

**REGULAR MEETING OF THE EXECUTIVE COMMITTEE AND THE USER COMMITTEE**  
**TUESDAY, JULY 21, 2020, 2:00 PM**  
**SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY**  
**CONDUCTED VIA TELECONFERENCE**

PLEASE NOTE: PURSUANT TO GOVERNOR NEWSOM'S EXECUTIVE ORDER NOS. N-25-20 AND N-29-20, MEMBERS OF THE BOARD OF DIRECTORS, EXECUTIVE COMMITTEE, USER COMMITTEE, AND STAFF WILL PARTICIPATE IN THIS MEETING VIA A TELECONFERENCE. IN THE INTEREST OF MAINTAINING APPROPRIATE SOCIAL DISTANCING, THE AUTHORITY ENCOURAGES THE PUBLIC TO PARTICIPATE AND TO PROVIDE COMMENTS ON AGENDA ITEMS OR OTHER SUBJECT MATTER WITHIN THE JURISDICTION OF THE BOARD OF DIRECTORS, EXECUTIVE COMMITTEE, AND/OR USER COMMITTEE BY JOINING:

**Link:** <https://global.gotomeeting.com/join/423011997>

**United States:** [+1 \(646\) 749-3122](tel:+16467493122)

**Access Code:** 423-011-997

**A. CALL TO ORDER**

**B. ROLL CALL BY ACTING EXECUTIVE DIRECTOR**

1. Executive Committee
2. User Committee

**C. PUBLIC DISCUSSION**

In the interest of maintaining appropriate social distancing, members of the Executive Committee and staff will participate in this meeting via teleconference. The Authority encourages the public to participate by using one of the following options for public comments:

- Email your public comment to [cchoi@rcc911.org](mailto:cchoi@rcc911.org) by 7:30 AM, the day of the meeting to have your comment available to Executive Committee and the public.
- Call (310) 973-1802 ext.100 and leave a message by 7:30 AM, the day of the meeting.

**D. ELECTION OF EXECUTIVE COMMITTEE CHAIRPERSON AND VICE-CHAIR FOR FISCAL YEAR 2020/21**

**E. EXECUTIVE COMMITTEE CONSENT CALENDAR**

1. Minutes from June 16, 2020, Regular Meeting  
**APPROVE**
2. Check Register June 2020  
**RECEIVE AND FILE**
3. Update on COVID-19 Expenditures Through June 30, 2020  
**RECEIVE AND FILE**
4. Resolution of the Executive Committee Establishing a Schedule of Fees and Charges for Fiscal Year 2020/21  
**RECEIVE AND FILE**
5. Fiscal Year 2020/21 Revised Proposed Budget Amendment and Assessments for Member Cities  
**RECEIVE AND FILE**
6. Updated Publicly Available Pay Schedule  
**APPROVE**

If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the Americans with Disabilities Act ("ADA") please contact [schedule@rcc911.org](mailto:schedule@rcc911.org) prior to the meeting for assistance.

**F. ITEMS TO REMOVE FROM CONSENT CALENDAR**

**G. EXECUTIVE COMMITTEE GENERAL BUSINESS**

1. Carry Over of Fiscal Year 2019/20 Funds and Purchase Orders Totaling \$113,450.18  
**APPROVE**
2. Section 115 Trust  
**PROVIDE DIRECTION**
3. Technical Services Division Workload Support Charges  
**PROVIDE DIRECTION**

**H. USER COMMITTEE GENERAL BUSINESS**

1. Election of User Committee Chairperson and Vice-Chair for Fiscal Year 2020/21
2. Minutes from June 16, 2020, Regular Meeting  
**APPROVE**
3. Minutes from June 16, 2020, Special Meeting  
**APPROVE**
4. Update on Computer Aided Dispatch System Project with Mark43  
**RECEIVE AND FILE**

**I. ACTING EXECUTIVE DIRECTOR'S REPORT**

**J. EXECUTIVE AND USER COMMITTEES' COMMENTS**

**K. ADJOURNMENT**

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Posting Date/Time: July 16, 2020/10:30AM

Signature:



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John Krok, Acting Executive Director

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

**JUNE 16, 2020**

**A. CALL TO ORDER**

The Executive and User Committees convened in a regular joint session at 2:02PM on June 16, 2020 by teleconference.

**B. ROLL CALL BY ACTING EXECUTIVE DIRECTOR**

Present: City Manager Bruce Moe, City of Manhattan Beach  
City Manager Clint Osorio, City of Gardena  
Assistant City Manager Erick Lee, City of Hawthorne  
Chief Mike Ishii, Hawthorne Police Department  
Chief Paul LeBaron, Hermosa Beach Police Department  
Chief Daryn Drum, Manhattan Beach Fire Department  
Chief Mike Saffell, Gardena Police Department

Absent: Chief Derrick Abell, Manhattan Beach Police Department

Also Present: Acting Executive Director John Krok  
Operations Manager Shannon Kauffman  
Finance & Performance Audit Manager Vanessa Alfaro  
Jennifer Petrusis, Richards Watson Gershon  
Josh Armstrong, City of Hawthorne  
Lisa Jenkins, City of Manhattan Beach  
Stephanie Swofford, City of Manhattan Beach

**C. PUBLIC DISCUSSION**

None.

**D. EXECUTIVE COMMITTEE CONSENT CALENDAR**

**MOTION:** City Manager Osorio moved to approve Consent Calendar, Items 1-4, and 6-8. The motion was seconded by Assistant City Manager Lee and passed by unanimous roll call vote.

1. Minutes from May 19, 2020, Regular Meeting  
**APPROVE**
2. Minutes from May 19, 2020, Special Meeting  
**APPROVE**
3. Check Register and Budget Transfers May 2020  
**RECEIVE AND FILE**
4. Approval of a Change Order to Federal Signal Corporation in the Amount of \$60,000 for a Total Not-to-Exceed Amount of \$135,000 for Equipment and Supplies  
**APPROVE**
6. Approve a Purchase Order to 911Vehicle Incorporated for Equipment for a Total Amount of \$51,347.64  
**APPROVE**
7. Side Letter Agreement Amending the July 1, 2017 to June 30, 2020 Memorandum of Understanding with Teamsters  
**APPROVE**
8. Side Letter Agreement Amending the July 1, 2017 to June 30, 2020 Memorandum of Understanding with The Communications Workers of America  
**APPROVE**

**E. ITEMS TO REMOVE FROM CONSENT CALENDAR**

5. Approve Payment to the City of Hawthorne in the Amount of \$64,493.38 for Services Related to the Authority's continued use of the Tiburon Computer Aided Dispatch System  
**APPROVE**

City Manager Moe inquired after the funding of the escrow account. Assistant City Manager Lee replied that the City of Hawthorne holds the funds. Chief Ishii explained these costs pertain to current maintenance and third party payments.

**MOTION:** Assistant City Manager Lee moved to approve payment to the City of Hawthorne. The motion was seconded by City Manager Osorio and passed by unanimous voice vote.

**F. EXECUTIVE COMMITTEE GENERAL BUSINESS**

1. Approve Fiscal Year 2020/21 Blanket Purchase Orders for Supplies and Services in Total Amount Not-to-Exceed \$1,251,830

Acting Executive Director Krok reported these blanket purchase orders were created for existing professional services agreements and for Technical Services Division's services.

**MOTION:** Assistant City Manager Lee moved to approve the blanket purchase orders. The motion was seconded by City Manager Osorio and passed by unanimous roll call vote.

