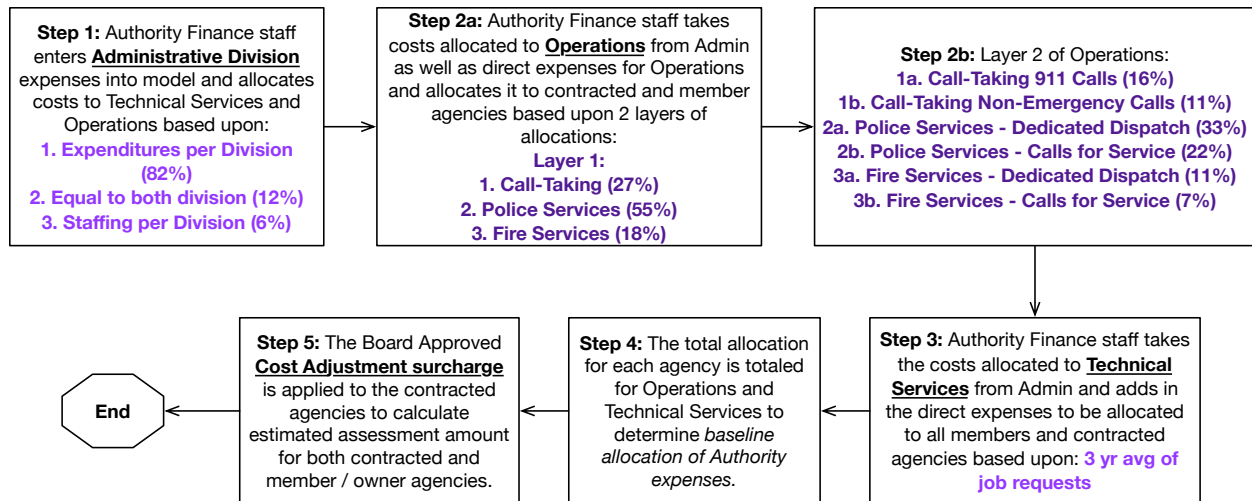
The following flowchart shows a visual representation of the current methodology employed by the Authority as it relates to current contracted and member agencies.



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	\$6.00	\$6.00	\$6.00
Authority-Wide Overhead Per Hour	\$54.60	\$54.60	\$54.60
FULLY BURDENED RATE	\$175.67	\$159.64	\$162.85

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 \$162.85 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 \$162.85 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 \$162.85 to \$108.25 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 \$162.85 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 \$162.85 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.

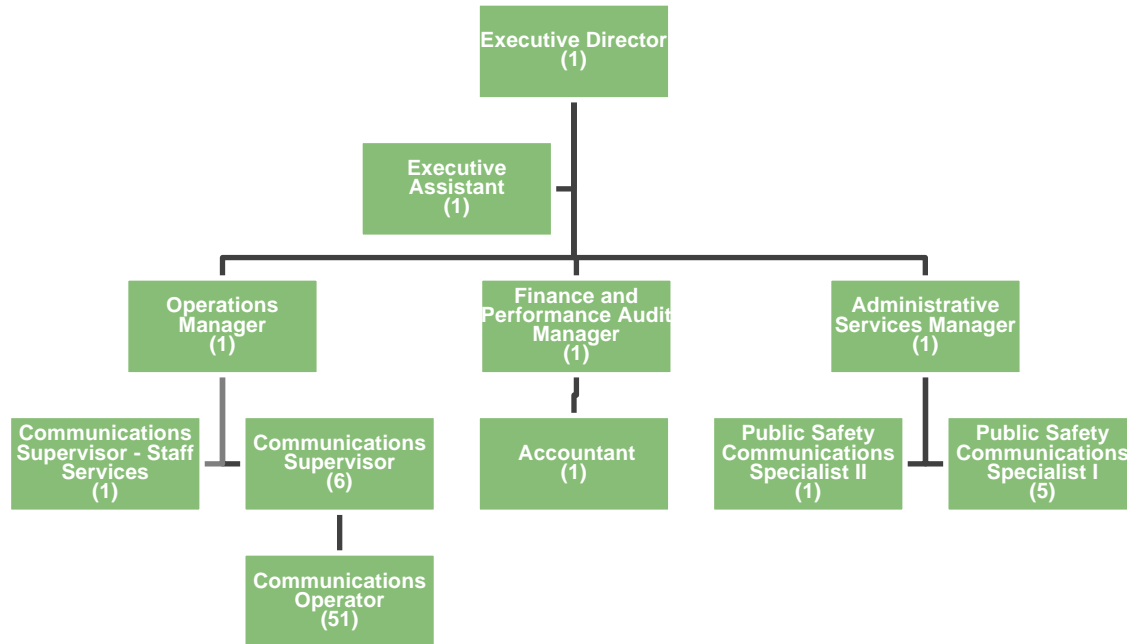
1 AGENCY OVERVIEW

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 upfitting 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, federal agencies, as well as the San Diego Zoo. For El Camino Community College and these external agencies, the division is able to bill for not only parts but also for any labor spent on upgrading or upfitting the vehicles with appropriate communication gear.

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			
Other Miscellaneous Revenues	\$379	\$4,862,935	\$2,500
Total	\$136,452	\$4,966,866	\$107,890

Revenues	FY17/18 Actual	FY18/19 Estimated	FY19/20 Adopted
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
Total	\$2,560,491	\$8,523,957	\$1,966,920

Expenditures	FY17/18 Actual	FY18/19 Estimated	FY19/20 Proposed
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.

E-1

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

AUGUST 20, 2019

A. CALL TO ORDER

The Executive and User Committees convened in a regular joint session at 2:04PM on August 20, 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 Bruce Moe, City of Manhattan Beach
Interim City Manager Arnie Shadbehr, City of Hawthorne
City Manager Edward Medrano, City of Gardena (arrived 2:33PM)

Also Present: Lt. Leon Lopez, Culver City Police Department
Chief Derrick Abell, Manhattan Beach Police Department
Chief Dave White, Culver City Fire Department
Lt. Landon Phillips, Hermosa Beach Police Department
Captain Uikilifi Niko, Gardena Police Department
Chief Bill Whalen, El Segundo Police Department
Chief Daryn Drum, Manhattan Beach Fire Department
Barbara Voss, El Segundo Economic Development Manager
City Manager Suja Lowenthal, City of Hermosa Beach (arrived 2:15PM)
Executive Director Erick Lee
Operations Manager Shannon Kauffman
Administrative Services Manager John Krok
Finance & Performance Audit Manager Vanessa Alfaro,
Executive Assistant Clara Choi
Laura Kalty, Liebert Cassidy Whitmore

B. PUBLIC DISCUSSION

None.

C. EXECUTIVE COMMITTEE CONSENT CALENDAR

MOTION: Interim City Manager Shadbehr moved to approve the Consent Calendar, Item Numbers 1, 3-6. The motion was seconded by City Manager Moe and passed by unanimous voice vote.

1. Minutes of the Regular Meeting – July 16, 2019
2. Check Register - June 2019
3. Cash & Investments Report/June 30, 2019
4. Agreement with Bartel Associates, LLC for Actuarial Consulting Services; and Approve a Corresponding Purchase Order in a Not-To-Exceed amount of \$19,550 for these Services.
5. Approve a Change Purchase Order in the Amount of \$37,692 to Geospatial Technologies, Inc. for Software Maintenance Services.
6. Carryover of the Remaining Appropriation of \$45,450.18 for the City of Manhattan Beach and the Remaining Balance of Certain Purchase Orders Issued During Fiscal Year 2018/19 Totaling \$70,481.45 to Fiscal Year 2019/20.

D. ITEMS REMOVED FROM THE CONSENT CALENDAR

City Manager Moe advised that Item C-2 will be brought back for consideration at the next meeting.

E. EXECUTIVE COMMITTEE GENERAL BUSINESS

1. Memorandum of Understanding between South Bay Regional Public Communications Authority and Management and Confidential Employees

Executive Director Lee reported on the terms of the Memorandum of Understanding for Management and Confidential Employees for the period of July 1, 2019 to June 30, 2022.

Interim City Manager Shadbehr moved to approve the Memorandum of Understanding between the South Bay Regional Public Communications Authority and Management and Confidential Employees. The motion was seconded by City Manager Moe and passed by a unanimous voice vote.

2. Comprehensive Cost of Service and Allocation Study and Multi-Year Implementation Plan

Executive Director Lee presented the report of the Comprehensive Cost of Service and Allocation Study and Multi-Year Implementation Plan.

City Manager Medrano moved to:

1. Accept the recommendations contained in the consultant's revised study with the following exceptions:
 - Recommendation #10: Accelerate implementation horizon for charging Technical Service Division labor hours from 3-5 years to 12 months
 - Recommendations #11-19: Revisit Cost Adjustment Surcharge after policy on non-current liabilities has been considered
2. Direct staff to begin implementing the proposed multi-year implementation plan

The motion was seconded by Interim City Manager Shadbehr. City Manager Medrano and Interim City Manager Shadbehr voted to approve the motion. City Manager Moe voted against the motion. The motion passed.

F. USER COMMITTEE GENERAL BUSINESS

1. Minutes from Special Meeting of August 13, 2019

Chief Abell moved to approve the Minutes of the Special Meeting of August 13, 2019. The motion was seconded by Chief White and passed by a unanimous voice vote.

G. EXECUTIVE DIRECTOR'S REPORT

Executive Director Lee provided updates on the UASI grant reimbursement, the INSB Network Project, and recruitment of Communications Operators, and performance standards for the agency that were recently presented to the User Committee and Contract City Chiefs. He also provided an overview of the agenda for the special meeting of the Board of Directors that is scheduled for September 17, 2019.

H. EXECUTIVE COMMITTEE AND USER COMMITTEE COMMENTS

Chief Abell commended the professionalism of newly hired Communications Operators.

I. CLOSED SESSION AGENDA

At 2:55PM, the Executive Committee entered into closed session to discuss the following items.

1. CONFERENCE WITH LABOR NEGOTIATOR

Pursuant to Government Code Section 54957.6

Agency Designated Representative: Liebert Cassidy Whitmore

Employee Organization: Teamsters Local 911

2. CONFERENCE WITH LABOR NEGOTIATOR

Pursuant to Government Code Section 54957.6

Agency Designated Representative: Liebert Cassidy Whitmore

Employee Organization: Communications Workers of America

3. CONFERENCE WITH LABOR NEGOTIATOR

Pursuant to Government Code Section 54957.6

Agency Designated Representative: Liebert Cassidy Whitmore
Employee Organization: Management and Confidential Employees
Returned from closed session 3:12PM

The meeting returned to open session at 3:11PM with no action taken in closed session.

J.

ADJOURNMENT

The meeting adjourned at 3:12PM.

E-2



Check Register FY 2019-20

July 2019

<u>Accounts Payable Check Issued Date</u>	<u>Total Check Amount</u>	<u>Notes</u>
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July 5, 2019	\$106,269.55	
July 11, 2019	\$435,710.33	
July 19, 2019	\$107,913.32	
July 25, 2019	\$558,895.85	

Accounts Payable Total	\$1,208,789.05	
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Payroll Checks Issued Date

July 5, 2019	\$181,358.23	
July 19, 2019	\$190,242.31	

Payroll Total	\$371,600.54	
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07/03/2019 9:16:41AM

Final Check List
South Bay Regional PCA

Page: 1

Bank : union UNION BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
20001	7/5/2019	00219	INTERNAL REVENUE SERVICE	Ben27567	7/5/2019	FEDERAL WITHHOLDING TAX	39,564.72	39,564.72
20002	7/5/2019	00058	CALPERS	Ben27569	7/5/2019	PERS RETIREMENT: PAYMEN	34,073.11	34,073.11
20003	7/5/2019	00223	EMPLOYMENT DEVEL DEPT	Ben27571	7/5/2019	STATE DISABILITY INS AND V	15,453.55	15,453.55
20004	7/5/2019	00222	STATE DISBURSEMENT UNIT	Ben27573	7/5/2019	SUPPORT: PAYMENT	184.62	184.62
54355	7/5/2019	00217	CALIFORNIA TEAMSTERS UN	Ben27561	7/5/2019	UNION DUES TEAMSTERS: P	2,088.00	2,088.00
54356	7/5/2019	00218	CWA LOCAL 9400	Ben27565	7/5/2019	UNION DUES CWA: PAYMENT	251.69	251.69
54357	7/5/2019	00221	ICMA RETIREMENT TRUST	Ben27563	7/5/2019	DEFERRED COMPENSATION	14,653.86	14,653.86
Sub total for UNION BANK:							106,269.55	

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07/11/2019 11:30:44AM

Final Check List
South Bay Regional PCA

Page: 1

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1693	6/25/2019	00621	FIRST BANKCARD				
		00827	GUNS AND GEAR LLC	4910058251623	5/29/2019	CHALLENGE COIN & LAPEL F	1,847.25
		00825	CSS PRESENTATION	4190001089880	5/21/2019	SUPPLIES-PATCH	1,583.50
		00834	NEOGOV	20190516	5/16/2019	RECRUITMENT	900.00
		00014	CDW GOVERNMENT, INC.	2408330961687	5/4/2019	VERSALINK C405/DN	840.64
		00014	CDW GOVERNMENT, INC.	SFW6784	5/9/2019	BARRACUDA SPAM & VIRUS	815.00
		00467	LOWES BUSINESS ACCT/SYN	4419379	5/9/2019	SHOP TOOLS	723.84
		00762	KIM TURNER LLC	5328-2062-7891	5/23/2019	POST TRAINING 1301-31037-	636.00
		00830	SOUTH BAY POLICE & FIRE	53229440P8214	5/8/2019	25TH ANNIVERSARY GOLF T	550.00
		00832	CPER SERVICES	4300	5/9/2019	POCKET GUIDE	489.98
		00466	AMAZON MARKETPLACE	MN4A06012	5/16/2019	FUJITSU SCANSNAP	463.04
		00466	AMAZON MARKETPLACE	111-8590653-74	5/18/2019	UNIFORMS	423.08
		00787	NOTHING BUNDT CAKES	20190516	5/16/2019	DISPATCH APPRECIATION W	408.00
		00466	AMAZON MARKETPLACE	2308331321285	5/3/2019	BLUETOOTH CAPABLE DEVIC	398.94
		00756	BLINDS.COM	7933738	5/15/2019	OFFICE BLINDS	346.72
				20190625	6/25/2019	SUPPLIES	320.69
		00833	PRO-TUFF DECALS	QTE19002735	5/16/2019	EMPLOYEE NAME PLATES	313.20
		00035	HOME DEPOT CREDIT SERVI	WD68490128	5/9/2019	MILWAUKEE DRILL	284.45
		00035	HOME DEPOT CREDIT SERVI	WD68484995	5/9/2019	MILWAUKEE DRILL	260.61
		00534	USPS	5337W1	5/9/2019	SHIPPING	255.17
		00035	HOME DEPOT CREDIT SERVI	3010049353371	5/9/2019	SHOP TOOLS	243.97
		00199	GOVT FINANCE OFFICERS A	S20190520	5/9/2019	ANNUAL CONFERENCE	235.00
		00466	AMAZON MARKETPLACE	MN64M80T2	5/16/2019	FELLOWES POWERSHRED	220.49
		00610	DIRECTV	36234957507	5/5/2019	MONTHLY SUBSCRIPTION	217.70
		00466	AMAZON MARKETPLACE	MN5V40CA2	5/15/2019	HP 90A TONER CARTRIDGE	212.66
		00466	AMAZON MARKETPLACE	111-2715374-20	5/16/2019	RECRUITMENT	180.73
		00828	JOHNNY ROCKETS	3500050700673	6/14/2019	VMV MEETING W/TECH SER	155.89
		00467	LOWES BUSINESS ACCT/SYN	74146709	5/29/2019	CABLE	148.24
		00466	AMAZON MARKETPLACE	MZ7OD2YF0	5/7/2019	CANNON TS9120	131.99
		00035	HOME DEPOT CREDIT SERVI	4101018254823	5/20/2019	SHOP TOOLS	109.15
		00466	AMAZON MARKETPLACE	MZ6QK8YV0	5/7/2019	SUPPLIES - BROTHER HL-L2300D	99.20
		00466	AMAZON MARKETPLACE	111-9431894-36	5/18/2019	UNIFORMS	97.99
		00831	RASCALS TERIYAKI GRILL	11515	4/29/2019	STAKEHOLDER MEETING	96.36
		00761	BOX	1460737182855	5/26/2019	MONTHLY SERVICE	90.00