2. Shared Police Dispatch for Manhattan Beach and Hermosa Beach

Acting Executive Director Krok reported on the savings associated with shared police dispatching between Manhattan Beach and Hermosa Beach. Chief LeBaron weighed in to indicate the City of Hermosa Beach agreed with the proposal. Acting Executive Director Krok reported no layoffs would take place with staffing levels. It was recognized that a decrease in fund balance in the Authority's projections would be effected. The impact of shared police dispatching include up to year 2025. Finance Manager Alfaro recommended re-negotiation to start with the new fiscal year with some kind of premium as to not fully lose the current contract details. Acting Executive Director Krok reported that with pandemic the current staffing will stay in place for at least a few more months. City Manager Moe nominated Assistant City Manager Lee to serve as Ad Hoc Chair for negotiations while legal counsel will review any conflicts.

**MOTION:** City Manager Moe moved to appoint Assistant City Manager Lee as Ad Hoc Chair for the negotiation of a contract with the Hermosa Beach Police Department. The motion was seconded by City Manager Osorio and passed by unanimous roll call vote.

3. Fiscal Year 2020/21 Proposed Budget Amendment and Revised Assessments for Member Cities

Acting Executive Director Krok provided report of the extra savings with the recruitment of the Executive Director position and would be included in the proposed budget amendment and revised assessments.

**MOTION:** City Manager Osorio moved to approve the proposed budget amendment and revised assessments. The motion was seconded by Assistant City Manager Lee and passed by unanimous roll call vote.

4. Fiscal Year 2019/20 Budget Surplus

Acting Executive Director Krok provided a report on the budget surplus, changes to assessments and a reduction in fund balance. The timeline would close out at the end of July and be presented to Board of Directors in the September meeting.

**MOTION:** City Manager Osorio move to approve surplus. The motion was seconded by Assistant City Manager Lee and passed by unanimous roll call vote.

5. Update on Computer Aided Dispatch System Project with Mark43

The User Committee will be hosting a special meeting following this meeting to discuss the next course of action.

**G. USER COMMITTEE GENERAL BUSINESS**

1. Minutes from May 19, 2020, Regular Meeting

**APPROVE**

**MOTION:** Chief Drum moved to approve the minutes. The motion was seconded by Chief Ishii and passed by roll call vote.

**H. ACTING EXECUTIVE DIRECTOR'S REPORT**

Acting Executive Director Krok provided updates on COVID-19, the Manhattan Beach Water Tower Radio Site, Assembly Bill 1945, and Phase 2 Feasibility Study for the City of Palos Verdes Estates.

**I. EXECUTIVE AND USER COMMITTEES' COMMENTS**

None.

**J. EXECUTIVE COMMITTEE CLOSED SESSION AGENDA**

At 2:49PM, the Executive Committee entered into a closed session to discuss the following items:

1. CONFERENCE WITH LABOR NEGOTIATOR

Pursuant to Government Code Section 54957.6

Agency Designated Representative: Acting Executive Director

Employee Organization: Teamsters Local 911

2. CONFERENCE WITH LABOR NEGOTIATOR

Pursuant to Government Code Section 54957.6

Agency Designated Representative: Acting Executive Director

Employee Organization: Communications Workers of America

3. PUBLIC EMPLOYMENT

Pursuant to Government Code Section: 54957(b)(1)

Title: Executive Director Recruitment

The Executive Committee met in closed session pursuant to Government Code section 54957(b)(1) regarding the recruitment for the position of Executive Director. The Committee took action to appoint City Manager Moe to serve in an ad hoc capacity as the Executive Committee's point person for the recruitment process and that vote was unanimous.

**K. ADJOURNMENT**

The meeting adjourned at 3:30PM.

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## Check Register FY 2019-20

June 2020

<u>Accounts Payable Check Issued Date</u>	<u>Total Check Amount</u>	<u>Notes</u>
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June 5, 2020	\$143,415.81	
June 12, 2020	\$99,034.36	
June 19, 2020	\$169,816.76	
June 26, 2020	<u>\$82,914.11</u>	

Accounts Payable Total	\$495,181.04	
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<u>Payroll Checks Issued Date</u>		
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June 5, 2020	\$259,251.45	includes MOU eligible leave payouts
June 19, 2020	<u>\$158,285.45</u>	

Payroll Total	\$417,536.90	
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Bank : union UNION BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
20131	6/5/2020	00219	INTERNAL REVENUE SERVICE	Ben30167	6/5/2020	FEDERAL WITHHOLDING TAX	59,163.94	59,163.94
20132	6/5/2020	00223	EMPLOYMENT DEVEL DEPT	Ben30171	6/5/2020	STATE DISABILITY INSURANC	22,676.27	22,676.27
20133	6/5/2020	00222	STATE DISBURSEMENT UNIT	Ben30175	6/5/2020	SUPPORT: PAYMENT	184.62	184.62
20134	6/5/2020	00058	CALPERS	Ben30169	6/5/2020	PERS RETIREMENT: PAYMEN	37,152.31	37,152.31
20135	6/5/2020	00221	ICMA RETIREMENT TRUST	Ben30173	6/5/2020	DEFERRED COMPENSATION	15,798.60	15,798.60
20136	6/1/2020	00696	GUARDIAN	533654-06	5/21/2020	GUARDIAN - DENTAL,VISION,	6,174.10	6,174.10
55079	6/5/2020	00217	CALIFORNIA TEAMSTERS UN	Ben30163	6/5/2020	UNION DUES TEAMSTERS: P	2,008.00	2,008.00
55080	6/5/2020	00218	CWA LOCAL 9400	Ben30165	6/5/2020	UNION DUES CWA: PAYMENT	257.97	257.97
Sub total for UNION BANK:							143,415.81	

Bank : union UNION BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
1750	6/12/2020	00012	CALIFORNIA WATER SERVICE5550731926	5/29/2020	FIRE PROTECTION SERVICE,	81.08	81.08
55081	6/12/2020	00867	MAR INVESTIGATION SERVICES,2020-02-28	2/28/2020	PRE-EMPLOYMENT POLYGR,	200.00	200.00
55082	6/12/2020	00297	AT&T, ATT CALNET 000014846446	6/3/2020	PHONE SERVICE 5/03/20-6/02	233.04	233.04
55083	6/12/2020	00064	AT&T, ATT PAYMENT CENTER960 461-1623 55	6/1/2020	PHONE SERVICE 05/01/2020-	3,492.00	3,492.00
55084	6/12/2020	00014	CDW GOVERNMENT, INC. XXX5701	5/29/2020	CDW-G BILLABLE PARTS	1,140.90	
			ZBC3133	6/5/2020	CDW-G BILLABLE PARTS	366.94	1,507.84
55085	6/12/2020	00017	CHEM PRO LABORATORY, IN662589	5/23/2020	HQ MAINTENANCE	86.50	86.50
55086	6/12/2020	00734	COMMANDSTAT ANALYTICS, I168	5/7/2020	CRYSTAL REPORTS FOR DIS	1,496.25	
			164	3/4/2020	CRYSTAL REPORTS FOR DIS	570.00	2,066.25
55087	6/12/2020	00225	COMMLINE INC 0221578-IN	5/28/2020	OUTSIDE TECH SVC-TOWER	15,000.00	
			0221602-IN	5/28/2020	PUBLIC SAFETY VEHICLE UP	3,655.00	18,655.00
55088	6/12/2020	00879	CROWN CASTLE 611015	6/1/2020	DEDICATED INTERNET ACCE	1,100.00	1,100.00
55089	6/12/2020	00070	GAS COMPANY, THE 059 194 8982 2	6/3/2020	GAS SERVICE HQ/ 4/30/2020-	729.69	729.69
55090	6/12/2020	00027	HAVIS INC. IN627301	5/26/2020	HAVIS, INC BILLABLE PARTS	966.78	966.78
55091	6/12/2020	00798	HYDREX PEST CONTROL 331549	6/3/2020	PEST CONTROL SERVICES	75.00	
			333454	6/3/2020	PEST CONTROL SERVICES	59.00	134.00
55092	6/12/2020	00880	JUAN CHAVEZ LANDSCAPINGINV0532	6/9/2020	HQ FACILITY LANDSCAPE SE	450.00	450.00
55093	6/12/2020	00442	LAWSON PRODUCTS, INC. 9307593245	5/18/2020	LAWSON PRODUCTS, INC. BI	258.34	258.34
55094	6/12/2020	00087	LIEBERT CASSIDY & WHITMO1498369	4/30/2020	LEGAL SERVICES	1,175.00	
			1498367	4/30/2020	LEGAL SERVICES	684.00	
			1498368	4/30/2020	LEGAL SERVICES FOR FY18-	76.00	1,935.00
55095	6/12/2020	00671	MARC R. COHEN, MD EMSMD-10	5/31/2020	MEDICAL DIRECTOR SVCS	5,083.33	5,083.33
55096	6/12/2020	00331	MITSUBISHI ELECTRIC INC 376435	6/1/2020	ANNUAL MAINTENANCE FOR	677.04	677.04
55097	6/12/2020	00577	NEW LOOK AUTO DETAIL 2234	5/29/2020	VEHICLE MAINTENANCE AND	105.00	105.00
55098	6/12/2020	00819	OCCUPATIONAL HEALTH CEN67904508	5/6/2020	PRE-EMPLOYMENT MEDIC/	1,074.00	
			67966943	5/14/2020	PRE-EMPLOYMENT MEDIC/	358.00	1,432.00
55099	6/12/2020	00411	PITNEY BOWES 3103979844	5/30/2020	POSTAGE METER	180.91	180.91
55100	6/12/2020	00818	RICHARDS,WATSON & GERSI226883	5/27/2020	GENERAL COUNSEL AND LE	4,893.41	
			226884	5/27/2020	GENERAL COUNSEL AND LE	4,709.64	9,603.05
55101	6/12/2020	00145	SETINA MFG CO INC 205871	6/3/2020	SETINA MANUFACTURING CO	2,794.00	
			205979	6/4/2020	SETINA MANUFACTURING CO	897.63	3,691.63
55102	6/12/2020	00824	SMART JANITORIAL, COMPLE12193	6/1/2020	SMART JANITORIAL HQ MAIN	3,585.00	
			12194	6/1/2020	COVID-19: SMART JANITORIA	1,890.00	5,475.00

Bank : union UNION BANK		(Continued)						
Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
55103	6/12/2020	00302	SPRINT	155018370-104	5/29/2020	DAC CHARGES/4-26 TO 5-25-	3,825.87	
				107177860-109	5/27/2020	WIRELESS MODEMS/4-24 TO	85.98	3,911.85
55104	6/12/2020	00935	UPSTATE WHOLESALE SUPPLI	INV19112	5/15/2020	COMPUTERS FOR HAWTHOF	10,727.46	10,727.46
55105	6/12/2020	00171	VERIZON WIRELESS	9855206776	5/23/2020	MODEM SVC. MBPD/ 4/24/20-	38.05	
				9855281042	5/23/2020	GPD DAC CHARGES/ 4/24/20-	2,685.59	
				9855206775	5/23/2020	MODEM SVC. MBPD/ 4/24/20-	912.74	
				9855221996	5/23/2020	DAC CHARGES HPD/ 4/24/20-	384.98	
				9854875409	5/18/2020	CELL PH. CHGS: 4/19/20-5/18,	348.02	4,369.38
55106	6/12/2020	00150	WATTCO	55138	5/15/2020	WATTCO BILLABLE PARTS	203.66	203.66
55107	6/12/2020	00436	WEST-LITE SUPPLY COMPAN	69061C	4/7/2020	HQ MAINTENANCE	484.88	
				69276C	5/4/2020	HQ MAINTENANCE	236.49	721.37
55108	6/12/2020	00063	WHELEN ENGINEERING CO.,	729260	5/28/2020	WHELEN ENGINEERING CO B	332.07	
				731512	6/3/2020	WHELEN ENGINEERING CO B	52.92	384.99
55109	6/12/2020	00067	XCEL MECHANICAL SYSTEMS	21908	5/28/2020	VITAL REPAIRS AND SERVICE	12,990.00	
				21909	5/28/2020	VITAL REPAIRS AND SERVICE	4,550.00	
				21910	5/28/2020	VITAL REPAIRS AND SERVICE	3,032.17	20,572.17
Sub total for UNION BANK:							99,034.36	

Bank : union UNION BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
20137	6/10/2020	00058	CALPERS	1000000160444	5/14/2020	HEALTH PREMIUMS - JUNE 2	61,476.83	61,476.83
20138	6/19/2020	00219	INTERNAL REVENUE SERVICE	Ben30237	6/19/2020	FEDERAL WITHHOLDING TAX	37,646.07	37,646.07
20139	6/19/2020	00223	EMPLOYMENT DEVEL DEPT	Ben30239	6/19/2020	STATE DISABILITY INSURANC	13,743.67	13,743.67
20140	6/19/2020	00222	STATE DISBURSEMENT UNIT	Ben30245	6/19/2020	SUPPORT: PAYMENT	184.62	184.62
20141	6/19/2020	00058	CALPERS	Ben30241	6/19/2020	PERS RETIREMENT: PAYMEN	36,048.19	36,048.19
20142	6/19/2020	00221	ICMA RETIREMENT TRUST	Ben30243	6/19/2020	DEFERRED COMPENSATION	14,739.25	14,739.25
55110	6/19/2020	00002	AFLAC	Ben30231	6/19/2020	AFLAC INSURANCE: PAYMEN	3,712.16	3,712.16
55111	6/19/2020	00217	CALIFORNIA TEAMSTERS UN	Ben30233	6/19/2020	UNION DUES TEAMSTERS: P	2,008.00	2,008.00
55112	6/19/2020	00218	CWA LOCAL 9400	Ben30235	6/19/2020	UNION DUES CWA: PAYMENT	257.97	257.97
Sub total for UNION BANK:							169,816.76	