Final Check List
South Bay Regional PCA

Bank : union UNION BANK

(Continued)

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
00466		AMAZON MARKETPLACE	114-6545192-8875	5/21/2019	SUPPLIES CHARGERS QOLIXM	83.52	
00248		EL CAMINO COMMUNITY COL	73039	5/9/2019	JOB FAIR	75.00	
00466		AMAZON MARKETPLACE	MN3XH0BY0	5/22/2019	SUPPLIES - POST IT NOTES	71.71	
00466		AMAZON MARKETPLACE	MZ4LZ6D82	4/30/2019	DATA TRAVLER	68.95	
00466		AMAZON MARKETPLACE	MN4CM70L0	5/16/2019	PURELL	67.56	
00466		AMAZON MARKETPLACE	114-7700989-81	5/9/2019	SUPPLIES	66.00	
00466		AMAZON MARKETPLACE	M648M2OJ1	5/29/2019	DATA TRAVLER	60.50	
00466		AMAZON MARKETPLACE	MN4Z40F52	5/9/2019	PAPER	59.94	
00194		DAILY BREEZE	4301356091862	5/23/2019	MONTHLY SUBSCRIPTION	55.00	
00466		AMAZON MARKETPLACE	MN55G8HN2	5/22/2019	SURGE PROTECTOR	52.79	
00466		AMAZON MARKETPLACE	MN0SU2DA1	5/22/2019	BINDERS	51.52	
00466		AMAZON MARKETPLACE	111-1175215-036	5/22/2019	UNIFORMS	45.14	
00466		AMAZON MARKETPLACE	MN27R7QF2	5/23/2019	HEAVY DUTY STAPLER	43.80	
00466		AMAZON MARKETPLACE	MN5FO0IF2	5/31/2019	STAMP INK	36.36	
00466		AMAZON MARKETPLACE	MN9Q67MS2	5/20/2019	POST IT NOTES	35.12	
00829		HUMMUS HOUSE	3810021300594	5/18/2019	HR MANAGER CITY OF MB	32.29	
00466		AMAZON MARKETPLACE	MN3KN8MV0	5/20/2019	POST IT NOTES	30.71	
00466		AMAZON MARKETPLACE	MN2TW9N21	5/8/2019	MECHANICAL PENCIL/MOUI	30.25	
00466		AMAZON MARKETPLACE	MN1FU7FT0	5/9/2019	POST IT NOTES	28.90	
00466		AMAZON MARKETPLACE	MN3526LE0	5/9/2019	LAMINATED POUCHES	28.16	
00191		PRAIRIE AUTO SECURITY	050819	5/8/2019	RADIO	27.56	
00016		FRY'S ELECTRONICS INC	18673093	5/29/2019	DESKTOP SPEAKERS	27.36	
00466		AMAZON MARKETPLACE	MN4XN3II1	5/27/2019	PRINTER STAND	26.80	
00466		AMAZON MARKETPLACE	MZ9IJ4KE0	4/30/2019	POST IT NOTES	25.00	
00534		USPS	20190529	5/29/2019	POSTAGE	23.50	
00466		AMAZON MARKETPLACE	MZ9T69RE1	5/1/2019	SUPPLIES	22.99	
00466		AMAZON MARKETPLACE	MZ4NG27C0	5/2/2019	SUPPLIES	19.38	
00826		LA TIMES	4202679984834	5/22/2019	MONTHLY SUBSCRIPTION	15.96	
00466		AMAZON MARKETPLACE	MZ3QJ87T0	5/2/2019	SUPPLIES	14.31	
00466		AMAZON MARKETPLACE	MZ6FN0KR2	5/2/2019	SUPPLIES	14.31	
00466		AMAZON MARKETPLACE	*MN8SP5RL1	5/27/2019	SUPLIES	13.96	
00466		AMAZON MARKETPLACE	MN9W480J2	5/16/2019	SUPPLIES	12.88	
00466		AMAZON MARKETPLACE	MZ6NX12O2	5/2/2019	SUPPLIES	9.91	
00466		AMAZON MARKETPLACE	MN3WE1562	5/20/2019	DAILY PLANNER	9.87	
00466		AMAZON MARKETPLACE	MN9ZU4AP1	5/13/2019	AVERY ULTRA TABS	9.65	

Final Check List
South Bay Regional PCA

Bank : union UNION BANK		(Continued)						
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		00534	USPS	462583897	5/22/2019	POSTAGE	7.35	
		00835	TORRANCE, CITY OF	20190523	5/23/2019	MEDAL OF VALOR CEREMON	5.00	
		00035	HOME DEPOT CREDIT SERV	4974518	5/9/2019	MILWAUKEE DRILL	-260.61	15,147.88
20005	7/10/2019	00073	STATE BOARD OF EQUALIZA	20190331	6/30/2019	SALES & USE TAX PMT WITH	2,030.16	2,030.16
20006	7/10/2019	00058	CALPERS	15697740	6/14/2019	PERS HEALTH PREMIUMS - J	46,878.89	46,878.89
54358	7/11/2019	00002	AFLAC	BEN27498	6/21/2019	RECONCILIATION JULY 2019	242.60	242.60
54359	7/11/2019	00836	ALLIANT INSURANCE SERVIC	1108333	6/21/2019	WORKERS COMP INSURANC	120,454.00	
				1108451	6/21/2019	FY19-20 EXCESS COMMERC	59,816.00	
				1108446	6/21/2019	FY19-20 COMMERCIAL GENE	38,751.60	
				1109244	6/24/2019	FY19-20 DIFFERENCE IN CO	25,800.00	
				1108434	6/21/2019	FY19-20 EMPLOYMENT PRAC	22,364.47	
				1061065	7/11/2019	FY19-20 RISK PROPERTY INS	9,802.77	
				PJ1900050	7/1/2019	FY19-20 DEADLY WEAPONS I	5,160.00	
				1118064	7/1/2019	FY19-20 COMMERCIAL CRIMI	1,500.00	283,648.84
54360	7/11/2019	00017	CHEM PRO LABORATORY, IN	650590	6/23/2019	QUARTLEY WATER TREATME	86.50	86.50
54361	7/11/2019	00225	COMMLINE INC	0158734-IN	6/25/2019	DESK CONSOLE AND CONNE	24,426.89	
				0153460-IN	5/31/2019	MONTHLY SERVICES/JUNE 2	12,500.00	
				0158193-IN	6/27/2019	MONTHLY SERVICE/JULY 201	12,500.00	
				0154545-IN	6/4/2019	LEATHER CASE/701204301	7,669.30	
				0155733-IN	6/12/2019	ENCRYTION SOFTWARE/701	4,532.00	
				0150105-IN	4/16/2019	KNGM 150/701204310	125.00	
				0067609-CM	11/8/2017	BATT IMP	-1,237.59	60,515.60
54362	7/11/2019	00785	EXPERIAN	CDC200300266	6/28/2019	CREDIT CHECK	12.60	12.60
54363	7/11/2019	00008	FEDERAL SIGNAL CORP	7217531	6/11/2019	MONPULSE/70120438	927.16	
				7233498	6/28/2019	DUAL CORNER LEDS INLINE/	808.75	
				7226481	6/20/2019	DUAL CORNER LEDS INLINE/	552.00	2,287.91
54364	7/11/2019	00018	FUKUI, KAZ	063019	6/30/2019	GARDENING SERV/JUNE 201	190.00	190.00
54365	7/11/2019	00777	JOHN E. PHILLIPS PLUMBING	156107	6/24/2019	BUILDING PLUMBING MAINT	2,894.00	2,894.00
54366	7/11/2019	00087	LIEBERT CASSIDY & WHITMO	1473796	1/31/2019	LEGAL SERVICES FOR FY18-	1,480.00	
				1473795	1/31/2019	LEGAL SERVICES FOR FY18-	1,428.00	
				1480483	5/31/2019	LEGAL SERVICES FOR FY18-	1,286.00	
				1480482	5/31/2019	LEGAL SERVICES FOR FY18-	74.00	4,268.00
54367	7/11/2019	00671	MARC R. COHEN, MD	012	6/30/2019	MEDICAL DIR SERV/JUNE 20	4,583.36	4,583.36
54368	7/11/2019	00810	MAX PARKER & ASSOCIATES	8499	6/26/2019	WEBSITE SUPPORT SSL TRA	1,370.00	
				8479	6/14/2019	WEBSITE SUPPORT	320.00	1,690.00

Bank : union UNION BANK		(Continued)						
Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
54369	7/11/2019	00047	MOTOROLA SOLUTIONS, INC.8280779638	6/28/2019	CONTROL HEAD/701204371	3,515.82		
			16055367	6/6/2019	DM MIDPWR NOCH/70120432	639.84		
			8280772642	6/18/2019	CABLE CH POWER/70120340	169.18	4,324.84	
54370	7/11/2019	00145	SETINA MFG CO INC	185595	6/18/2019	FENDER WRAPS/701204338	324.11	
			185469	6/14/2019	SANTA CRUZ LOCK SOLELNC	211.96	536.07	
54371	7/11/2019	00390	SOUTH COAST AQMD	3482925	6/19/2019	ICE (,500 HP) EM ELEC GEN I	421.02	
			3485604	6/19/2019	FLAT FEE LAST FY EMMISSIC	136.40	557.42	
54372	7/11/2019	00171	VERIZON WIRELESS	9832768541	6/23/2019	GPD DAC CHARGES/05/24/19	2,573.62	
			9832708807	6/23/2019	DAC CHARGES HPD/05/24/19	346.93		
			9832693072	6/23/2019	MODEM SVC. MBPD/05/24/19	342.09		
			9832368359	6/18/2019	CELL PH. CHGS 05/19/19-06/1	220.08		
			9832693073	6/23/2019	MODEM SVC. MBPD/05/24/19	38.01	3,520.73	
54373	7/11/2019	00063	WHELEN ENGINEERING CO.,	563830	6/21/2019	LEGACY WC 54/720476119	1,848.07	
			561840	6/18/2019	KEY PAD & REMOTE/7204761	223.93		
			558806	6/12/2019	LEGACY WC 54/701204347	222.93	2,294.93	
Sub total for UNION BANK:							435,710.33	

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07/18/2019 3:45:29PM

Final Check List
South Bay Regional PCA

Page: 1

Bank : union UNION BANK

<u>Check #</u>	<u>Date</u>	<u>Vendor</u>	<u>Invoice</u>	<u>Inv Date</u>	<u>Description</u>	<u>Amount Paid</u>	<u>Check Total</u>	
20007	7/19/2019	00219	INTERNAL REVENUE SERVICE	Ben27720	7/19/2019	FEDERAL WITHHOLDING TAX	39,855.26	39,855.26
20008	7/19/2019	00223	EMPLOYMENT DEVEL DEPT	Ben27722	7/19/2019	STATE DISABILITY INSURANC	15,534.66	15,534.66
20009	7/19/2019	00222	STATE DISBURSEMENT UNIT	Ben27724	7/19/2019	SUPPORT: PAYMENT	184.62	184.62
20010	7/19/2019	00058	CALPERS	Ben27718	7/19/2019	PERS RETIREMENT: PAYMEN	35,181.36	35,181.36
54374	7/19/2019	00217	CALIFORNIA TEAMSTERS UN	Ben27712	7/19/2019	UNION DUES TEAMSTERS: P	2,088.00	2,088.00
54375	7/19/2019	00218	CWA LOCAL 9400	Ben27716	7/19/2019	UNION DUES CWA: PAYMENT	257.97	257.97
54376	7/19/2019	00221	ICMA RETIREMENT TRUST	Ben27714	7/19/2019	DEFERRED COMPENSATION	14,811.45	14,811.45
Sub total for UNION BANK:							107,913.32	

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07/25/2019 11:46:47AM

Final Check List
South Bay Regional PCA

Page: 1

Bank : union UNION BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
1694	7/18/2019	00803	SPARKLETTS	18193479 07121	7/12/2019	FILTRATION SYSTEM RENTAI	64.00
				18193479 06141	6/14/2019	FILTRATION SYSTEM RENTAI	44.00
				18193479 05171	5/17/2019	FILTRATION SYSTEM RENTAI	43.00
							151.00
1695	7/25/2019	00621	FIRST BANKCARD				
		00723	DISCOUNTMUGS.COM	20190607	6/7/2019	RECRUITMENT	3,109.05
		00850	SCRUBS	20190620	6/20/2019	UNIFORM	2,649.87
		00466	AMAZON MARKETPLACE	20190627	6/27/2019	OFFICE SUPPLIES	1,763.69
		00849	MICHAELS STORES	20190628	6/28/2019	FACILITY SIGNS	932.90
		00466	AMAZON MARKETPLACE	20190607A	7/7/2019	OFFICE SUPPLIES	717.25
		00842	BARCODES INC	20190624	6/24/2019	OFFICE SUPPLIES	508.59
		00833	PRO-TUFF DECALS	20190625	6/25/2019	FACILITY SIGNS	486.23
		00781	PEERSPACE	20190603	6/3/2019	SUPERVISOR MEETING	418.84
		00781	PEERSPACE	20190613	6/13/2019	ADMIN MEETING	418.84
				20190625A	6/25/2019	FEE	382.27
		00523	CALIFORNIA CHAMBER OF C	20190625	6/25/2019	TRAINING	356.32
		00610	DIRECTV	20190628	6/21/2019	CABLE	217.70
		00466	AMAZON MARKETPLACE	20190624	6/24/2019	HQ ACCESS SOFTWARE	180.00
		00846	THE STAMP MAKER	20190628	6/28/2019	OFFICE SUPPLIES	113.50
		00829	HUMMUS HOUSE	20190607	6/7/2019	STAFF MEETING	101.10
		00724	CBI*PARALLELS	20190625	6/25/2019	SOFTWARE LICENSE	99.99
		00714	DOOR DASH	20190612	6/12/2019	SUPERVISOR MEETING REFI	94.40
		00846	THE STAMP MAKER	20190621	6/21/2019	OFFICE SUPPLIES	90.95
		00761	BOX	20190628	6/28/2019	SUBSCRIPTION	90.00
		00199	GOVT FINANCE OFFICERS AS	20190624	6/24/2019	CONFERENCE	85.00
		00466	AMAZON MARKETPLACE	20190621	6/21/2019	RECRUITMENT SUPPLIES	64.16
		00795	MEDIA TEMPLE	20190625	6/25/2019	WEBSITE MAINTENANCE SEI	55.00
		00843	TOCAYA	20190618	6/18/2019	ADMIN MEETING REFRESHM	51.70
		00840	LOADED CAFE	20190625	6/25/2019	BUSINESS MEETING W/ TEA	43.33
		00844	POLLO INKA EXPRESS	20190620	6/20/2019	NEW HIRE STRATEGY MEETI	41.87
		00480	OFFICE DEPOT	20190604	6/4/2019	OFFICE SUPPLIES	41.54
				20190626	6/26/2019	FEE	39.00
		00225	COMMLINE INC	20190610	6/10/2019	CONFERENCE	30.00
		00466	AMAZON MARKETPLACE	20190620	6/20/2019	OFFICE SUPPLIES	29.95
		00466	AMAZON MARKETPLACE	20190613	6/13/2019	HQ MAINTENANCE	25.00