Bank : union UNION BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
1751	6/26/2020	00012	CALIFORNIA WATER SERVICE4675328235	6/16/2020	WATER SERV HQ/ 5/15/20-6/1	255.90	255.90
1752	6/26/2020	00069	SOUTHERN CALIFORNIA EDIS2-23-553-5986	6/16/2020	ELEC SERV/ 5/11/20 - 6/10/20	9,825.94	
			2-03-672-6511	6/19/2020	ELEC SERV PUNTA/ 5/19/20 -	744.57	
			2-19-337-1549	6/6/2020	ELEC SERV GRANDVIEW/ 5/1	166.19	10,736.70
1753	6/25/2020	00621	FIRST BANKCARD				
		00392	ALLEN MANUFACTURING, LL RINV130593	5/8/2020	PARTS REIMBURSABLE	1,438.24	
		00467	LOWES BUSINESS	5/15/2020	OFFICE EQUIPMENT	1,101.41	
		00466	AMAZON MARKETPLACE	5/9/2020	OFFICE EQUIPMENT	440.99	
		00228	COSTCO MEMBERSHIP	4/30/2020	JANITORIAL SUPPLIES	246.41	
		00610	DIRECTV	5/5/2020	CABLE SERVICE	224.71	
		00467	LOWES BUSINESS	5/13/2020	OFFICE EQUIPMENT	153.20	
		00937	NET TRANSCRIPTS INC	5/14/2020	LEGAL SERVICES ONLINE TF	123.38	
		00938	GO LIGHT	6/23/2020	PARTS REIMBURSABLE	101.00	
		00761	BOX	5/26/2020	SOFTWARE SERVICES	90.00	
		00466	AMAZON MARKETPLACE	5/21/2020	OFFICE SUPPLIES	66.47	
		00795	MEDIA TEMPLE	5/23/2020	MONTHLY WEBSITE HOSTING	55.00	
		00466	AMAZON MARKETPLACE	5/17/2020	OFFICE SUPPLIES	52.60	
		00466	AMAZON MARKETPLACE	5/7/2020	JANITORIAL SUPPLIES	35.59	
		00228	COSTCO MEMBERSHIP	4/30/2020	DISPATCHER WELLNESS	34.65	
		00466	AMAZON MARKETPLACE	5/24/2020	OFFICE SUPPLIES	28.75	
		00826	LA TIMES	5/20/2020	LA TIMES MONTHLY SUBSCR	15.96	
		00466	AMAZON MARKETPLACE	5/5/2020	OFFICE SUPPLIES	15.77	
		00466	AMAZON MARKETPLACE	5/4/2020	OFFICE SUPPLIES	11.80	
		00466	AMAZON MARKETPLACE	5/5/2020	COVID-19: OFFICE SUPPLIES	9.67	
		00920	WALMART	5/1/2020	OFFICE SUPPLIES	1.45	
		00466	AMAZON MARKETPLACE	5/4/2020	COVID-19: OFFICE SUPPLIES	-34.56	
		00466	AMAZON MARKETPLACE	5/5/2020	COVID-19: OFFICE SUPPLIES	-187.38	4,025.11
55113	6/26/2020	00153	ALERTE SYSTEMS INC	5/21/2020	VEHICLE OUTFITTING PARTS	2,528.88	2,528.88
55114	6/26/2020	00297	AT&T, ATT CALNET	6/13/2020	PHONE SERV 5/13/20-6/12/20	2,267.62	
			000014901120	6/13/2020	PHONE SERVICE 5/13/20-6/12/20	194.33	
			000014898056	6/13/2020	PHONE SERV 5/13/20-6/12/20	105.89	2,567.84
55115	6/26/2020	00813	CHOI, CLARA	6/16/2020	COVID-19: CELL PHONE REIM	153.60	153.60
55116	6/26/2020	00019	CINTAS CORPORATION #427	5/1/2020	CLEANING SERVICES FOR F'	109.32	
			4050612309	5/15/2020	CLEANING SERVICES FOR F'	109.32	218.64

Bank : union UNION BANK		(Continued)							
Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total		
55117	6/26/2020	00078	COX, CHRISTOPHER	062620	6/26/2020	RETIREE MED PREM/JULY 20	740.78	740.78	
55118	6/26/2020	00008	FEDERAL SIGNAL CORP	7485108	5/13/2020	FEDERAL SIGNAL CORP BILL	12,192.00		
				7491141	5/21/2020	FEDERAL SIGNAL CORP BILL	4,403.38		
				7484941	5/13/2020	FEDERAL SIGNAL CORP BILL	4,018.62		
				7505761	6/11/2020	FEDERAL SIGNAL CORP BILL	3,983.96		
				7486015	5/14/2020	FEDERAL SIGNAL CORP BILL	3,786.50		
				7499635	6/3/2020	FEDERAL SIGNAL CORP BILL	2,332.26	30,716.72	
55119	6/26/2020	00651	FRONTIER	209-188-0077-04	6/1/2020	PHONE SERVICE 6/1/20 - 6/30	150.37	150.37	
55120	6/26/2020	00651	FRONTIER	Y002Z665-S-201	6/5/2020	PHONE SERV 6/05/20-7/04/20	51.80	51.80	
55121	6/26/2020	00022	GO RHINO PUBLIC SFTY DIVI	417313 RI	1/6/2020	VEHICLE OUTFITTING PARTS	309.14	309.14	
55122	6/26/2020	00027	HAVIS INC.	IN627617	5/28/2020	HAVIS, INC BILLABLE PARTS	2,130.97		
				SIN100972	6/12/2020	HAVIS, INC BILLABLE PARTS	1,554.50	3,685.47	
55123	6/26/2020	00116	MEADORS, LATANYA	062620	6/26/2020	RETIREE MED PREM/JULY 20	476.43	476.43	
55124	6/26/2020	00818	RICHARDS,WATSON & GERSI	227327	6/22/2020	GENERAL COUNSEL AND LEG	2,719.16	2,719.16	
55125	6/26/2020	00060	RIVERA, JOSE	062620	6/26/2020	RETIREE MED PREM/JULY 20	520.89	520.89	
55126	6/26/2020	00145	SETINA MFG CO INC	206549	6/15/2020	SETINA MANUFACTURING CO	4,023.20	4,023.20	
55127	6/26/2020	00273	SHAW, LILLIAN	062620	6/26/2020	RETIREE MED PREM/JULY 20	438.83	438.83	
55128	6/26/2020	00803	SPARKLETTS	18193479 06122	6/12/2020	WATER FILTRATION SYSTEM	40.00	40.00	
55129	6/26/2020	00460	SPECTRUM BUSINESS	1133787060420	6/4/2020	SPECTRUM BUSINESS INTEF	1,900.00	1,900.00	
55130	6/26/2020	00126	STEVENS, DEBORAH	062620	6/26/2020	RETIREE MED PREM/JULY 20	608.75	608.75	
55131	6/26/2020	00034	STEVENS, GARY	062620	6/26/2020	RETIREE MED PREM/JULY 20	606.50	606.50	
55132	6/26/2020	00815	SUN WIRELESS	20151	6/22/2020	MICROWAVE RADIO SITE INS	6,570.00	6,570.00	
55133	6/26/2020	00711	TROY SHEET METAL WORKS	28444	6/4/2020	VEHICLE OUTFITTING PARTS	1,171.15	1,171.15	
55134	6/26/2020	00150	WATTCO	55138-02	6/3/2020	WATTCO BILLABLE PARTS	203.63	203.63	
55135	6/26/2020	00481	WAYTEK, INC.	2999129	6/19/2020	BLANKET PURCHASE ORDEF	2,766.89		
				2999185	6/19/2020	BLANKET PURCHASE ORDEF	1,521.67	4,288.56	
55136	6/26/2020	00436	WEST-LITE SUPPLY COMPAN	69603C	6/4/2020	LIGHTS FOR HEADQUARTER	86.68	86.68	
55137	6/26/2020	00063	WHELEN ENGINEERING CO.,	735059	6/10/2020	WHELEN ENGINEERING CO B	1,764.00		
				737850	6/18/2020	WHELEN ENGINEERING CO B	390.29	2,154.29	
55138	6/26/2020	00735	XEROX FINANCIAL SERVICES	2143647	6/30/2020	MONTHLY LEASE E2B666894	965.09	965.09	
Sub total for UNION BANK:								82,914.11	

E-3



# Staff Report

## South Bay Regional Public Communications Authority

**MEETING DATE:** July 21, 2020

**ITEM NUMBER:** E-3

**TO:** Executive Committee

**FROM:** John Krok, Acting Executive Director *JK*  
Vanessa Alfaro, Finance & Performance Audit Manager

**SUBJECT:** UPDATE ON COVID-19 EXPENSES THROUGH JUNE 30, 2020.

**ATTACHMENTS:** None

### **RECOMMENDATION**

Staff recommends the Executive Committee receive and file the update on COVID-19 related expenses through June 30, 2020.

### **BACKGROUND**

In April 2020, the Board of Directors approved an appropriation of \$200,000 from the Fund 10 Enterprise Fund Balance to fund emergency purchases needed to address the COVID-19 pandemic emergency.

### **DISCUSSION**

Staff implemented the use of disaster accounting codes to track expenses related to the COVID-19 emergency through June 30, 2020 totaling \$150,918. Of this total, staff has identified \$125,134 that may be eligible for reimbursement under the Federal Emergency Management Agency's (FEMA) Emergency Protective Measures expenses. Staff has submitted a Request for Public Assistance (RPA) to recover these costs, and if approved, staff anticipates receiving FEMA's 75% federal cost share, or approximately \$93,851. At this time, the Authority does not qualify for additional resources that are available from FEMA or the California Governor's Office of Emergency Services (CalOES). Staff will continue to monitor for opportunities recover any remaining eligible expenses.

### **FISCAL IMPACT**

Any amount recovered will contribute to a budget surplus for FY2020-21.



E-4



# Staff Report

## South Bay Regional Public Communications Authority

**MEETING DATE:** July 21, 2020

**ITEM NUMBER:** E-4

**TO:** Executive Committee

**FROM:** John Krok, Acting Executive Director *JK*  
Vanessa Alfaro, Finance & Performance Audit Manager

**SUBJECT:** RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE  
SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS  
AUTHORITY ESTABLISHING A SCHEDULE OF FEES AND  
CHARGES FOR FISCAL YEAR 2020/21

**ATTACHMENTS:** 1. Resolution 335

### **RECOMMENDATION**

Staff recommends the Executive Committee adopt the resolution establishing an updated schedule of fees and charges for Fiscal Year 2020/21.

### **BACKGROUND**

Article XIII C of the Constitution of the State of California mandates that fees for services not exceed the "costs reasonably borne" by the governmental entity in the delivery of such services.

The Authority utilizes the Matrix Consulting Group's ("Matrix") Comprehensive Cost of Service and Allocation Study to determine the cost recovery levels for these fee-based services.

### **DISCUSSION**

On an annual basis, the Authority performs hundreds of vehicle equipment installation, maintenance, and repair service work orders. The vast majority of these services are provided to the Authority's member and contract cities. The Authority is reimbursed by the agency requesting the service for the direct costs of supplies and equipment associated with completing the work. Generally, fees for the labor associated with this work is not charged to the requesting agency.

Occasionally, the Authority performs these services for outside agencies such as the Redondo Beach Police Department, the El Camino College Police Department, and the Federal Department of Homeland Security. These engagements are authorized only when staff can accommodate this additional work without negatively impacting the

service needs of the Authority's member and contract cities. In such cases, these outside agencies are charged the costs of supplies and equipment associated with completing the work plus applicable labor costs.

Technical Services Division labor costs have been established as \$153.98 per hour for FY2020/21. This is a reduction of \$8.87 per hour over last year's \$162.85 per hour rate. The reduction is primarily due to a decrease in workers' compensation rates for the Technical Services Division in FY2020/21.

In order to ensure the Authority fully recovers its costs for providing services to outside agencies, staff recommends the establishment of the following fees and charges:

- Patrol Vehicle Buildout Fee - \$12,318.40
  - Assumes a flat amount of 80 hours of labor per vehicle
  - Uses the fully burdened rate of \$153.98 per hour
  - Recovers Authority costs related to providing this service.
  - Does not apply to work orders for member cities and other agencies with agreements that only provide for the billing of actual costs of parts, supplies, and equipment.
- Unmarked Law Enforcement Vehicle Buildout Fee - \$6,159.20
  - Assumes a flat amount of 40 hours of labor per vehicle
  - Uses the fully burdened rate of \$153.98 per hour
  - Recovers Authority costs related to providing this service.
  - Does not apply to work orders for member cities and other agencies with agreements that only provide for the billing of actual costs of parts, supplies, and equipment.
- Specialty Vehicle Buildout Fee - \$153.98 per hour
  - Quotes will be provided prior to work commencing and will be determined by vehicle type and the scope of work.
  - Uses the fully burdened rate of \$153.98 per hour
  - Recovers Authority costs related to providing this service.
  - Does not apply to work orders for member cities and other agencies with agreements that only provide for the billing of actual costs of parts, supplies, and equipment.
- Maintenance and Repair Fee - \$153.98 per hour
  - Quotes will be provided prior to work commencing and will be determined by vehicle type and the scope of work.
  - Uses the fully burdened rate of \$153.98 per hour
  - Recovers Authority costs related to providing this service.
  - Does not apply to work orders for member cities and other agencies with agreements that only provide for the billing of actual costs of parts, supplies, and equipment.
- Parts Administrative Charge – 10% of Actual Cost
  - Applied to all parts, supplies, and equipment purchased to complete vehicle equipment installation, maintenance, and repair service work orders.

- Recovers Authority costs related the administrative aspects of procuring and maintaining parts, supplies, and equipment.
- Does not apply to work orders for member cities and other agencies with agreements that only provide for the billing of actual costs of parts, supplies, and equipment.

### **FISCAL IMPACT**

Any upfitting of vehicles for outside agencies during FY2020/21 will generate revenue in excess of the \$548,937 in costs attributed to Workload Support and contribute to a budget surplus for the fiscal year.

E-4

Attachment 1

**RESOLUTION NO. 335**

**RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE SOUTH BAY  
REGIONAL PUBLIC COMMUNICATIONS AUTHORITY ESTABLISHING A  
SCHEDULE OF FEES AND CHARGES FOR FISCAL YEAR 2020/21**

The Executive Committee of the South Bay Regional Public Communications Authority does resolve as follows:

1. The recovery of costs incurred by the Authority for providing services to outside agencies is necessary for the efficient management of the Authority's operations.
2. Resolution No. 325, passed and adopted October 15, 2019, and all amendments thereof are hereby repealed.
3. The Executive Committee hereby establishes, effective July 1, 2020, fees and charges as set forth in Exhibit "A."
4. The secretary shall certify to the adoption of this Resolution by the Executive Committee of the South Bay Regional Public Communications Authority.

Passed, approved, and adopted in a meeting held on the 21st day of July, 2020 by the following vote:

Ayes:

Noes:

Absent:

Abstain:

\_\_\_\_\_  
\_\_\_\_\_, Chair  
Executive Committee

\_\_\_\_\_  
John Krok, Secretary  
Executive Committee

## EXHIBIT A

Maintenance and Repair Fee:	\$153.98 per hour
Parts Administrative Charge:	10% of Actual Cost
Patrol Vehicle Buildout Fee:	\$12,318.40
Specialty Vehicle Buildout Fee:	\$153.98 per hour
Unmarked Law Enforcement Vehicle Buildout Fee:	\$6,159.20

E-5





# Staff Report

## South Bay Regional Public Communications Authority

**MEETING DATE:** July 21, 2020

**ITEM NUMBER:** E-5

**TO:** Executive Committee

**FROM:** John Krok, Acting Executive Director *JK*  
Vanessa Alfaro, Finance & Performance Audit Manager

**SUBJECT:** Fiscal Year 2020/21 Revised Proposed Budget Amendment and Assessments for Member Cities

**ATTACHMENTS:** FY20/21 Revised Proposed Budget Amendment

### **RECOMMENDATION**

Staff recommends the Executive Committee receive and file the revised FY2020/21 Proposed Budget Amendment and Assessments for Member Cities to be presented to the Board of Directors in the September 2020 meeting.

### **BACKGROUND**

During the June 2020 Executive Committee meeting, staff was directed to present the Proposed Budget Amendment and Assessments for Member Cities to the Board of Directors with the inclusion of salary and benefits savings for three (3) months for the vacant position of Executive Director during the recruitment process. The following information summarizes the revised proposed budget and assessments for member cities that will be presented to the Board of Directors in September 2020.