Final Check List
South Bay Regional PCA

Bank : union UNION BANK		(Continued)						
Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
		00848	MOTHERS KITCHEN	20190625	6/25/2019	REFRESHMENTS JOB FAIR	22.98	
		00637	SAFE MART, THE	20190617	6/17/2019	HQ ADMIN KEYS	21.90	
		00655	STARBUCKS #05688	20190617	6/17/2019	REFRESHMENTS	21.70	
		00826	LA TIMES	20190621	6/21/2019	PUBLICATIONS	15.96	
		00841	LAZ PARKING	20190613	6/13/2019	PARKING SUPERVISOR MEE	15.00	
		00841	LAZ PARKING	20190618	6/18/2019	PARKING ADMIN MEETING	15.00	
		00847	LEE CLEANERS	20190625	6/25/2019	RECRUITMENT	15.00	
		00637	SAFE MART, THE	20190614	6/19/2019	HQ ADMIN KEYS	13.41	
		00690	WALGREENS #10069	20190614	6/14/2019	TECH SUPPLIES	5.80	
		00466	AMAZON MARKETPLACE	20190620A	6/20/2019	MEMBERSHIP BUSINESS PRI	-197.35	
		00466	AMAZON MARKETPLACE	20190607	6/7/2019	UNIFORM	-323.56	
		00845	UCB IRLE BERKELEY	20190607	6/7/2019	PUBLICATION	-768.69	12,095.19
1696	7/3/2019	00064	ATT PAYMENT CENTER	960 461-1623	5/1/2019	PHONE SERV/05/01/2019-05/3	2,372.86	
				960 461-1623	4/1/2019	PHONE SERV/04/01/2019-04/3	2,133.03	4,505.89
20011	7/25/2019	00058	CALPERS	10000001571169	7/1/2019	FY19-20 PERS UAL - PLAN 12	413,204.00	413,204.00
20012	7/25/2019	00058	CALPERS	10000001571169	7/1/2019	FY19-20 PERS UAL - PLAN 20	3,809.00	3,809.00
20013	7/25/2019	00058	CALPERS	10000001571170	7/1/2019	FY19-20 PERS UAL - PLAN 26	4,109.00	4,109.00
54377	7/25/2019	00002	AFLAC	Ben27708	7/19/2019	AFLAC INSURANCE: PAYMEN	3,837.58	3,837.58
54378	7/25/2019	00392	ALLEN MANUFACTURING, LL	RINV099289	7/3/2019	K9 KIT/701204372	1,207.98	1,207.98
54379	7/25/2019	00297	ATT CALNET	13228931	7/13/2019	PHONE SERV; 06/13/19-07/13	2,627.71	
				13043743	6/13/2019	PHONE SERV; 05/13/19-06/13	2,516.91	
				13043743	5/13/2019	PHONE SERV; 04/13/19-05/13	2,486.31	
				13336131	7/13/2019	PHONE SERV; 06/13/19-07/12	195.01	
				13190444	6/13/2019	PHONE SERV; 05/13/19-06/12	192.44	
				13050943	5/13/2019	PHONE SERV; 04/13/19-05/12	191.58	
				13187380	5/13/2019	PHONE SERV; 05/13/19-06/13	95.63	
				13333067	7/13/2019	PHONE SERV; 06/13/19-07/13	95.63	
				13047879	5/13/2019	PHONE SERV; 04/13/19-05/13	8.02	8,409.24
54380	7/25/2019	00064	ATT PAYMENT CENTER	960 461-1623	7/1/2019	PHONE SERV/07/01/2019-07/3	2,275.50	2,275.50
54381	7/25/2019	00014	CDW GOVERNMENT, INC.	SXM2415	7/3/2019	CDW-G BILLABLE PARTS	1,626.19	
				TBJ7476	7/12/2019	CDW-G BILLABLE PARTS	274.52	1,900.71
54382	7/25/2019	00668	CHUBB	0002 2154 4039	6/11/2019	FY19-20 COMMERCIAL AUTO	9,678.28	9,678.28
54383	7/25/2019	00019	CINTAS CORPORATION #427	4024825012	6/28/2019	CLEANING AND REPLACEME	109.32	
				4025727436	7/12/2019	CLEANING SERVICES FOR F'	109.32	218.64
54384	7/25/2019	00078	COX, CHRISTOPHER	72519	7/25/2019	RETIREE MED PREM/AUG 20	675.22	675.22

Bank : union UNION BANK			(Continued)					
Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
54385	7/25/2019	00839	CSAC EXCESS INSURANCE A20400552	7/10/2019	CYBER LIABILITY INSURANCE	4,180.00	4,180.00	
54386	7/25/2019	00449	DIGI-KEY ELECTRONICS 246567232436	3/7/2019	INSTALL PARTS	363.34		
			68699185	6/17/2019	INSTALL PARTS	360.78	724.12	
54387	7/25/2019	00008	FEDERAL SIGNAL CORP 7250218	7/19/2019	FEDERAL SIGNAL CORP BILL	1,550.63	1,550.63	
54388	7/25/2019	00651	FRONTIER 7002Z664-S-191	7/5/2019	PHONE SERV; 06/05/19-07/05	365.97		
			3103752741011	7/1/2019	PHONE SERV/07/01/2019-07/31	242.24		
			3103752741011	6/1/2019	PHONE SERV; 06/01/19-06/31	240.88		
			2090518701060	6/1/2019	PHONE SERV; 06/01/19-06/31	101.40		
			2090518701060	7/1/2019	PHONE SERV/07/01/2019-07/31	101.40		
			7002Z664-S-191	5/5/2019	PHONE SERV; 04/05/19-05/05	65.97		
			7002Z664-S-191	6/5/2019	PHONE SERV; 05/05/19-06/05	65.97		
			2091505969092	6/1/2019	PHONE SERV; 06/01/19-06/31	61.14		
			2091505969092	7/1/2019	PHONE SERV/07/01/2019-07/31	61.14		
			2091505978113	6/1/2019	PHONE SERV; 06/01/19-06/31	54.32		
			2091505978113	7/1/2019	PHONE SERV/07/01/2019-07/31	54.32		
			2091510998020	6/1/2019	PHONE SERV; 06/01/19-06/31	47.97		
			2091502446103	6/1/2019	PHONE SERV; 06/01/19-06/31	47.97		
			2091502447092	6/1/2019	PHONE SERV; 06/01/19-06/31	47.97		
			2130381666083	6/1/2019	PHONE SERV; 06/01/19-06/31	47.97		
			2091510998020	7/1/2019	PHONE SERV/07/01/2019-07/31	47.97		
			2091502446103	7/1/2019	PHONE SERV/07/01/2019-07/31	47.97		
			2091502447092	7/1/2019	PHONE SERV/07/01/2019-07/31	47.97		
			2130381666083	7/1/2019	PHONE SERV/07/01/2019-07/31	47.97		
			7002Z665-S-191	5/5/2019	PHONE SERV; 04/05/19-05/05	45.04		
			7002Z665-S-191	6/5/2019	PHONE SERV; 05/05/19-06/05	45.04		
			7002Z665-S-191	7/5/2019	PHONE SERV; 06/05/19-07/05	45.04	1,933.63	
54389	7/25/2019	00322	GEOSPATIAL TECHNOLOGIES 17165	6/1/2019	SOFTWARE MAINTENANCE F	13,173.00	13,173.00	
54390	7/25/2019	00027	HAVIS INC. IN592909	7/1/2019	HAVIS, INC BILLABLE PARTS	217.00	217.00	
54391	7/25/2019	00798	HYDREX PEST CONTROL 291847	6/26/2019	PEST CONTROL SERVICES F	59.00	59.00	
54392	7/25/2019	00039	JANI-KING OF CALIF INC. LAX07190641	7/1/2019	FINAL BILLING JULY 01 2019	2,237.49		
			LAX06190839	6/19/2019	SUPPLIES/JUNE 2019	1,090.60		
			LAX07190723	7/1/2019	FINAL BILLING JULY 01 2019	-2,162.82	1,165.27	
54393	7/25/2019	00799	LA UNIFORMS & TAILORING 2501-2450	7/3/2019	UNIFORMS FOR COMMUNIC	331.90	331.90	
54394	7/25/2019	00760	LAWLES ENTERPRISES, INC. 11274	7/1/2019	LAWLES ENTERPRISES INC	300.00	300.00	
54395	7/25/2019	00442	LAWSON PRODUCTS, INC. 9306830305	6/27/2019	INSTALL PARTS/TECH SHOP	209.43	209.43	

Final Check List
South Bay Regional PCA

Bank : union UNION BANK		(Continued)						
Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
54396	7/25/2019	00087	LIEBERT CASSIDY & WHITMO	1481136	6/30/2019	LEGAL SERVICES FOR FY18-	5,281.00	
				1481137	6/30/2019	LEGAL SERVICES FOR FY18-	3,441.00	
				1481138	6/30/2019	LEGAL SERVICES FOR FY18-	74.00	8,796.00
54397	7/25/2019	00802	M JACK BROOKS, JD	182019 SBR	7/1/2019	ADMINISTRATION - GENERAL	12,837.50	12,837.50
54398	7/25/2019	00810	MAX PARKER & ASSOCIATES	8479	6/14/2019	WEBSITE SUPPORT	1,400.00	1,400.00
54399	7/25/2019	00814	MC REYNOLDS, JENNIFER	062919	6/29/2019	REIMBURSEMENT	142.00	
				061819	6/18/2019	MILEAGE	71.22	213.22
54400	7/25/2019	00116	MEADORS, LATANYA	72519	7/25/2019	RETIREE MED PREM/AUG 20	486.57	
				072519	7/25/2019	RETIREE MED PREM/AUG 20	486.57	973.14
54401	7/25/2019	00331	MITSUBISHI ELECTRIC INC	353658	7/1/2019	ANNUAL MAINTENANCE FOR	662.64	662.64
54402	7/25/2019	00047	MOTOROLA SOLUTIONS, INC.	41269060	6/18/2019	REMOTE/701204346	4,044.25	
				16060074	7/3/2019	MOTOROLA SOLUTIONS, INC	383.90	4,428.15
54403	7/25/2019	00577	NEW LOOK AUTO DETAIL	2071	6/25/2019	VEHICLE MAINTENANCE AN	75.00	
				2075	7/16/2019	VEHICLE MAINTENANCE AN	75.00	150.00
54404	7/25/2019	00804	PETTY CASH, SBRPCA	072519	7/25/2019	REIMBURSE PETTY CASH 04	80.31	80.31
54405	7/25/2019	00141	POWERPHONE INC	63648	6/19/2019	TRAINING COURSES FOR OF	1,326.00	1,326.00
54406	7/25/2019	00060	RIVERA, JOSE	072519	7/25/2019	RETIREE MED PREM/AUG 20	480.39	480.39
54407	7/25/2019	00273	SHAW, LILLIAN	72519	7/25/2019	RETIREE MED PREM/AUG 20	441.50	441.50
54408	7/25/2019	00069	SOUTHERN CALIFORNIA EDI	3-020-1732-98	6/11/2019	ELEC SERV HQ:06/11/19-07/1	5,873.30	
				3-050-6076-67	6/19/2019	ELEC SERV HQ:06/11/19-07/1	4,628.51	
				2-03-672-6511	6/19/2019	ELEC SERV PUNTA:06/20/19-0	791.22	
				3-035-4150-32	6/19/2019	ELEC SERV MBWT:06/04/19-0	237.92	
				3-050-5508-59	6/19/2019	ELEC SERV MBWT:06/04/19-0	203.41	11,734.36
54409	7/25/2019	00460	SPECTRUM BUSINESS	1133787070419	7/4/2019	BUSINESS INTERNET 07/04/1	1,900.00	1,900.00
54410	7/25/2019	00302	SPRINT	155018370-093	5/23/2019	DAC CHARGES: 05/23/19-06/2	4,516.91	
				155018370-092	4/24/2019	DAC CHARGES: 04/24/19-05/2	4,515.58	
				107177860-097	4/24/2019	WIRELESS MODEMS: 04/24/1	85.98	
				1071477860-098	5/23/2019	WIRELESS MODEMS; 05/23/1	85.98	9,204.45
54411	7/25/2019	00126	STEVENS, DEBORAH	072519	7/25/2019	RETIREE MED PREM/AUG 20	611.75	611.75
54412	7/25/2019	00034	STEVENS, GARY	72519	7/25/2019	RETIREE MED PREM/AUG 20	609.50	609.50
54413	7/25/2019	00063	WHELEN ENGINEERING CO.,	568056	7/13/2019	WHELEN ENGINEERING CO B	404.18	
				574885	7/16/2019	WHELEN ENGINEERING CO B	332.07	
				575467	7/17/2019	WHELEN ENGINEERING CO B	332.07	
				575705	7/17/2019	WHELEN ENGINEERING CO B	39.82	1,108.14
54414	7/25/2019	00067	XCEL MECHANICAL SYSTEMS	20438R	7/1/2019	FY19-20 HQ PLANNED MAINT	10,946.00	10,946.00

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07/25/2019 11:46:47AM

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Bank : union UNION BANK

(Continued)

<u>Check #</u>	<u>Date</u>	<u>Vendor</u>	<u>Invoice</u>	<u>Inv Date</u>	<u>Description</u>	<u>Amount Paid</u>	<u>Check Total</u>
54415	7/25/2019	00735	XEROX FINANCIAL SERVICES1694023	7/10/2019	COPIER LEASE 06/30/19-07/2	1,071.59	1,071.59
Sub total for UNION BANK:							558,895.85

E-3



Check Register FY 2019-20

August 2019

<u>Accounts Payable Check Issued Date</u>	<u>Total Check Amount</u>	<u>Notes</u>
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August 2, 2019	\$123,320.17	
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August 8, 2019	\$1,758,693.74	
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August 16, 2019	\$110,356.02	
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August 22, 2019	\$73,422.75	
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August 30, 2019	\$120,200.05	
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Accounts Payable Total	\$2,185,992.73	
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Payroll Checks Issued Date