### **DISCUSSION**

The following table displays reductions by major budget category with the inclusion of salary and benefit savings for the Executive Director position:

Major Category Summary	FY 2020/21 Adopted	FY 2020/21 Revised	Decrease
Salaries & Benefits	\$ 10,170,486	\$ 9,742,502	\$ (427,984)
Supplies/Services/Equip	2,517,957	2,409,291	(108,666)
Capital Outlay	250,000	250,000	-
<b>Grand Total</b>	<b>\$ 12,938,443</b>	<b>\$ 12,401,793</b>	<b>\$ (536,650)</b>

This budget reduction translates to a savings of \$276,458 in member cities' assessments for FY2020/21 as follows:

Account Number & Title	FY 2020/21 Adopted	FY 2020/21 Revised	Decrease
<b>Enterprise Fund (Fund 10)</b>			
10-50-111-4110 Gardena	\$ 2,174,993	\$ 2,083,118	\$ (91,875)
10-50-111-4120 Hawthorne	2,664,597	2,552,293	(112,304)
10-50-111-4130 Manhattan Beach	1,718,710	1,646,431	(72,278)
<b>Member City Subtotal</b>	<b>\$ 6,558,300</b>	<b>\$ 6,281,842</b>	<b>\$ (276,458)</b>
10-50-111-4140 Hermosa Beach	1,132,062	1,132,062	-
10-50-111-4145 El Segundo	1,493,738	1,493,738	-
10-50-111-4146 Culver City	2,665,229	2,665,229	-
<b>Contract City Subtotal</b>	<b>\$ 5,291,029</b>	<b>\$ 5,291,029</b>	<b>\$ -</b>
<b>Subtotal Assessments</b>	<b>\$ 11,849,329</b>	<b>\$ 11,572,872</b>	<b>\$ (276,458)</b>

As with the current adopted assessments, the revised assessments above do not include Technical Services Division Workload Support charges. In accordance with the Cost Allocation Policy adopted by the Board of Directors, an additional \$548,937 in costs related to vehicle upfitting services provided by the Technical Services Division will be billed back to the Member Cities and the City of El Segundo throughout the year. For FY2020/21, 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. Under the terms of the current agreements with Culver City and Hermosa Beach, they are not charged for Workload Support.

## **FISCAL IMPACT**

The budget reduction of \$536,650 results in a decrease of \$276,458 in Member Cities' assessments and an increase in the projected surplus for FY2020/21 of \$244,151 as highlighted below.

Fiscal Year 2020-21	FY 2020/21 Adopted	FY 2020/21 Revised	Inc/(Dec)
Estimated Cash Available (Fund 10) as of June 30, 2020	\$ 2,984,228	\$ 3,576,984	\$ 592,756
FY 2020/21 Revenues	13,149,258	12,856,759	(292,499)
FY 2020/21 Expenditures	12,938,443	12,401,793	(536,650)
Revenues Over Expenditures	210,815	454,966	244,151
<b>Estimated Cash Available (Fund 10) as of June 30, 2021</b>	<b>\$ 3,195,043</b>	<b>\$ 4,031,950</b>	<b>\$ 836,907</b>
<b>Allocation of Estimated Cash Available</b>	<b>Adopted</b>	<b>Revised</b>	<b>Inc/(Dec)</b>
City of Gardena	\$ 1,024,970	\$ 1,293,450	\$ 268,480
City of Hawthorne	1,440,006	1,817,200	377,194
City of Manhattan Beach	730,067	921,301	191,233
<b>Total</b>	<b>\$ 3,195,043</b>	<b>\$ 4,031,950</b>	<b>\$ 836,907</b>

E-5

Attachment 1



## **South Bay Regional Public Communications Authority**



## **Fiscal Year 2020-2021 Proposed Budget Amendment**

## FINANCIAL SUMMARIES



## Personnel Summary (Full-Time Employees Only)

Department/Position Title	FY 17-18 Budget	FY 18-19 Budget	FY 19-20 Budget	FY 20-21 Adopted	FY 20-21 Revised
<b>Administration Department</b>					
Executive Director	1	1	1	1	1
Operations Manager	1	1	1	1	1
Administration Manager <sup>1</sup>	1	1	0	0	0
Finance & Performance Audit Manager <sup>2</sup>	1	1	1	1	1
Information Technology Manager <sup>1</sup>	1	1	0	0	0
Executive Assistant <sup>3</sup>	1	1	1	1	1
Administrative Services Manager <sup>4</sup>	1	1	1	1	1
Accountant	0	0	1	1	1
<b>Subtotal</b>	<b>7</b>	<b>7</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Operations Department</b>					
Communications Supervisor <sup>5</sup>	7	7	7	8	7
Communications Operator <sup>6,7</sup>	51	51	54	55	54
<b>Subtotal</b>	<b>58</b>	<b>58</b>	<b>61</b>	<b>63</b>	<b>61</b>
<b>Technical Services Division</b>					
Lead Communications Technician	1	1	0	0	0
Communications Technician <sup>1</sup>	0	0	0	0	0
Public Safety Communications Specialist II	1	1	1	1	1
Public Safety Communications Specialist I	5	5	4	4	4
<b>Subtotal</b>	<b>7</b>	<b>7</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>Grand Total</b>	<b>72</b>	<b>72</b>	<b>72</b>	<b>74</b>	<b>72</b>

### Notes

1. Position eliminated.
2. Formerly titled "Accounting & Finance Manager."
3. Formerly titled "Executive Secretary."
4. Formerly titled "Technical Services Manager."
5. One (1) additional position proposed to provide adequate support in special assignments. ELIMINATED
6. One (1) additional position proposed to provide adequate support in Communications Center. ELIMINATED
7. Ten (10) positions were added for FY 2017-18 to cover the dispatch requirements for the City of Culver City added as a client on 3/1/2017. Two (2) additional positions added for FY 2019-20 to cover additional requirements of Manhattan Beach and Hermosa Beach.

## Cash Balance Estimates

Fund 10 - Enterprise Fund			
Beginning Balance	Adopted	Revised	Increase/ (Decrease)
<b>Cash Available as of June 30, 2019</b>	<b>\$ 3,953,266</b>	<b>\$ 3,953,266</b>	<b>\$ -</b>
Operating and Capital Reserve	(1,255,153)	(1,255,153)	-
OPEB Reserve	(250,000)	(250,000)	-
<b>Available Cash</b>	<b>\$ 2,448,113</b>	<b>\$ 2,448,113</b>	<b>\$ -</b>
Gardena - 32.08%	785,355	785,355	-
Hawthorne - 45.07%	1,103,365	1,103,365	-
Manhattan Beach - 22.85%	559,394	559,394	-
<b>Fiscal Year 2019/20 Estimated Revenues &amp; Expenditures</b>			
Revenues	13,242,267	13,242,267	-
Expenditures	12,667,461	12,128,369	(539,091)
<b>Revenues Over (Under) Expenditures</b>	<b>\$ 574,806</b>	<b>\$ 1,113,898</b>	<b>\$ 539,091</b>
<b>Estimated Balance - End of FY2019/20</b>			
Estimated Cash Available on June 30, 2020	4,528,072	5,067,164	539,091
Operating and Capital Reserve (10% of Budget)	(1,293,844)	(1,240,179)	53,665
OPEB Reserve	(250,000)	(250,000)	-
<b>Estimated Available Cash After Reserve Allocations</b>	<b>\$ 2,984,228</b>	<b>\$ 3,576,984</b>	<b>\$ 592,756</b>
Gardena - 32.08%	957,340	1,147,497	190,156
Hawthorne - 45.07%	1,344,992	1,612,147	267,155
Manhattan Beach - 22.85%	681,896	817,341	135,445
<b>Fiscal Year 2020/21 Budget Resources</b>			
<b>Assessments</b>			
Gardena	2,174,993	2,083,118	(91,875)
Hawthorne	2,664,597	2,552,293	(112,304)
Manhattan Beach	1,718,710	1,646,431	(72,278)
<b>Member City Subtotal</b>	<b>6,558,300</b>	<b>6,281,842</b>	<b>(276,458)</b>
Culver City	2,665,229	2,665,229	-
El Segundo	1,493,738	1,493,738	-
Hermosa Beach	1,132,062	1,132,062	-
<b>Contract City Subtotal</b>	<b>5,291,029</b>	<b>5,291,029</b>	<b>-</b>
Non-Assessment Revenues	1,299,929	1,283,887	(16,042)
<b>Total Budget Resources</b>	<b>13,149,258</b>	<b>12,856,759</b>	<b>(292,500)</b>
<b>Fiscal Year 2020/21 Budget Expenses</b>			
Operating	12,688,443	12,151,793	(536,650)
Capital	250,000	250,000	-
<b>Total Budget Expenses</b>	<b>12,938,443</b>	<b>12,401,793</b>	<b>(536,650)</b>
<b>Revenues Over (Under) Expenditures</b>	<b>\$ 210,815</b>	<b>\$ 454,966</b>	<b>\$ 244,150</b>
<b>Estimated Balance - End of FY2020/21</b>			
Estimated Cash Available on June 30, 2021	4,738,888	5,522,129	783,242
Operating and Capital Reserve	(1,293,844)	(1,240,179)	53,665
OPEB Reserve	(250,000)	(250,000)	-
<b>Estimated Available Cash After Reserve Allocations</b>	<b>\$ 3,195,043</b>	<b>\$ 4,031,950</b>	<b>\$ 836,907</b>
Gardena - 32.08%	1,024,970	1,293,450	268,480
Hawthorne - 45.07%	1,440,006	1,817,200	377,194
Manhattan Beach - 22.85%	730,067	921,301	191,233