August 2, 2019	\$253,542.26	
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August 16, 2019	\$184,166.67	
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August 30, 2019	\$187,847.15	
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Payroll Total	\$625,556.08	
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08/01/2019 8:11:33AM

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South Bay Regional PCA

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Bank : union UNION BANK

<u>Check #</u>	<u>Date</u>	<u>Vendor</u>	<u>Invoice</u>	<u>Inv Date</u>	<u>Description</u>	<u>Amount Paid</u>	<u>Check Total</u>	
20014	8/2/2019	00219	INTERNAL REVENUE SERVICE	Ben27891	8/2/2019	FEDERAL WITHHOLDING TAX	50,681.07	50,681.07
20015	8/2/2019	00223	EMPLOYMENT DEVEL DEPT	Ben27895	8/2/2019	STATE DISABILITY INSURANC	18,914.52	18,914.52
20016	8/2/2019	00222	STATE DISBURSEMENT UNIT	Ben27897	8/2/2019	SUPPORT: PAYMENT	184.62	184.62
20017	8/2/2019	00058	CALPERS	Ben27893	8/2/2019	PERS RETIREMENT: PAYMEN	35,768.70	35,768.70
54417	8/2/2019	00217	CALIFORNIA TEAMSTERS UN	Ben27885	8/2/2019	UNION DUES TEAMSTERS: P	2,142.00	2,142.00
54418	8/2/2019	00218	CWA LOCAL 9400	Ben27889	8/2/2019	UNION DUES CWA: PAYMENT	257.97	257.97
54419	8/2/2019	00221	ICMA RETIREMENT TRUST	Ben27887	8/2/2019	DEFERRED COMPENSATION	15,371.29	15,371.29
Sub total for UNION BANK:							123,320.17	

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08/08/2019 11:38:21AM

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	
1697	8/6/2019	00012	CALIFORNIA WATER SERVICE4675328235	7/17/2019	WATER SER HQ 06/18/19-07/1	222.75		
			5550731926	7/31/2019	FIRE PROTECTION SERV/AU	72.58	295.33	
1698	8/6/2019	00070	GAS COMPANY, THE	0591948982	6/5/2019	GAS SERVICE HQ/05/02/19-06	809.43	
			0591948982	5/6/2019	GAS SERVICE HQ/04/03/19-05	787.14		
			0591948982	7/5/2019	GAS SERVICE HQ/06/03/19-07	648.08		
			0591948982	8/5/2019	GAS SERVICE HQ/07/02/19-08	620.66	2,865.31	
20018	8/5/2019	00696	GUARDIAN	Ben27710	7/22/2019	GUARDIAN DENTAL, VISION,	5,811.50	5,811.50
20019	8/8/2019	00058	CALPERS	1000000157431	7/15/2019	PERS HEALTH PREMIUMS - A	49,398.13	49,398.13
20020	7/30/2019	00073	STATE BOARD OF EQUALIZAT	20190630	7/30/2019	SALES & USE TAX PMT WITH	2,176.00	2,176.00
54420	8/8/2019	00015	CHEVRON AND TEXACO	60368798	7/23/2019	FLEET 06/26/19-07/23/19	438.97	438.97
54421	8/8/2019	00225	COMMLINE INC	0163102-IN	7/31/2019	OUTSIDE TECH SVC-TOWER	12,500.00	12,500.00
54422	8/8/2019	00824	COMPLETE OFFICE CLEANIN	9234	8/1/2019	SMART JANITORIAL HQ MAIN	3,585.00	3,585.00
54423	8/8/2019	00226	DEPT OF INDUSTRIAL RELATIE	1665828 MR	7/25/2019	ELEVATOR INSPECTION, FRC	225.00	
			E1665820 MR	7/25/2019	ELEVATOR INSPECTION, RE/	225.00	450.00	
54424	8/8/2019	00721	ESRI	93665294	7/8/2019	GIS SOFTWARE FOR CAD DE	3,000.00	3,000.00
54425	8/8/2019	00785	EXPERIAN	CDC2004002700	7/26/2019	CREDIT CHECK	16.80	16.80
54426	8/8/2019	00663	FENSKE MEDIA CORPORATIC	80296	7/24/2019	1 YR HIPERWALL LICENSE	14,850.00	14,850.00
54427	8/8/2019	00651	FRONTIER	3103752741011	8/1/2019	PHONE SERV 375-2741:08/01	244.03	
			3103752741011	4/1/2019	PHONE SERV 375-2741:04/01	240.88		
			2090518701060	4/1/2019	PHONE SERV 051-8701:04/01	101.40		
			2090518701060	8/1/2019	PHONE SERV 051-8701:08/01	101.40		
			2091505969092	4/1/2019	PHONE SERV 150-5969:04/01	61.14		
			2091505969092	8/1/2019	PHONE SERV 150-5969:08/01	61.14		
			20915059781130	4/1/2019	PHONE SERV 150-5978:04/01	54.32		
			20915059781130	8/1/2019	PHONE SERV 150-5978:08/01	54.32		
			2091510998020	4/1/2019	PHONE SERV 151-0998:04/01	47.97		
			2091502446103	4/1/2019	PHONE SERV 150-2446:04/01	47.97		
			2091502447092	4/1/2019	PHONE SERV 150-2447:04/01	47.97		
			21303816660830	4/1/2019	PHONE SERV 038-1666:04/01	47.97		
			2091510998020	8/1/2019	PHONE SERV 151-0998:08/01	47.97		
			2091502446103	8/1/2019	PHONE SERV 150-2446:08/01	47.97		
			2091502447092	8/1/2019	PHONE SERV 150-2447:08/01	47.97	1,254.42	
54428	8/8/2019	00018	FUKUI, KAZ	073119	7/31/2019	GARDENING SERVICE JULY 2	190.00	190.00
54429	8/8/2019	00181	GARDENA, CITY OF	080819	8/7/2019	FINAL REPAYMENT: UASI 160	721,112.92	721,112.92

Bank : union UNION BANK		(Continued)					
Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
54430	8/8/2019	00827	GUNS AND HOSES GEAR, LLC1931	7/26/2019	SBRPCA LAPEL PINS	383.25	383.25
54431	8/8/2019	00148	HAWTHORNE, CITY OF 080819	8/7/2019	FINAL REPAYMENT: UASI 16	160,247.36	160,247.36
54432	8/8/2019	00777	JOHN E. PHILLIPS PLUMBING156145	5/29/2019	BUILDING PLUMBING MAINT	4,697.00	
			156326	7/24/2019	BUILDING PLUMBING MAINT	537.50	5,234.50
54433	8/8/2019	00227	LA COUNTY FIRE DEPT IN0308771	8/5/2019	HAZMAT PERMIT/FY 19-20 LA	852.00	852.00
54434	8/8/2019	00760	LAWLES ENTERPRISES, INC. 11284	8/5/2019	LAWLES ENTERPRISES REC	6,000.00	
			11286	8/5/2019	LAWLES ENTERPRISES REC	105.00	6,105.00
54435	8/8/2019	00802	M JACK BROOKS, JD 192019 SBR	7/31/2019	FY19-20 FINANCE CONSULTI	12,450.00	12,450.00
54436	8/8/2019	00092	MANHATTAN BEACH, CITY OF080819	8/7/2019	FINAL REPAYMENT: UASI 16	721,112.92	721,112.92
54437	8/8/2019	00822	MATRIX CONSULTING GROU19-22 #2	7/18/2019	COST ALLOCATION STUDY	14,500.00	14,500.00
54438	8/8/2019	00791	MUNITEMPS 129432	8/9/2019	TEMP STAFFING-OFFICE ASS	1,872.50	
			129409	7/26/2019	TEMP STAFFING-OFFICE ASS	1,400.00	3,272.50
54439	8/8/2019	00818	RICHARDS,WATSON & GERS222743	7/23/2019	GENERAL COUNSEL AND LEG	6,380.35	6,380.35
54440	8/8/2019	00069	SOUTHERN CALIFORNIA EDI3-014-5379-55	8/6/2019	ELEC SERV GRANDVIEW/07/0	99.39	
			3-035-4150-32	8/6/2019	ELEC SERV MBWT/07/02/19-0	79.42	178.81
54441	8/8/2019	00460	SPECTRUM BUSINESS 1133787080419	8/4/2019	BUSINESS INTERNET 08/04/	1,900.00	1,900.00
54442	8/8/2019	00302	SPRINT 155018370-093	7/29/2019	DAC CHARGES/06/24/19-07/2	4,516.91	
			107177860-098	7/27/2019	WIRELESS MODEMS/06/26/19	85.98	4,602.89
54443	8/8/2019	00171	VERIZON WIRELESS 9834750879	7/23/2019	GPD DAC CHARGES/06/24/19	2,580.86	
			9834690626	7/23/2019	MODEM SVC HPD/06/24/19-0	347.40	
			9834674761	7/23/2019	MODEM SVC MBPD/06/24/19-	342.15	
			9834347381	7/18/2019	CELL PHONE CHARGES/06/19	221.36	
			9834674762	7/23/2019	MODEM SVC MBPD/06/24/19-	38.01	3,529.78
Sub total for UNION BANK:							1,758,693.74

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20021	8/16/2019	00219	INTERNAL REVENUE SERVICE	Ben27982	8/16/2019	FEDERAL WITHHOLDING TAX	41,552.45	41,552.45
20022	8/16/2019	00223	EMPLOYMENT DEVEL DEPT	Ben27986	8/16/2019	STATE DISABILITY INSURANC	16,380.30	16,380.30
20023	8/16/2019	00222	STATE DISBURSEMENT UNIT	Ben27988	8/16/2019	SUPPORT: PAYMENT	184.62	184.62
20024	8/16/2019	00058	CALPERS	Ben27984	8/16/2019	PERS RETIREMENT: PAYMEN	34,900.34	34,900.34
54444	8/16/2019	00217	CALIFORNIA TEAMSTERS UN	Ben27976	8/16/2019	UNION DUES TEAMSTERS: P	2,097.00	2,097.00
54445	8/16/2019	00218	CWA LOCAL 9400	Ben27980	8/16/2019	UNION DUES CWA: PAYMENT	257.97	257.97
54446	8/16/2019	00221	ICMA RETIREMENT TRUST	Ben27978	8/16/2019	DEFERRED COMPENSATION	14,983.34	14,983.34
Sub total for UNION BANK:							110,356.02	

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South Bay Regional PCA

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1700	8/22/2019	00621	FIRST BANKCARD				
		00781	PEERSPACE	073119	8/18/2019	MEETING	533.81
		00466	AMAZON MARKETPLACE	111-3979537-09	7/10/2019	OFFICE SUPPLIES	354.88
		00255	CSMFO	368907654	8/8/2019	RECRUITMENT	275.00
		00833	PRO-TUFF DECALS	ORD19012477	7/1/2019	HQ MAINTENANCE	249.32
		00610	DIRECTV	36453363917	7/4/2019	CABLE SERVICE	217.70
		00074	STAPLES INC.	9801643805	7/24/2019	OFFICE EQUIPMENT	212.47
		00466	AMAZON MARKETPLACE	112-5408412-67	7/9/2019	GENERAL TECHNICAL SUPPI	192.93
		00475	GRIMALDI'S PIZZA	20190710	7/10/2019	ADMINISTRATION WORKING	184.78
		00523	CALIFORNIA CHAMBER OF C(SO1434396	7/10/2019	TRAINING		158.36
		00035	HOME DEPOT CREDIT SERVI(I06205186747	7/1/2019	SHOP TOOLS		137.75
		00466	AMAZON MARKETPLACE	DO1-2719437-8	8/22/2019	MEMBERSHIP	131.20
		00466	AMAZON MARKETPLACE	114-1589594-65	7/2/2019	OFFICE SUPPLIES	123.64
		00467	LOWES BUSINESS ACCT/SYNS1555VC1	7/17/2019	SHOP/HQ SUPPLIES		107.86
		00761	BOX	INV06957422	7/26/2019	SOFTWARE SERVICE	90.00
		00466	AMAZON MARKETPLACE	114-3515481-43	7/1/2019	OFFICE SUPPLIES	88.16
		00466	AMAZON MARKETPLACE	114-4204769-39	7/7/2019	OFFICE EQUIPMENT	82.63
		00829	HUMMUS HOUSE	071619	8/19/2019	ADMINISTRATION WORKING	79.87
		00795	MEDIA TEMPLE	61069196	6/28/2019	MONTHLY WEB HOSTING SE	75.00
		00466	AMAZON MARKETPLACE	111-3944362-51	7/10/2019	OFFICE SUPPLIES	61.20
		00466	AMAZON MARKETPLACE	114-0303973-37	7/11/2019	OFFICE SUPPLIES	59.54
		00795	MEDIA TEMPLE	61364757	7/23/2019	MONTHLY WEBSITE HOSTIN	55.00
		00466	AMAZON MARKETPLACE	113-0075138-56	7/9/2019	OFFICE SUPPLIES	40.78
		00466	AMAZON MARKETPLACE	114-5138383-02	7/3/2019	OFFICE SUPPLIES	30.27
		00466	AMAZON MARKETPLACE	114-5760469-52	7/24/2019	OFFICE SUPPLIES	24.95
		00854	MANHATTAN POSTAL CENTE(F295583	7/15/2019	RECRUITMENT		23.50
		00854	MANHATTAN POSTAL CENTE(F295627	7/16/2019	RECRUITMENT		23.50
		00854	MANHATTAN POSTAL CENTE(F295932	7/23/2019	RECRUITMENT		23.50
		00852	HAWTHORNE LIVE SCAN	845350	7/2/2019	CUSTODIAN OF RECORDS LI	23.00
		00466	AMAZON MARKETPLACE	111-6089847-30	7/8/2019	OFFICE EQUIPMENT	19.99
		00466	AMAZON MARKETPLACE	114-8323957-69	7/1/2019	OFFICE SUPPLIES	18.18
		00826	LA TIMES	20190717	7/17/2019	MONTHLY SUBSCRIPTION	15.96
		00466	AMAZON MARKETPLACE	114-9371415-69	7/1/2019	OFFICE SUPPLIES	12.52
		00466	AMAZON MARKETPLACE	114-5024480-70	7/1/2019	JANITORIAL SUPPLIES	11.28

Bank : union UNION BANK		(Continued)						
Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
		00467	LOWES BUSINESS ACCT/SYNS1170AF2	7/17/2019	HQ SUPPLIES	9.83		
		00466	AMAZON MARKETPLACE 113-1986215-99	7/9/2019	OFFICE SUPPLIES	3.19		
		00466	AMAZON MARKETPLACE 071719	8/19/2019	OFFICE SUPPLIES	-20.39		
		00724	CBI*PARALLELS 20190719	7/19/2019	SOFTWARE LICENSE	-99.99	3,631.17	
1702	8/8/2019	00069	SOUTHERN CALIFORNIA EDIS3-020-1732-98	8/8/2019	ELEC SERV HQ/06/11/19-07/1	0.02	0.02	
1703	8/21/2019	00411	PITNEY BOWES 3103163270	5/30/2019	POSTAGE METER LEASE PM	162.07		
			3102946044	2/27/2019	POSTAGE METER LEASE PM	162.07		
			3102654777	11/30/2018	POSTAGE METER LEASE PM	162.07		
			3102398866	9/1/2018	POSTAGE METER LEASE PM	162.07	648.28	
20025	8/22/2019	00031	EMPLOYMENT DEVELOPMEN944-0534-7	7/30/2019	UNEMPLOYMENT INS/PERIO	49.00	49.00	
20026	8/22/2019	00073	STATE BOARD OF EQUALIZAT012-655960	8/12/2019	SALES & USE TAX/ VOUCHER	4,749.88	4,749.88	
54447	8/22/2019	00297	ATT CALNET 13477527	8/13/2019	PHONE SERV/07/13/2019-08/1	2,636.62		
			13416970	8/3/2019	PHONE SERV/07/03/2019-08/0	717.09		
			13484727	8/13/2019	PHONE SERV/7/13/19-08/12/1	193.19		
			13481663	8/13/2019	PHONE SERV/07/13/2019-08/1	96.79	3,643.69	
54448	8/22/2019	00064	ATT PAYMENT CENTER 960 461-1623	8/1/2019	PHONE SERV/08/01/19-08/31/	2,996.22	2,996.22	
54449	8/22/2019	00014	CDW GOVERNMENT, INC. THW4559	8/1/2019	CDW-G BILLABLE PARTS	2,794.84		
			TGB1676	7/26/2019	CDW-G BILLABLE PARTS	549.05		
			TGB1675	7/26/2019	CDW-G BILLABLE PARTS	549.05		
			TGD8520	7/26/2019	CDW-G BILLABLE PARTS	413.44	4,306.38	
54450	8/22/2019	00017	CHEM PRO LABORATORY, INC651697	7/23/2019	HQ MAINTENANCE	86.50	86.50	
54451	8/22/2019	00019	CINTAS CORPORATION #427 4026689675	7/26/2019	CLEANING SERVICES FOR F	109.32	109.32	
54452	8/22/2019	00078	COX, CHRISTOPHER 82219	8/22/2019	RETIREE MED PREM/SEPT 20	675.22	675.22	
54453	8/22/2019	00416	DESCO 0000322853	8/1/2019	ANNUAL ELECTRONIC SERVI	1,074.00	1,074.00	
54454	8/22/2019	00008	FEDERAL SIGNAL CORP 7252912	7/23/2019	FEDERAL SIGNAL CORP BILL	1,580.73		
			7258876	7/30/2019	FEDERAL SIGNAL CORP BILL	995.56		
			7248696	7/18/2019	FEDERAL SIGNAL CORP BILL	993.53	3,569.82	
54455	8/22/2019	00651	FRONTIER 7002Z664-S-192	8/5/2019	PHONE SERV/08/04/19-09/04/	65.97		
			7002Z665-S-192	8/5/2019	PHONE SERV/08/04/19-09/04/	45.04		
			21303816660831	8/10/2019	PHONE SERVICE 038-166670	20.88	131.89	
54456	8/22/2019	00027	HAVIS INC. IN596469	8/6/2019	HAVIS, INC BILLABLE PARTS	7,729.40		
			IN594968	7/23/2019	HAVIS, INC BILLABLE PARTS	969.93		
			IN595107	7/24/2019	HAVIS, INC BILLABLE PARTS	959.21		
			IN595108	7/24/2019	HAVIS, INC BILLABLE PARTS	93.69		
			IN596768	8/8/2019	HAVIS, INC BILLABLE PARTS	71.71	9,823.94	

Bank : union UNION BANK		(Continued)					
Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
54457	8/22/2019	00820	HEARTLAND CUSTOMER SOLIN1103177	6/8/2019	BLANKET PURCHASE ORDEF	974.23	974.23
54458	8/22/2019	00853	HERNANDEZ, ARTURO 081319	8/13/2019	GARDENING SERVICE	100.00	100.00
54459	8/22/2019	00798	HYDREX PEST CONTROL 292136	7/31/2019	PEST CONTROL SERVICES	75.00	
			294571	7/24/2019	PEST CONTROL SERVICES	59.00	134.00
54460	8/22/2019	00442	LAWSON PRODUCTS, INC. 9306899192	7/26/2019	BLANKET PURCHASE ORDEF	434.93	
			9306902813	7/29/2019	BLANKET PURCHASE ORDEF	149.95	584.88
54461	8/22/2019	00671	MARC R. COHEN, MD 013	7/31/2019	MEDICAL DIRECTOR SVCS	4,583.33	4,583.33
54462	8/22/2019	00331	MITSUBISHI ELECTRIC INC 355638	8/1/2019	ANNUAL MAINTENANCE FOR	662.64	662.64
54463	8/22/2019	00060	RIVERA, JOSE 82219	8/22/2019	RETIREE MED PREM/SEPT 20	480.39	480.39
54464	8/22/2019	00144	SAXE-CLIFFORD PHD, SUSAN 19-0806-6	8/6/2019	PRE-EMPLOYMENT PSYCHO	1,200.00	1,200.00
54465	8/22/2019	00145	SETINA MFG CO INC 188035	8/2/2019	SETINA MANUFACTURING CO	4,250.25	
			188034	8/2/2019	SETINA MANUFACTURING CO	3,953.02	
			186563	7/9/2019	SETINA MANUFACTURING CO	2,787.81	
			186564	7/9/2019	SETINA MANUFACTURING CO	1,497.42	12,488.50
54466	8/22/2019	00273	SHAW, LILLIAN 82219	8/22/2019	RETIREE MED PREM/SEPT 20	441.50	441.50
54467	8/22/2019	00069	SOUTHERN CALIFORNIA EDI 3-020-1732-98	8/14/2019	ELEC SERV HQ/07/11/19-08/0	6,344.49	
			3-050-6076-67	8/14/2019	ELEC SERV HQ/07/11/19-08/0	5,185.82	
			2-03-672-6511	8/20/2019	ELEC SERV PUNTA/07/19/19-0	811.68	
			3-035-4150-32	8/14/2019	ELEC SERV MBWT/07/03/19-0	242.05	
			3-050-5508-59	8/14/2019	ELEC. SERV. MBWT /0/07/03/	206.70	12,790.74
54468	8/22/2019	00803	SPARKLETTS 18193479 08091	8/9/2019	WATER FILTRATION SYSTEM	34.00	34.00
54469	8/22/2019	00126	STEVENS, DEBORAH 82219	8/22/2019	RETIREE MED PREM/SEPT 20	611.75	611.75
54470	8/22/2019	00034	STEVENS, GARY 82219	8/22/2019	RETIREE MED PREM/SEPT 20	609.50	609.50
54471	8/22/2019	00481	WAYTEK, INC. 2860171	7/31/2019	VEHICLE OUTFITTING PARTS	135.74	135.74
54472	8/22/2019	00063	WHELEN ENGINEERING CO., 580189	7/25/2019	WHELEN ENGINEERING CO B	996.22	996.22
54473	8/22/2019	00299	WYENN & ASSOCIATES 08/12/19	8/12/2019	PRE-EMPLOYMENT POLYGR	825.00	
			081219A	8/12/2019	PRE-EMPLOYMENT POLYGR	275.00	1,100.00
Sub total for UNION BANK:							73,422.75

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Bank : union UNION BANK

<u>Check #</u>	<u>Date</u>	<u>Vendor</u>	<u>Invoice</u>	<u>Inv Date</u>	<u>Description</u>	<u>Amount Paid</u>	<u>Check Total</u>	
20028	8/30/2019	00219	INTERNAL REVENUE SERVICE	Ben28099	8/30/2019	FEDERAL WITHHOLDING TAX	42,984.74	42,984.74
20029	8/30/2019	00223	EMPLOYMENT DEVEL DEPT	Ben28103	8/30/2019	STATE DISABILITY INSURANC	17,029.58	17,029.58
20030	8/30/2019	00222	STATE DISBURSEMENT UNIT	Ben28105	8/30/2019	SUPPORT: PAYMENT	184.62	184.62
20031	8/30/2019	00058	CALPERS	Ben28101	8/30/2019	PERS RETIREMENT: PAYMEN	34,621.18	34,621.18
54474	8/30/2019	00002	AFLAC	Ben28095	8/30/2019	AFLAC INSURANCE: PAYMEN	6,001.50	6,001.50
54475	8/30/2019	00696	GUARDIAN	Ben27974	8/16/2019	DENTAL HMO PLAN: PAYMEN	5,600.17	5,600.17
54476	8/30/2019	00221	ICMA RETIREMENT TRUST	Ben28097	8/30/2019	DEFERRED COMPENSATION	13,778.26	13,778.26
Sub total for UNION BANK:							120,200.05	

E-4



Staff Report

South Bay Regional Public Communications Authority

MEETING DATE: September 17, 2019

ITEM NUMBER: E-4

TO: Executive Committee

FROM: Vanessa Alfaro, Finance & Performance Audit Manager

SUBJECT: UPDATED PUBLICLY AVAILABLE PAY SCHEDULE

ATTACHMENTS: 1. Salary Schedule

RECOMMENDATION

Staff recommends that the Executive Committee approve the attached salary schedule reflecting all Authority positions and associated salaries in order to meet the California Public Employees' Retirement System (CalPERS) requirements of Government Code § 20636(b)(1) and CCR § 570.5.

BACKGROUND

CalPERS requires that one comprehensive salary schedule be duly approved and adopted by the Authority's governing body which indicates the position title for every employee position and shows the payrate for each position. This payrate is that which is to be reportable as compensation earnable (for the purposes of establishing an employee's pensionable income) to CalPERS.

DISCUSSION

This report updates the Authority's salary schedule based upon the approved and adopted memoranda of understanding (MOUs) that the Authority maintains with its represented employees and the employment agreement it maintains with its non-represented employee. Staff requests that the Executive Committee approve the attached salary schedule, which will fulfill the CalPERS requirement for "publicly available pay schedules" approved by the governing body.

The following changes since the last schedule was adopted include:

- Per the MOU with the Communications Workers of America approved by the Executive Committee on May 30th, 2018, the following position received a 2.5% wage increase on July 1, 2019:

- Communications Supervisor
- Per the MOU with the California Teamsters Public, Professional and Medical Employees Union Local 911 approved by the Executive Committee on January 15, 2019, the following positions received a 2.5% wage increase on July 13, 2019:
 - Communications Operator
 - Public Safety Communications Specialist I
 - Public Safety Communications Specialist II
- Per the MOU with the Management and Confidential Employees approved by the Executive Committee on August 20, 2019, the following positions received a 4.25% wage increase effective July 13, 2019:
 - Accountant
 - Administrative Services Manager
 - Executive Assistant
 - Finance & Performance Audit Manager
 - Operations Manager

California Code of Regulations (CCR) 570.5 outlines the requirements to satisfy CalPERS' definition of "publicly available pay schedules," as follows:

(a) For purposes of determining the amount of "compensation earnable" pursuant to Government Code Sections 20630, 20636, and 20636.1, payrate shall be limited to the amount listed on a pay schedule that meets all of the following requirements:

1. Has been duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meeting laws;
2. Identifies the position title for every employee position;
3. Shows the payrate for each identified position, which may be stated as a single amount or as multiple amounts within a range;
4. Indicates the time base, including, but not limited to, whether the time base is hourly, daily, bi-weekly, monthly, bi-monthly, or annually;
5. Is posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website;
6. Indicates an effective date and date of any revisions;
7. Is retained by the employer and available for public inspection for not less than five years; and
8. Does not reference another document in lieu of disclosing the payrate.

The comprehensive pay schedule for all Authority positions must be independent from the salary schedules attached to any memoranda of understanding (MOUs) or included in an employment agreement.

FISCAL IMPACT

None.

E-4

Attachment

SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY

Publicly Available Pay Schedule

MONTHLY SALARY STEPS OF REPRESENTED POSITIONS

Salary Effective Date	Position Title	Step A	Step B	Step C	Step D	Step E	Step F	Step G
07/13/2019	Accountant	\$ 6,590.69	\$ 6,920.13	\$ 7,266.22	\$ 7,629.01	\$ 8,010.58	N/A	N/A
07/13/2019	Administrative Services Manager	\$ 9,976.51	\$ 10,451.06	\$ 10,953.77	\$ 11,476.56	\$ 12,031.55	N/A	N/A
07/13/2019	Communications Operator	\$ 5,684.48	\$ 5,958.00	\$ 6,245.21	\$ 6,546.85	\$ 6,863.50	\$ 7,196.02	\$ 7,545.08
07/01/2019	Communications Supervisor	\$ 6,846.97	\$ 7,179.55	\$ 7,528.73	\$ 7,895.37	\$ 8,280.36	\$ 8,684.58	\$ 9,109.03
07/13/2019	Executive Assistant	\$ 7,073.63	\$ 7,568.31	\$ 8,062.96	\$ 8,557.62	\$ 9,052.30	N/A	N/A
07/13/2019	Finance & Performance Audit Manager	\$ 10,226.60	\$ 10,712.80	\$ 11,227.08	\$ 11,764.06	\$ 12,331.75	N/A	N/A
07/13/2019	Public Safety Communications Specialist I	\$ 6,377.34	\$ 6,696.20	\$ 7,031.02	\$ 7,382.56	\$ 7,751.69	N/A	N/A
07/13/2019	Public Safety Communications Specialist II	\$ 6,696.21	\$ 7,031.01	\$ 7,382.57	\$ 7,751.69	\$ 8,139.28	N/A	N/A
07/13/2019	Operations Manager	\$ 10,427.28	\$ 10,948.63	\$ 11,496.06	\$ 12,070.86	\$ 12,674.41	N/A	N/A

MONTHLY SALARY STEPS OF UNREPRESENTED POSITIONS

Salary Effective Date	Position Title	Salary
12/18/2018	Executive Director	17,166.66

E-5



Staff Report

South Bay Regional Public Communications Authority

MEETING DATE: September 17, 2019

ITEM NUMBER: E-5

TO: Executive Committee

FROM: Erick B. Lee, Executive Director

SUBJECT: APPROVAL OF A CHANGE PURCHASE ORDER TO LIEBERT CASSIDY WHITMORE, A PROFESSIONAL CORPORATION, IN THE AMOUNT OF \$30,000 FOR A TOTAL NOT-TO-EXCEED AMOUNT OF \$45,000 FOR LEGAL SERVICES; AND

APPROVAL OF A CHANGE PURCHASE ORDER TO RICHARDS WATSON GERSHON IN THE AMOUNT OF \$35,000 FOR A TOTAL NOT-TO-EXCEED AMOUNT OF \$50,000 FOR LEGAL SERVICES

ATTACHMENTS: None

RECOMMENDATION

Staff recommends that the Executive Committee approve the following change purchase orders related to the Authority's legal services:

Vendor Name	PO Number	Original Amount Authorized by Executive Director	Change Requested	Total Not-to-Exceed Amount
Liebert Cassidy Whitmore	00115	\$15,000	\$30,000	\$45,000
Richards Watson Gershon	00117	\$15,000	\$35,000	\$50,000

DISCUSSION

The Authority contracts with the law firm of Liebert Cassidy Whitmore ("LCW") for certain legal services. In order to fund the anticipated costs associated with the services to be provided by LCW for the remainder of the year, a change purchase order in the amount of \$30,000 is recommended. Such change would bring the total not-to-exceed amount on the purchase order to \$45,000.