## Assessments & Methodologies

Assessments	FY2019/20 Assessment	FY2020/21 Base	2019 CPIU	3 Year Budget Increases	3 Year Member Increases	Total % Increase	Amortized Adjustment	FY20/21 Bylaws Adjustments	Contract Adjustments	FY2020/21 Assessment	Increase (Decrease) Amount
<b>Member Cities</b>											
Gardena	\$ 2,391,301	\$ 1,985,246						\$ 97,873		\$ 2,083,118	(308,183)
Hawthorne	3,359,598	2,423,830						128,463		\$ 2,552,293	(807,305)
Manhattan Beach	1,703,280	1,869,882						(223,451)		\$ 1,646,431	(56,849)
<b>Subtotal</b>	<b>7,454,179</b>	<b>6,278,958</b>							-	<b>6,281,842</b>	<b>(1,172,337)</b>
<b>Contract Cities</b>											
Culver City	\$ 2,587,601	\$ 2,587,601	3.00%	N/A	-	3.00%	-		-	\$ 2,665,229	\$ 77,628
El Segundo	1,372,871	1,782,058	N/A	N/A	N/A	0.00%	-		(288,320)	1,493,738	120,868
Hermosa Beach	975,208	975,208	3.00%	5.00%	N/A	8.00%	78,837		-	1,132,062	156,854
<b>Subtotal</b>	<b>\$ 4,935,680</b>								<b>\$ (288,320)</b>	<b>\$ 5,291,029</b>	<b>\$ 355,350</b>
<b>Total Assessments</b>	<b>\$ 12,389,859</b>									<b>\$ 11,572,872</b>	<b>\$ (816,987)</b>

### METHODOLOGIES

<b>Member Cities</b>	<p>Per the Authority's Bylaws, member cities will be charged the following premiums or receive the following discounts to allow phase-in of the Cost Allocation Policy:  For FY20/21: City of Gardena: 4.93%, City of Hawthorne: 5.30%; City of Manhattan Beach: (11.95%)  For FY21/22: City of Gardena: 3.33%, City of Hawthorne: 3.50%; City of Manhattan Beach: (7.97%)  For FY22/23: City of Gardena: 1.69%, City of Hawthorne: 1.73%; City of Manhattan Beach: (3.98%)</p> <p>The member assessments do not include Technical Service Division Workload Support Charges. In accordance with the Bylaws, 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.</p>
<b>Contract Cities</b>	
Culver City	Percentage increase is based upon the prior average 3 year assessment increases for owner cities plus prior year CPIU with no cap. Agreement expires 03/01/2022.
El Segundo	Starting FY20-21, assessment based on Authority's Cost Allocation Policy to be phased in over a four year period in amounts not-to-exceed as follows: FY20-21 \$1,493,738; FY21-22 \$1,699,634; FY22-23 \$1,869,811; FY23-24 \$2,044,684 Agreement expires 06/30/2030.
Hermosa Beach	Based upon the prior average 3 year budget increases plus prior year CPIU. It was determined that Hermosa Beach was paying lower than anticipated rates so a new assessment amount was calculated based upon a revised methodology. The difference between the old methodology and revised was then amortized over 5 years and added each year to the proposed amount. Agreement expires 06/30/2028.



## Assessments & Methodologies - Supplemental Information

### Unadjusted Assessment Calculations per Cost Allocation Policy - FOR INFORMATION ONLY

Assessments	Gardena	Hawthorne	Manhattan Beach	Culver City <sup>1</sup>	El Segundo	Hermosa Beach <sup>1</sup>	TOTAL
<b>OPERATIONS</b>							
Call-Taking Emergency Calls	\$ 520,328	\$ 784,077	\$ 160,973	\$ 384,918	\$ 190,768	\$ 95,993	\$ 2,137,057
Call-Taking Non-Emergency Support	255,234	289,991	216,963	446,609	119,684	96,224	1,424,705
Police - Dedicated Dispatch Support	715,597	715,597	715,597	715,597	715,597	715,597	4,293,581
Police - Calls for Service Readiness Support	409,853	532,896	214,353	326,346	212,376	144,282	1,840,106
Fire - Dedicated Dispatch Support	-	-	337,625	337,625	337,625	-	1,012,876
Fire - Calls for Service Readiness Support	-	-	101,333	215,715	117,042	-	434,090
<b>TECHNICAL SERVICES</b>							
Technical Support - Dedicated Support	84,233	101,269	123,038	115,466	88,966	35,965	548,937
<b>Total Calculated</b>	<b>\$ 1,985,246</b>	<b>\$ 2,423,830</b>	<b>\$ 1,869,882</b>	<b>\$ 2,542,276</b>	<b>\$ 1,782,058</b>	<b>\$ 1,088,061</b>	<b>\$ 11,691,352</b>

**Notes:**

1. For illustrative purposes only. See Assessments & Methodologies for actual FY20-21 assessment calculation.

### Cost Allocation Data

City	3 Year Average			
	911 Calls	Non-Emergency Calls	Police Calls for Service	Fire Calls for Service
Gardena	26,929	42,342	70,067	-
Hawthorne	40,579	48,108	91,102	-
Manhattan Beach	8,331	35,993	36,645	3,619
Culver City	19,921	74,090	55,791	7,704
El Segundo	9,873	19,855	36,307	4,180
Hermosa Beach	4,968	15,963	24,666	-
<b>3 Year Average</b>	<b>105,306</b>	<b>213,001</b>	<b>295,981</b>	<b>12,935</b>

City	Vehicle Inventories		
	Police	Fire	Total
Gardena	89	-	89
Hawthorne	107	-	107
Manhattan Beach	114	16	130
Culver City	94	28	122
El Segundo	73	21	94
Hermosa Beach	38	-	38
<b>Total</b>	<b>515</b>	<b>65</b>	<b>580</b>