The Authority also contracts with the law firm of Richards Watson Gershon ("RWG") for general counsel legal services. In order to fund the anticipated costs associated with the services to be provided by RWG for the remainder of the year, a change purchase order in the amount of \$35,000 is recommended. Such change would bring the total not-to-exceed amount on the purchase order to \$50,000.

FISCAL IMPACT

None. Funding for these services is available in the adopted Fiscal Year 2019-2020 budget.

E-6



Staff Report

South Bay Regional Public Communications Authority

MEETING DATE: September 17, 2019

ITEM NUMBER: E-6

TO: Executive Committee

FROM: Vanessa Alfaro, Finance & Performance Audit Manager

SUBJECT: FISCAL YEAR 2018-2019 BUDGET PERFORMANCE REPORT - THROUGH JUNE 30, 2019

ATTACHMENTS:

1. Revenue Status Report
2. Expenditure Status Report

RECOMMENDATION

Staff recommends that the Executive Committee receive and file the Fiscal Year 2018/2019 Budget Performance Report for the period July 1, 2018 through June 30, 2019.

DISCUSSION

Staff has analyzed the Authority's financial activities through June 30, 2019. The Authority has received 100% of its assessment revenues from its member cities and 100% of its assessment revenues from its contract cities. These amounts conform to the terms of the Authority's Bylaws and its agreements with the contract cities.

Additionally, the revenue report (Attachment #1) recognizes the receipt of approximately \$4.8M in reimbursements in the "Other Miscellaneous Revenue" account which is associated with the Communication Equipment Purchase and Reimbursement agreements with the three (3) member cities and two (2) South Bay contract cities that were not included in the adopted Fiscal Year 2018-19 budget. These funds were appropriated in November 2018 and fully expended the following month in order to exercise the purchase option under the Equipment Lease-Purchase Agreement with Motorola Solutions, Inc. ("Motorola").

As it relates to expenditures (Attachment #2), a total of \$18,242,461 has been expended from the Enterprise Fund, which represents 97.4% of the budget. However, over \$6.5M of this amount was attributed to exercising the aforementioned purchase option under the Equipment Lease-Purchase Agreement with Motorola. When the appropriations and expenditures associated with this purchase are excluded, Enterprise Fund expenditures

totaled \$11,697,774 (96% of the budget), which represents a 4% budgetary surplus. Expenses for salary and benefits accounted for 99.6% of their budgeted amounts, across all departments. However, the Authority will work with its auditors in the upcoming months to complete the fiscal year-end closing process and develop the audited financial statements. This work is likely to result in final fiscal year-end adjustments.

Grant Fund expenditures related to the INSB Radio Network Project totaled \$1,602,473 and represent a complete exhaustion of these grant funds and a close out of this project. The Authority received the final reimbursement of these funds from the City of Los Angeles in July 2019, which was subsequently dispersed to the member cities.

Below is a summary of expenses by category and department for all funds:

Department	Adjusted Appropriation	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Percent Used
SALARY & BENEFITS					
Administration	\$ 1,000,309	\$ 969,196	\$ -	\$ 31,113	96.9%
Operations	7,222,292	7,286,376	-	(64,084)	100.9%
Technical Services	760,450	690,196	-	70,254	90.8%
Salary & Benefits Total	\$ 8,983,051	\$ 8,945,768	\$ -	\$ 37,283	99.6%
SUPPLIES, SERVICES & EQUIPMENT					
Administration	\$ 1,286,183	\$ 1,236,039	\$ -	\$ 50,144	96.1%
Operations	229,740	197,052	-	32,688	85.8%
Technical Services	8,163,964	7,857,735	-	306,229	96.2%
Total	\$ 9,679,887	\$ 9,290,826	\$ -	\$ 389,061	96.0%
(Adj. re: Motorola Purchase)	(6,544,687)	(6,544,687)	-	-	100.0%
Adjusted Total	\$ 3,135,200	\$ 2,746,139	\$ -	\$ 389,061	87.6%
CAPITAL IMPROV. PROJECTS	\$ 66,972	\$ 5,867	\$ -	\$ 61,105	8.8%
ENTERPRISE FUND TOTAL	\$ 18,729,910	\$ 18,242,461	\$ -	\$ 487,449	97.4%
ENTERPRISE FUND ADJ. TOTAL	\$ 12,185,223	\$ 11,697,774	\$ -	\$ 487,449	96.0%
GRANT FUND	\$ 1,602,473	\$ 1,602,473	\$ -	\$ -	100.0%
GRAND TOTAL ALL FUNDS	\$ 20,332,383	\$ 19,844,934	\$ -	\$ 487,449	97.6%

FISCAL IMPACT

None.

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South Bay Regional PCA
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10 SBRPCA Enterprise Fund

<u>Account Number</u>	<u>Adjusted Estimate</u>	<u>Revenues</u>	<u>Year-to-date Revenues</u>	<u>Balance</u>	<u>Prct Rcvd</u>
10-50 Administration					
10-50-111 Administration					
10-50-111-4110 Gardena	2,391,301.00	2,391,301.00	2,391,301.00	0.00	100.00
10-50-111-4120 Hawthorne	3,359,598.00	3,359,598.00	3,359,598.00	0.00	100.00
10-50-111-4130 Manhattan Beach	1,703,280.00	1,703,280.00	1,703,280.00	0.00	100.00
10-50-111-4140 Hermosa Beach	828,439.00	828,438.89	828,438.89	0.11	100.00
10-50-111-4145 El Segundo	1,330,766.00	1,330,766.50	1,330,766.50	-0.50	100.00
10-50-111-4146 Culver City Assessment	2,507,365.00	2,507,364.96	2,507,364.96	0.04	100.00
10-50-111-4150 El Camino Community College	790.00	0.00	0.00	790.00	0.00
10-50-111-4151 Annual Maint-MDC -Director	0.00	652.90	652.90	-652.90	0.00
10-50-111-4153 Medical Director Service/Manhattan Beach	27,000.00	27,500.00	27,500.00	-500.00	101.85
10-50-111-4154 Medical Director Services/El Segundo	27,000.00	27,500.00	27,500.00	-500.00	101.85
10-50-111-4210 Investment Earnings (LAIF)	57,173.00	78,839.50	78,839.50	-21,666.50	137.90
10-50-111-4220 POST Reimbursements	600.00	120.00	120.00	480.00	20.00
10-50-111-4255 Unrealized Gain/Loss on Investments	0.00	-8,632.47	-8,632.47	8,632.47	0.00
10-50-111-4430 Other Miscellaneous Revenue	2,500.00	4,853,937.39	4,853,937.39	-4,851,437.39	194157.50
Total Administration	12,235,812.00	17,100,666.67	17,100,666.67	-4,864,854.67	139.76
10-60 Operations					
10-60-211 Communications Center					
10-60-211-4215 DUI Reimbursement-Overtime	2,000.00	879.09	879.09	1,120.91	43.95
10-60-211-4435 Reimbursements Sprint Wireless	77,289.00	69,887.43	69,887.43	7,401.57	90.42

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South Bay Regional PCA
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10 SBRPCA Enterprise Fund

<u>Account Number</u>	<u>Adjusted Estimate</u>	<u>Revenues</u>	<u>Year-to-date Revenues</u>	<u>Balance</u>	<u>Prct Rcvd</u>
10-60-211-4440 Reimbursements/Verizon Wireless	15,229.00	23,748.20	23,748.20	-8,519.20	155.94
10-60-211-4460 Pink Patch Project	0.00	356.33	356.33	-356.33	0.00
Total Operations	94,518.00	94,871.05	94,871.05	-353.05	100.37
10-70 Technical Services					
10-70-311 Technical Services					
10-70-311-4310 Labor-Installation-Member	0.00	3,126.24	3,126.24	-3,126.24	0.00
10-70-311-4360 Reimbursements for Billable Parts	642,397.00	479,845.06	479,845.06	162,551.94	74.70
10-70-311-4370 Reimbursements for GST Software	50,000.00	45,591.62	45,591.62	4,408.38	91.18
10-70-311-4371 Reimbursement ES Chat Software	100,000.00	0.00	0.00	100,000.00	0.00
10-70-311-4375 Reimb Net Motion Licenses & Maint.	31,000.00	0.00	0.00	31,000.00	0.00
Total Technical Services	823,397.00	528,562.92	528,562.92	294,834.08	64.19
Total SBRPCA Enterprise Fund	13,153,727.00	17,724,100.64	17,724,100.64	-4,570,373.64	134.75

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South Bay Regional PCA
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20 Grant Fund

<u>Account Number</u>	<u>Adjusted Estimate</u>	<u>Revenues</u>	<u>Year-to-date Revenues</u>	<u>Balance</u>	<u>Prct Rcvd</u>
20-80 Capital Infrastructure Projects					
20-80-433 Consulting/Vector Resources					
20-80-433-4270 Grant Reimb/P25 Comm Repeater Migration	0.00	1,535,788.40	1,535,788.40	-1,535,788.40	0.00
Total Grant Fund	0.00	1,535,788.40	1,535,788.40	-1,535,788.40	0.00
 Grand Total	 13,153,727.00	 19,259,889.04	 19,259,889.04	 -6,106,162.04	 146.42

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South Bay Regional PCA
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10 SBRPCA Enterprise Fund

<u>Account Number</u>	<u>Adjusted Appropriation</u>	<u>Expenditures</u>	<u>Year-to-date Expenditures</u>	<u>Year-to-date Encumbrances</u>	<u>Balance</u>	<u>Prct Used</u>
50 Administration						
50-100 Administration						
50-100-5000 Expenditures						
50-111-5101 Salaries (Full-Time)	649,724.00	663,616.78	663,616.78	0.00	-13,892.78	102.14
50-111-5104 Acting Pay	0.00	189.39	189.39	0.00	-189.39	0.00
50-111-5107 Merit Pay	3,000.00	2,950.00	2,950.00	0.00	50.00	98.33
50-111-5108 Sick Leave Payoff	29,269.00	14,417.86	14,417.86	0.00	14,851.14	49.26
50-111-5109 Vacation Leave Payoff	35,680.00	34,685.72	34,685.72	0.00	994.28	97.21
50-111-5114 Holiday Payoff	0.00	2,422.50	2,422.50	0.00	-2,422.50	0.00
50-111-5201 Medical Insurance	80,873.00	78,423.17	78,423.17	0.00	2,449.83	96.97
50-111-5202 Dental Insurance	5,764.00	5,382.39	5,382.39	0.00	381.61	93.38
50-111-5203 Vision Insurance	1,726.00	1,509.12	1,509.12	0.00	216.88	87.43
50-111-5204 Life Insurance	814.00	597.85	597.85	0.00	216.15	73.45
50-111-5205 Medicare	14,150.00	10,778.05	10,778.05	0.00	3,371.95	76.17
50-111-5207 Workers' Compensation	11,482.00	4,053.47	4,053.47	0.00	7,428.53	35.30
50-111-5208 PERS Contributions	143,528.00	100,363.62	100,363.62	0.00	43,164.38	69.93
50-111-5209 Retirees' Medical Insurance	13,499.00	6,018.09	6,018.09	0.00	7,480.91	44.58
50-111-5212 Deferred Comp Matching Benefit	10,800.00	43,788.38	43,788.38	0.00	-32,988.38	405.45
50-111-5301 Communications Contract Services	31,000.00	23,313.60	23,313.60	0.00	7,686.40	75.21
50-111-5302 Computer Contract Services/CAD-Tiburon	90,000.00	90,360.00	90,360.00	0.00	-360.00	100.40
50-111-5304 Accounting/Auditing Services	18,000.00	28,800.00	28,800.00	0.00	-10,800.00	160.00
50-111-5305 Legal Services	45,000.00	61,874.94	61,874.94	0.00	-16,874.94	137.50
50-111-5306 Recruitment Costs	86,173.00	76,910.91	76,910.91	0.00	9,262.09	89.25
50-111-5307 Software Maintenance Services	148,074.00	107,072.96	107,072.96	0.00	41,001.04	72.31
50-111-5308 Banking Services (Fees)	6,000.00	5,468.38	5,468.38	0.00	531.62	91.14
50-111-5309 Online/Website Maintenance Services	15,000.00	1,740.00	1,740.00	0.00	13,260.00	11.60
50-111-5312 Medical Director Services/Paramedics	54,000.00	59,619.32	59,619.32	0.00	-5,619.32	110.41
50-111-5313 Temporary Staffing Services	280,000.00	292,605.32	292,605.32	0.00	-12,605.32	104.50
50-111-5401 Memberships & Dues	870.00	788.78	788.78	0.00	81.22	90.66
50-111-5402 Publications	350.00	1,714.36	1,714.36	0.00	-1,364.36	489.82

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Expenditure Status Report

South Bay Regional PCA
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10 SBRPCA Enterprise Fund

<i>Account Number</i>	<i>Adjusted Appropriation</i>	<i>Expenditures</i>	<i>Year-to-date Expenditures</i>	<i>Year-to-date Encumbrances</i>	<i>Balance</i>	<i>Prct Used</i>
50-111-5403 Conferences, Meetings & Travel	5,606.00	3,209.28	3,209.28	0.00	2,396.72	57.25
50-111-5404 Employee Services/EC-BOD	2,000.00	3,294.42	3,294.42	0.00	-1,294.42	164.72
50-111-5407 Tuition Reimbursement	4,000.00	0.00	0.00	0.00	4,000.00	0.00
50-111-5501 Office Supplies	9,000.00	31,411.28	31,411.28	0.00	-22,411.28	349.01
50-111-5502 Miscellaneous Supplies	1,100.00	408.00	408.00	0.00	692.00	37.09
50-111-5505 Voice Recording Tapes	500.00	0.00	0.00	0.00	500.00	0.00
50-111-5507 Postage	1,300.00	982.99	982.99	0.00	317.01	75.61
50-111-5509 Reproduction	2,000.00	79.87	79.87	0.00	1,920.13	3.99
50-111-5511 Office Equipment Lease	15,750.00	13,458.26	13,458.26	0.00	2,291.74	85.45
50-111-5513 General Liability Insurance Premium	187,660.00	133,006.04	133,006.04	0.00	54,653.96	70.88
50-111-5517 Vehicle Operations	2,000.00	125.00	125.00	0.00	1,875.00	6.25
50-111-5601 Telephone - Administration	15,000.00	20,122.51	20,122.51	0.00	-5,122.51	134.15
50-111-5701 Maintenance - HQ	144,800.00	155,588.13	155,588.13	0.00	-10,788.13	107.45
50-111-5703 Electricity - HQ	97,000.00	86,087.33	86,087.33	0.00	10,912.67	88.75
50-111-5704 Electricity - Grandview	2,000.00	900.33	900.33	0.00	1,099.67	45.02
50-111-5705 Electricity - Punta Place	6,000.00	6,705.78	6,705.78	0.00	-705.78	111.76
50-111-5706 Gas - HQ	10,000.00	8,797.22	8,797.22	0.00	1,202.78	87.97
50-111-5707 Water - HQ	3,500.00	3,360.18	3,360.18	0.00	139.82	96.01
50-111-5715 Electricity-MB Water Tower	2,500.00	2,996.74	2,996.74	0.00	-496.74	119.87
50-111-5810 Office Equipment	0.00	15,237.37	15,237.37	0.00	-15,237.37	0.00
Total Administration	2,286,492.00	2,205,235.69	2,205,235.69	0.00	81,256.31	96.45
60 Operations						
60-200 Operations						
60-200-5000 Expenditures						
60-211-5101 Salaries (Full-Time)	4,794,562.00	4,171,958.29	4,171,958.29	0.00	622,603.71	87.01
60-211-5102 Salaries (Part-Time)	74,203.00	110,962.78	110,962.78	0.00	-36,759.78	149.54
60-211-5103 Overtime	350,000.00	980,650.19	980,650.19	0.00	-630,650.19	280.19
60-211-5104 Acting Pay	4,815.00	2,815.46	2,815.46	0.00	1,999.54	58.47
60-211-5105 Bilingual Pay	8,667.00	7,900.00	7,900.00	0.00	767.00	91.15
60-211-5107 Merit Pay	0.00	69,000.00	69,000.00	0.00	-69,000.00	0.00
60-211-5108 Sick Leave Payoff	107,419.00	96,477.69	96,477.69	0.00	10,941.31	89.81

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South Bay Regional PCA
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10 SBRPCA Enterprise Fund

<i>Account Number</i>	<i>Adjusted Appropriation</i>	<i>Expenditures</i>	<i>Year-to-date Expenditures</i>	<i>Year-to-date Encumbrances</i>	<i>Balance</i>	<i>Prct Used</i>
60-211-5109 Vacation Leave Payoff	46,052.00	49,221.49	49,221.49	0.00	-3,169.49	106.88
60-211-5110 Training Pay	5,613.00	11,963.37	11,963.37	0.00	-6,350.37	213.14
60-211-5114 Holiday Payoff	74,917.00	143,817.92	143,817.92	0.00	-68,900.92	191.97
60-211-5115 Education Incentive Pay	93,000.00	99,224.38	99,224.38	0.00	-6,224.38	106.69
60-211-5116 Overtime - Ridealongs with Member Cities	10,000.00	0.00	0.00	0.00	10,000.00	0.00
60-211-5201 Medical Insurance	561,918.00	565,582.78	565,582.78	0.00	-3,664.78	100.65
60-211-5202 Dental Insurance	53,464.00	30,919.14	30,919.14	0.00	22,544.86	57.83
60-211-5203 Vision Insurance	17,804.00	13,442.08	13,442.08	0.00	4,361.92	75.50
60-211-5204 Life Insurance	7,870.00	6,499.65	6,499.65	0.00	1,370.35	82.59
60-211-5205 Medicare	83,217.00	83,751.57	83,751.57	0.00	-534.57	100.64
60-211-5206 Unemployment Insurance	6,713.00	11,463.00	11,463.00	0.00	-4,750.00	170.76
60-211-5207 Workers' Compensation	65,902.00	24,605.01	24,605.01	0.00	41,296.99	37.34
60-211-5208 PERS Contributions	798,175.00	768,980.26	768,980.26	0.00	29,194.74	96.34
60-211-5209 Retirees' Medical Insurance	57,091.00	37,014.72	37,014.72	0.00	20,076.28	64.83
60-211-5211 Social Security	890.00	125.79	125.79	0.00	764.21	14.13
60-211-5300 Maintenance & Operations	0.00	159.98	159.98	0.00	-159.98	0.00
60-211-5401 Memberships & Dues	750.00	29.21	29.21	0.00	720.79	3.89
60-211-5402 Publications	1,710.00	1,628.76	1,628.76	0.00	81.24	95.25
60-211-5403 Conferences, Meetings & Travel	33,262.00	14,055.86	14,055.86	0.00	19,206.14	42.26
60-211-5404 Employee Services/EC-BOD	2,500.00	476.62	476.62	0.00	2,023.38	19.06
60-211-5405 Employee Awards	500.00	0.00	0.00	0.00	500.00	0.00
60-211-5406 POST Training	2,000.00	992.32	992.32	0.00	1,007.68	49.62
60-211-5407 Tuition Reimbursement	18,000.00	6,797.00	6,797.00	0.00	11,203.00	37.76
60-211-5506 Uniforms/Safety Equipment	8,000.00	7,861.57	7,861.57	0.00	138.43	98.27
60-211-5509 Reproduction	500.00	0.00	0.00	0.00	500.00	0.00
60-211-5603 Telephone - El Segundo	3,000.00	2,149.22	2,149.22	0.00	850.78	71.64
60-211-5604 Telephone - Gardena	5,000.00	1,349.02	1,349.02	0.00	3,650.98	26.98
60-211-5606 Telephone - Hawthorne	6,000.00	5,384.58	5,384.58	0.00	615.42	89.74
60-211-5607 Telephone - Hermosa Beach	25,000.00	27,864.36	27,864.36	0.00	-2,864.36	111.46
60-211-5608 Telephone - Manhattan Beach	8,000.00	5,028.99	5,028.99	0.00	2,971.01	62.86
60-211-5611 Telephone - Punta Place	5,500.00	3,896.88	3,896.88	0.00	1,603.12	70.85
60-211-5612 Telephone - RCC	12,000.00	10,716.67	10,716.67	0.00	1,283.33	89.31
60-211-5613 Sprint Wireless Reimbursable	77,289.00	65,103.05	65,103.05	0.00	12,185.95	84.23
60-211-5614 Verizon Wireless Reimbursable	15,229.00	29,193.53	29,193.53	0.00	-13,964.53	191.70

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10 SBRPCA Enterprise Fund

<u>Account Number</u>	<u>Adjusted Appropriation</u>	<u>Expenditures</u>	<u>Year-to-date Expenditures</u>	<u>Year-to-date Encumbrances</u>	<u>Balance</u>	<u>Prct Used</u>
60-211-5615 Telephone - Culver City	5,500.00	9,615.39	9,615.39	0.00	-4,115.39	174.83
60-211-5820 Other Equipment	0.00	4,749.30	4,749.30	0.00	-4,749.30	0.00
Total Operations	7,452,032.00	7,483,427.88	7,483,427.88	0.00	-31,395.88	100.42
70 Technical Services						
70-300 Technical Services						
70-300-5000 Expenditures						
70-311-5101 Salaries (Full-Time)	408,104.69	437,448.65	437,448.65	0.00	-29,343.96	107.19
70-311-5103 Overtime	10,000.00	839.26	839.26	0.00	9,160.74	8.39
70-311-5107 Merit Pay	1,400.00	9,105.50	9,105.50	0.00	-7,705.50	650.39
70-311-5108 Sick Leave Payoff	15,635.00	16,387.20	16,387.20	0.00	-752.20	104.81
70-311-5109 Vacation Leave Payoff	13,382.00	11,879.87	11,879.87	0.00	1,502.13	88.77
70-311-5114 Holiday Payoff	12,580.00	0.00	0.00	0.00	12,580.00	0.00
70-311-5115 Education Incentive Pay	3,733.00	0.00	0.00	0.00	3,733.00	0.00
70-311-5201 Medical Insurance	69,141.00	57,646.96	57,646.96	0.00	11,494.04	83.38
70-311-5202 Dental Insurance	4,569.00	2,651.87	2,651.87	0.00	1,917.13	58.04
70-311-5203 Vision Insurance	1,305.00	1,223.32	1,223.32	0.00	81.68	93.74
70-311-5204 Life Insurance	950.00	663.85	663.85	0.00	286.15	69.88
70-311-5205 Medicare	11,027.00	7,129.84	7,129.84	0.00	3,897.16	64.66
70-311-5207 Workers' Compensation	94,760.00	46,978.30	46,978.30	0.00	47,781.70	49.58
70-311-5208 PERS Contributions	82,649.00	72,455.65	72,455.65	0.00	10,193.35	87.67
70-311-5209 Retirees' Medical Insurance	31,214.00	25,785.52	25,785.52	0.00	5,428.48	82.61
70-311-5302 Computer Contract Services/CAD-Tiburon	310,000.00	310,000.00	310,000.00	0.00	0.00	100.00
70-311-5311 GST Software Reimbursable	50,000.00	44,790.88	44,790.88	0.00	5,209.12	89.58
70-311-5403 Conferences, Meetings & Travel	2,650.00	1,491.43	1,491.43	0.00	1,158.57	56.28
70-311-5503 General Technical Supplies	7,500.00	5,005.55	5,005.55	0.00	2,494.45	66.74
70-311-5506 Uniforms/Safety Equipment	2,000.00	9,977.26	9,977.26	0.00	-7,977.26	498.86
70-311-5508 Shipping Costs	0.00	342.64	342.64	0.00	-342.64	0.00
70-311-5514 Parts - Billing	721,985.37	463,433.36	463,433.36	0.00	258,552.01	64.19
70-311-5515 Parts - Telecommunications	15,357.00	5,073.46	5,073.46	0.00	10,283.54	33.04
70-311-5516 Install Wire, Loom & Hardware	25,132.00	31,057.69	31,057.69	0.00	-5,925.69	123.58
70-311-5517 Vehicle Operations	4,500.00	4,167.98	4,167.98	0.00	332.02	92.62

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<u>Account Number</u>	<u>Adjusted Appropriation</u>	<u>Expenditures</u>	<u>Year-to-date Expenditures</u>	<u>Year-to-date Encumbrances</u>	<u>Balance</u>	<u>Prct Used</u>
70-311-5520 Equipment Repair	10,000.00	232.29	232.29	0.00	9,767.71	2.32
70-311-5521 Outside Technical Serv-Towers & Equip	470,153.31	418,611.71	418,611.71	0.00	51,541.60	89.04
70-311-5820 Other Equipment	6,544,686.58	6,563,550.47	6,563,550.47	0.00	-18,863.89	100.29
Total Technical Services	8,924,413.95	8,547,930.51	8,547,930.51	0.00	376,483.44	95.78
80 Capital Infrastructure Projects						
80-400 CIP						
80-400-5000 Expenditures						
80-433-5901 CIP EXP/Consulting Vector Resources	0.00	1,495.39	1,495.39	0.00	-1,495.39	0.00
80-436-5901 CIP Exp-MB Allocation	49,471.63	4,021.45	4,021.45	0.00	45,450.18	8.13
80-447-5901 CIP Expenditures-Replace Cisco Switches	17,500.00	0.00	0.00	0.00	17,500.00	0.00
80-449-5901 Backup Stand Alone Radio System-Comm Ctr	0.00	350.00	350.00	0.00	-350.00	0.00
Total Expenditures	66,971.63	5,866.84	5,866.84	0.00	61,104.79	8.76
Total CIP	66,971.63	5,866.84	5,866.84	0.00	61,104.79	8.76
Total Capital Infrastructure Projects	66,971.63	5,866.84	5,866.84	0.00	61,104.79	8.76
Total SBRPCA Enterprise Fund	18,729,909.58	18,242,460.92	18,242,460.92	0.00	487,448.66	97.40

expstat.rpt
09/09/2019 2:56PM
Periods: 1 through 13

Expenditure Status Report

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South Bay Regional PCA
7/1/2018 through 6/30/2019

20 Grant Fund

<u>Account Number</u>	<u>Adjusted Appropriation</u>	<u>Expenditures</u>	<u>Year-to-date Expenditures</u>	<u>Year-to-date Encumbrances</u>	<u>Balance</u>	<u>Prct Used</u>
80 Capital Infrastructure Projects						
80-400 CIP						
80-400-5000 Expenditures						
80-433-5901 UASI Grant P25 Comm Repeater Migration	1,602,473.21	1,602,473.21	1,602,473.21	0.00	0.00	100.00
Total Grant Fund	1,602,473.21	1,602,473.21	1,602,473.21	0.00	0.00	100.00
Grand Total	20,332,382.79	19,844,934.13	19,844,934.13	0.00	487,448.66	97.60

G-1



Staff Report

South Bay Regional Public Communications Authority

MEETING DATE: September 17, 2019

ITEM NUMBER: G-1

TO: Executive Committee

FROM: Erick B. Lee, Executive Director

SUBJECT: SIDE LETTER AGREEMENT AMENDING THE JULY 1, 2017 TO JUNE 30, 2020 MEMORANDUM OF UNDERSTANDING BETWEEN THE SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY AND THE CALIFORNIA TEAMSTERS PUBLIC, PROFESSIONAL AND MEDICAL EMPLOYEES UNION LOCAL 911

ATTACHMENTS: 1. Side Letter Agreement

RECOMMENDATION

Staff recommends that the Executive Committee approve and authorize the Executive Director to execute a side letter agreement amending the July 1, 2017 to June 30, 2020 Memorandum of Understanding ("MOU") between the California Teamsters Public, Professional And Medical Employees Union Local 911 ("Teamsters") and the Authority.

DISCUSSION

The Teamsters bargaining group represents all Communications Operators within the Authority. The Authority entered into the current MOU with the Teamsters on January 15, 2019. The agreement has a term of three (3) years from July 1, 2017 to June 30, 2020.

The Authority and Teamsters have agreed to make changes to the MOU in regards to special pay provided to employees. Specifically, the side letter would provide Communications Operators who are projected to exceed the maximum accumulation amount of vacation leave, because they are unable to utilize enough of this leave during a specified six-month period, to convert, for cash, the number of hours of vacation leave that will keep them from exceeding maximum accumulation amount. This conversion will be paid at 100% of the base rate of pay.

FISCAL IMPACT

The projected cost increase related to this side letter agreement is approximately \$4,000.

G-1 Attachment

**SIDE LETTER AGREEMENT AMENDING
THE JULY 1, 2017 TO JUNE 30, 2020
MEMORANDUM OF UNDERSTANDING BETWEEN THE SOUTH BAY
REGIONAL PUBLIC COMMUNICATIONS AUTHORITY AND THE TEAMSTERS
PUBLIC, PROFESSIONAL AND MEDICAL EMPLOYEES UNION LOCAL 911**

Teamsters Local 911 and the South Bay Regional Public Communications Authority (Authority), having previously negotiated and executed a Memorandum of Understanding for the period July 1, 2017 to June 30, 2020 ("MOU"), do hereby agree and adopt this side letter agreement ("Side Letter Agreement") amending the **MOU** related to MOU SECTION 12.12 – ANNUAL PAYMENT FOR UNUSED VACATION LEAVE (OPTIONAL) and in the following specific particularities only.

MOU SECTION 12.12 – ANNUAL PAYMENT FOR UNUSED VACATION LEAVE (OPTIONAL)

Amendment of Section 12.12 of the **MOU** shall be amended and restated as follows:

Section 12.12 - Annual Payment for Unused Vacation Leave (Optional). Annually, each employee may convert, for cash, a limited number of hours of vacation leave. No one shall be required to do this, but may, if desired. Leave balances shall be determined at the end of the pay period nearest to, but not past, October 31 each year. The dollar value of the hours converted will be determined by the completed years of service as shown below. Payment shall be calculated as a percentage of the employee's base rate of pay which is defined as the employee's base salary per the salary schedule without any special pay.

GROUP A, GROUP C, AND GROUP D EMPLOYEES		
Completed Years of Service	Maximum Hours That May Be Converted	Conversion Rate
1 to Less than 2	48	85% of Base Rate of Pay
2 or More	72	85% of Base Rate of Pay

GROUP B EMPLOYEES		
Completed Years of Service	Maximum Hours That May Be Converted	Conversion Rate
Less than 2	60	85% of Base Rate of Pay
2 or More	90	85% of Base Rate of Pay

In addition to the voluntary annual payment for unused vacation leave as indicated above, any Communications Operators projected to exceed the maximum accumulation amount as established in Section 9.11 - Vacation Leave because they are unable to utilize any vacation leave during the period of September 21, 2019 through November

15, 2019 and/or because they are unable to utilize any or enough vacation leave during the period of November 16, 2019 through March 20, 2020 shall be able to convert, for cash, the number of hours of vacation leave that will keep them from exceeding the maximum accumulation amount. This conversion will be paid at 100% of the base rate of pay and will be processed in conjunction with the above described annual payment for vacation leave.

This **Side Letter Agreement** contains the entire agreement between the parties related to the amendment and restatement of MOU SECTION 12.12. The terms of this **Side Letter Agreement** have been reached by the parties after negotiations and fulfillment of all legally required meet and confer obligations. Except as specifically provided herein, no other term or condition of the **MOU** is modified or amended by this **Side Letter Agreement**.

TEAMSTERS LOCAL 911

SOUTH BAY REGIONAL PUBLIC
COMMUNICATIONS AUTHORITY

By: _____

By: _____

Carlos Rubio, Senior Business Representative

Erick B. Lee, Executive Director

Date: _____

Date: _____

By: _____

David Lopez, Steward

Date: _____

By: _____

Jeffrey Williams, Steward

Date: _____

By: _____

Rhonda Zeck, Steward

Date: _____

G-2



Staff Report

South Bay Regional Public Communications Authority

MEETING DATE: September 17, 2019

ITEM NUMBER: G-2

TO: Executive Committee

FROM: Erick B. Lee, Executive Director
Vanessa Alfaro, Finance & Performance Audit Manager

SUBJECT: PENSION AND OTHER POST-EMPLOYMENT BENEFIT
UNFUNDED LIABILITIES

ATTACHMENTS: 1. CalPERS UAL Projected Payment Schedules

RECOMMENDATION

Staff recommends that the Executive Committee direct staff to:

1. Set aside funds in the Fiscal Year 2020-2021 budget to begin addressing the Authority's growing pension and other post-employment benefits liabilities; and
2. Develop a formal long-term strategy to address these liabilities for the Executive Committee's consideration.

BACKGROUND

Most governmental agencies experience two types of unfunded liabilities related to employment. The first is associated with defined benefit pensions, and the second relates to other post-employment benefits ("OPEB"), such as retiree medical benefits.

Payments to the California Public Employees Retirement System ("CalPERS") for the Authority's pension plan include two components: 1) the normal cost ("NC"), or the annual cost for current service, and 2) an annual payment on the Unfunded Accrued Liability ("UAL"), or the amortized cost for past service for which full funding has not been achieved.

In recent years, local agencies have experienced a rapid growth in pension unfunded liabilities due to various factors, such as changes in actuarial assumptions, including the use of more conservative discount rates, and lower than expected investment returns. Moreover, since the release of Governmental Accounting Standards Board Statement No. 68 ("GASB 68"), an agency is required to report its net pension liability in its financial

statements, which affects the agency's net position, and further emphasizes these growing costs.

With the goal to reduce overall UAL costs, stabilize the growth of pension costs, and maintain budget flexibility over the long-term, many agencies have initiated funding plans to address their growing pension and OPEB liabilities.

The Authority currently does not have a formalized strategy to address these liabilities.

DISCUSSION

As of the last CalPERS valuation reports dated June 30, 2018 (released in August 2019), the Authority's unfunded accrued pension liabilities totaled \$7,675,409 apportioned as follows:

Classic – Tier 1	\$7,602,163	99%
Classic – Tier 2	\$37,327	0.5%
PEPRA	\$35,919	0.5%

This amount represents a pension liability increase of over \$1.2 million from the previous valuation dated June 30, 2017.

Additionally, CalPERS projects UAL payments for the Authority to reach \$775,360 in FY2025-26, nearly a 78% increase from the \$436,120 UAL payment made in FY2019-20. With the Authority's current amortization schedule, the current UAL would be paid off in 25 years and annual payments would total nearly \$15.2 million.

CalPERS offers the ability for the Authority to make payments based on alternate amortization periods which reduces the overall amounts paid. For example, paying the UAL based on a 15-year amortization schedule instead of 25 years results in nearly \$2 million in interest savings. The table below summarizes past and forecasts future UAL payments on the current amortization schedule. Additionally, it compares the increase in payment if the Authority paid off the UAL in 15 years instead of 25 years. (The full 25-year comparison is included as Attachment #1).

Fiscal Year	Current UAL Payment	15 Year Amortization UAL Payment	Potential Additional Discretionary Payment	
2016-17	\$ 199,663	\$ -	\$ -	
2017-18	254,631	-	-	
2018-19	339,548	-	-	
2019-20	436,120	-	-	
2020-21	511,140	739,595	228,455	
2021-22	597,101	759,935	162,834	<i>projected</i>
2022-23	668,814	780,832	112,018	<i>projected</i>
2023-24	709,959	802,306	92,347	<i>projected</i>
2024-25	754,609	824,368	69,759	<i>projected</i>
2025-26	775,360	832,770	57,410	<i>projected</i>

After 3 years, the variance between the two projections begins to stabilize and the Authority's pension liability position would subsequently improve. In other words, the shorter period benefits the Authority by paying off the UAL faster while only increasing annual UAL payments an average of just over \$100,000 in the 15-year period.

In addition to the unfunded accrued pension liability, the Authority's OPEB liability totaled \$2,810,101 as of June 30, 2018. Prefunding other post-employment benefits can reduce the Authority's future cash flow requirements and dependence on its annual operating budget to fund these expenditures. Since GASB 75 requires that agencies obtain an OPEB valuation every two years, staff could work with the Authority's actuarial consultant to develop a plan to pay off the liability in the upcoming valuation for FY2019-20. This plan would be presented to the Executive Committee for review and consideration as part of the FY2021-22 budget development process. Additionally, the Executive Committee established a reserve in the amount of \$250,000 for future OPEB liabilities in October 2011. These funds have been maintained as reserves and can be used as the initial funding amount once a plan to address OPEB liabilities has been established.

FISCAL IMPACT

None as this time. If directed to set aside funds in the Fiscal Year 2020-2021 budget to begin addressing the Authority's growing pension and other post-employment benefits liabilities, this amount would be presented to the Executive Committee for its consideration as part of the budget process in February 2020.

G-2 Attachment

CaIPERS UAL PROJECTED PAYMENT SCHEDULES

	Payment Date	Current Payment All Plans	15 Yr Amortization All Plans	Additional Discretionary Payment
1	6/30/2020	511,140.00	739,595.00	228,455.00
2	6/30/2021	597,101.00	759,935.00	162,834.00
3	6/30/2022	668,814.00	780,832.00	112,018.00
4	6/30/2023	709,959.00	802,306.00	92,347.00
5	6/30/2024	754,609.00	824,368.00	69,759.00
6	6/30/2025	775,360.00	832,770.00	57,410.00
7	6/30/2026	796,682.00	855,671.00	58,989.00
8	6/30/2027	818,591.00	879,203.00	60,612.00
9	6/30/2028	841,102.00	903,380.00	62,278.00
10	6/30/2029	849,156.00	928,223.00	79,067.00
11	6/30/2030	872,507.00	943,837.00	71,330.00
12	6/30/2031	896,502.00	969,793.00	73,291.00
13	6/30/2032	885,645.00	996,462.00	110,817.00
14	6/30/2033	873,513.00	1,023,865.00	150,352.00
15	6/30/2034	845,305.00	1,052,021.00	206,716.00
16	6/30/2035	797,164.00	-	-
17	6/30/2036	707,735.00	-	-
18	6/30/2037	423,165.00	-	-
19	6/30/2038	358,036.00	-	-
20	6/30/2039	307,213.00	-	-
21	6/30/2040	274,310.00	-	-
22	6/30/2041	213,838.00	-	-
23	6/30/2042	204,508.00	-	-
24	6/30/2043	161,642.00	-	-
25	6/30/2044	55,136.00	-	-
Totals		15,198,733.00	13,292,261.00	1,596,275.00

G-3



Staff Report

South Bay Regional Public Communications Authority

MEETING DATE: September 17, 2019

ITEM NUMBER: G-3

TO: Executive Committee

FROM: Erick B. Lee, Executive Director

SUBJECT: REQUEST FROM THE INTEROPERABILITY NETWORK OF THE SOUTH BAY JOINT POWERS AUTHORITY TO CONSIDER RESCHEDULING THE MONTHLY REGULAR JOINT MEETING OF THE EXECUTIVE COMMITTEE AND USER COMMITTEE

ATTACHMENTS: None

RECOMMENDATION

Staff recommends that the Executive Committee direct staff to respond to the request from the Interoperability Network of the South Bay Joint Powers Authority ("INSB") to consider rescheduling the monthly regular joint meeting of the Executive Committee and User Committee.

DISCUSSION

Since 2003, regular meetings of the Executive Committee have occurred on the third Tuesday of each month at 2:00 PM at the Authority's headquarters facility at 4440 West Broadway in Hawthorne, CA. The User Committee has joined the Executive Committee at this day and time each month, creating a joint meeting of both bodies, since at least 2009.

At the August 20, 2019 meeting of the INSB Governance Board, that agency discussed the potential for changing the date, time, and location of its regular monthly meeting. The board's regular meetings occur on the third Tuesday of each month at 10:00 AM and alternates locations between the Hawthorne Police Department and Torrance City Hall each month. The board is comprised of each member city's Chief of Police or Fire Chief.

Since five (5) of the seven (7) INSB member cities are also members of the Authority or receive services under contract from the Authority, these five (5) chiefs often attend the INSB Governance Board meeting at 10:00 AM on the third Tuesday of the month and then the Authority's joint meeting of the Executive Committee and User Committee at 2:00 PM

that same day. This creates a situation where the chiefs are off-site and away from their jurisdictions for a significant amount of time on the third Tuesday of each month.

Due to the competing schedules of seven (7) public safety executives, their respective City Council meeting cycles, and the Executive Committee's long-established regular meeting cycle, the opportunity for the INSB Governance Board to find a different day and time of the month to meet that is mutually agreeable to all parties is limited. Before the INSB Governance Board contemplates making this change, it has respectfully requested that the Executive Committee advise if it is interested and has the availability to change the date and time of its regular meeting.

FISCAL IMPACT

None.

G-4



Staff Report

South Bay Regional Public Communications Authority

MEETING DATE: September 17, 2019

ITEM NUMBER: G-4

TO: Executive Committee

FROM: Erick B. Lee, Executive Director

SUBJECT: DESIGNATION OF AN AD HOC COMMITTEE ON A SUCCESSOR AGREEMENT WITH THE CITY OF EL SEGUNDO

ATTACHMENTS: None

RECOMMENDATION

Staff recommends that the Executive Committee designate one of its members to serve as an ad hoc committee to advise the Executive Director on developing a successor agreement with the City of El Segundo ("City").

DISCUSSION

The City of El Segundo's ten year agreement with the Authority for Emergency Police & Fire Dispatch Services expires on September 30, 2020.

Assuming the recommended Cost Allocation Policy resolution is adopted by the Board of Directors at the September 17, 2019 meeting, staff anticipates beginning to work with the City to develop a successor agreement in late September with the goal of presenting the agreement to the Executive Committee for approval on November 19, 2019.

The Executive Director requests that the Executive Committee designate one of its members to serve as an ad hoc committee on this item. The Executive Director would consult with this ad hoc committee on the proposed terms and conditions of the successor agreement, which would help to ensure the contract ultimately presented to the Executive Committee for consideration is acceptable and meets the Authority's member cities' needs.

The Brown Act does not apply to "ad hoc" committees comprised solely of members of the legislative body that are less than a quorum of the body, provided these committees do not have a "continuing subject matter jurisdiction," or a meeting schedule fixed by formal action of the legislative body. Such ad hoc committees are purely advisory; they generally

serve only a limited or single purpose, are not perpetual, and are dissolved when their specific task is completed. Therefore, the ad hoc committee on this item would dissolve once the successor agreement with the City is approved by the Executive Committee.

FISCAL IMPACT

None.

G-5



Staff Report

South Bay Regional Public Communications Authority

MEETING DATE: September 17, 2019

ITEM NUMBER: G-5

TO: Executive Committee

FROM: Erick B. Lee, Executive Director

SUBJECT: REQUEST FROM THE CITY OF PALOS VERDES ESTATES FOR A FEASIBILITY ANALYSIS & COST ESTIMATE

ATTACHMENTS: 1. Letter from Interim City Manager Carolynn Petru

RECOMMENDATION

Staff recommends that the Executive Committee receive and file this report.

DISCUSSION

On August 26, 2019, the Authority received a formal request from the City of Palos Verdes Estates ("City") for a feasibility analysis & cost estimate. The City is interested in exploring the possibility receiving dispatching and vehicle upfitting services from the Authority.

Assuming the recommended Cost Allocation Policy resolution is adopted by the Board of Directors at the September 17, 2019 meeting, staff will begin working on this request in late September 2019, along with the similar work that will be undertaken regarding the City of Redondo Beach's request. Staff anticipates presenting its analysis and both estimates to the Executive Committee for approval on November 19, 2019.

FISCAL IMPACT

None.

G-5 Attachment



Palos Verdes Estates

August 26, 2019

Erick B. Lee
Executive Director
South Bay Regional Public Communications Authority
4440 West Broadway
Hawthorne, California 90250

Subject: Request for Feasibility Analysis & Cost Estimate

Dear Mr. Lee:

Thank you for the opportunity to meet with you and your staff and tour the SBRPCA facility. I appreciate the information provided regarding the Authority's updated Cost of Service and Allocation Study, and the data that would be required for Palos Verdes Estates to obtain a quote for services. I understand that the Board of Directors accepted the Study with some modifications on August 20, 2019, and is scheduled to adopt the policy and implementation plan at its September 17, 2019 meeting.

As you know, Palos Verdes Estates is interested in exploring the possibility of consolidating our dispatching and vehicle up-fitting services with the Authority. In light of the Board's recent action, I would like to formally request a feasibility analysis and cost estimate on behalf of the City.

Thank you for considering the City's request and I look forward to hearing from you soon. Please feel free to contact me at (310) 750-9801 or carolynn.petr@pvestates.org if you have any questions or need any additional information.

Sincerely,

Carolynn Petru
Interim City Manager

cc: Mayor Kenneth Kao
Mayor Pro Tem David McGowan
Chief Mark Velez

H



Staff Report

South Bay Regional Public Communications Authority

MEETING DATE: September 17, 2019

ITEM: H

TO: Board of Directors, 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
- Liability Insurance Policies