## Revenues by Account

Account Number & Title	FY2017/18 Actual	FY2018/19 Actual	FY 2019/20 Adopted	FY 2020/21 Adopted	FY 2020/21 Revised	Amount Inc (Dec)	Percent Inc (Dec)
<b>Enterprise Fund (Fund 10)</b>							
10-50-111-4110 Gardena	\$ 2,391,301	\$ 2,391,301	\$ 2,391,301	\$ 2,174,993	\$ 2,083,118	\$ (91,875)	-3.84%
10-50-111-4120 Hawthorne	3,359,598	3,359,598	3,359,598	2,664,597	2,552,293	(112,304)	-3.34%
10-50-111-4130 Manhattan Beach	1,703,280	1,703,280	1,703,280	1,718,710	1,646,431	(72,278)	-4.24%
<b>Member City Subtotal</b>	<b>7,454,179</b>	<b>7,454,179</b>	<b>7,454,179</b>	<b>6,558,300</b>	<b>6,281,842</b>	<b>(276,458)</b>	<b>-3.71%</b>
10-50-111-4140 Hermosa Beach	700,072	828,439	975,208	1,132,062	1,132,062	-	0.00%
10-50-111-4145 El Segundo	1,294,928	1,330,766	1,372,870	1,493,738	1,493,738	-	0.00%
10-50-111-4146 Culver City	2,360,551	2,507,365	2,587,601	2,665,229	2,665,229	-	0.00%
<b>Contract City Subtotal</b>	<b>4,355,551</b>	<b>4,666,570</b>	<b>4,935,679</b>	<b>5,291,029</b>	<b>5,291,029</b>	<b>-</b>	<b>0.00%</b>
<b>Subtotal Assessments</b>	<b>\$ 11,809,730</b>	<b>\$ 12,120,749</b>	<b>\$ 12,389,858</b>	<b>\$ 11,849,329</b>	<b>\$ 11,572,872</b>	<b>(276,458)</b>	<b>-2.23%</b>
10-50-111-4150 El Camino Community College	790	-	790	790	790	-	0.00%
10-50-111-4151 Annual Maint-MDC - Director	-	653	-	-	-	-	0.00%
10-50-111-4152 Medical Director/Hermosa Beach	12,500	-	-	-	-	-	0.00%
10-50-111-4153 Medical Director/Manhattan Beach	26,250	27,500	27,000	30,500	30,500	-	0.00%
10-50-111-4154 Medical Director/El Segundo	26,250	27,500	27,000	30,500	30,500	-	0.00%
10-50-111-4210 Investment Earnings (LAIF)	59,183	96,218	50,000	50,000	50,000	-	0.00%
10-50-111-4220 POST Reimbursements	574	120	600	1,400	1,400	-	0.00%
10-50-111-4255 Unrealized Gain/Loss on Investments	10,527	-	-	-	-	-	0.00%
10-50-111-4410 Vending Machine Revenue	-	-	-	-	-	-	0.00%
10-50-111-4430 Other Miscellaneous Revenue	379	4,853,937	2,500	2,500	2,500	-	0.00%
10-50-111-4240 911 Reimbursements	-	-	-	8,000	8,000	-	0.00%
10-50-111-4241 Redondo Beach Maintenance Agreement	-	-	-	13,000	13,000	-	0.00%
<b>Subtotal Administration - Other</b>	<b>\$ 136,452</b>	<b>\$ 5,005,928</b>	<b>\$ 107,890</b>	<b>\$ 136,690</b>	<b>\$ 136,690</b>	<b>-</b>	<b>0.00%</b>
10-60-211-4215 DUI Reimbursement-Overtime	2,275	879	2,000	2,000	2,000	-	0.00%
10-60-211-4435 Reimbursements Sprint Wireless	80,257	69,887	77,289	70,000	70,000	-	0.00%
10-60-211-4440 Reimbursements/Verizon Wireless	10,869	23,748	15,229	25,000	25,000	-	0.00%
10-60-211-4460 Pink Patch Project	-	356	-	-	-	-	0.00%
<b>Subtotal Operations</b>	<b>\$ 93,401</b>	<b>\$ 94,871</b>	<b>\$ 94,518</b>	<b>\$ 97,000</b>	<b>\$ 97,000</b>	<b>-</b>	<b>0.00%</b>
10-70-311-4310 Labor-Installation-Member	-	3,126	-	320,991	308,539	(12,452)	0.00%
10-70-311-4320 Labor-Installation-NonMember	-	-	-	92,556	88,966	(3,590)	0.00%
10-70-311-4360 Reimbursements for Billable Parts	710,838	479,845	600,000	600,000	600,000	-	0.00%
10-70-311-4370 Reimbursements for GST Software	47,574	45,592	50,000	52,692	52,692	-	0.00%
10-70-311-4371 Reimbursement ES Chat Software	-	-	-	-	-	-	0.00%
10-70-311-4375 Reimb Net Motion Licenses & Maint.	-	-	-	-	-	-	0.00%
10-70-311-4445 GETAC Project Reimbursements	-	-	-	-	-	-	0.00%
10-70-311-4455 Culver City Transition Reimbursement	15,014	-	-	-	-	-	0.00%
<b>Subtotal Technical Services</b>	<b>\$ 773,427</b>	<b>\$ 528,563</b>	<b>\$ 650,000</b>	<b>\$ 1,066,239</b>	<b>\$ 1,050,197</b>	<b>\$ (16,042)</b>	<b>-2.47%</b>
<b>Subtotal Non-Assessment Revenues</b>	<b>\$ 1,003,280</b>	<b>\$ 5,629,362</b>	<b>\$ 852,408</b>	<b>\$ 1,299,929</b>	<b>\$ 1,283,887</b>	<b>\$ (16,042)</b>	<b>-1.88%</b>
<b>Total Enterprise Fund (Fund 10) Revenues</b>	<b>\$ 12,813,010</b>	<b>\$ 17,750,111</b>	<b>\$ 13,242,266</b>	<b>\$ 13,149,258</b>	<b>\$ 12,856,759</b>	<b>\$ (292,500)</b>	<b>-2.21%</b>
<b>Grant Fund (Fund 20)</b>							
20-80-433-4270 Grant Reimb/P25 Comm Repeater	3,505,856	1,494,144	-	-	-	-	-
<b>Total Grant Fund (Fund 20) Revenues</b>	<b>\$ 3,505,856</b>	<b>\$ 1,494,144</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
<b>Grand Total All Funds</b>	<b>\$ 16,318,865</b>	<b>\$ 19,244,256</b>	<b>\$ 13,242,266</b>	<b>\$ 13,149,258</b>	<b>\$ 12,856,759</b>	<b>\$ (292,500)</b>	<b>-2.21%</b>

## Expenses by Department - Enterprise Fund (10)

Department/Description	FY17-18 Actual	FY18-19 Actual	FY 19-20 Adopted	FY 19-20 Amended	FY 20-21 Adopted	FY 20-21 Revised	vs Adopted Increase (Decrease)	vs Adopted Increase (Decrease) %
<b>Administration</b>								
Salaries & Benefits	\$ 1,144,662	\$ 936,648	\$ 1,177,580	\$ 1,112,580	\$ 1,278,828	\$ 1,169,105	\$ (109,723)	-8.58%
Supplies/Services/Equip	820,423	1,249,035	1,032,068	1,159,289	1,068,710	982,014	(86,696)	-8.11%
<b>Subtotal Administration</b>	<b>\$ 1,965,085</b>	<b>\$ 2,185,684</b>	<b>\$ 2,209,648</b>	<b>\$ 2,271,869</b>	<b>\$ 2,347,538</b>	<b>\$ 2,151,119</b>	<b>\$ (196,419)</b>	<b>-8.37%</b>
							-	-
<b>Operations</b>							\$ -	\$ -
Salaries & Benefits	\$ 6,736,024	\$ 7,180,642	\$ 7,990,433	\$ 7,990,433	\$ 8,121,218	\$ 7,830,472	\$ (290,746)	-3.58%
Supplies/Services/Equip	201,499	199,090	259,528	259,528	271,205	249,235	(21,970)	-8.10%
<b>Subtotal Operations</b>	<b>\$ 6,937,523</b>	<b>\$ 7,379,731</b>	<b>\$ 8,249,961</b>	<b>\$ 8,249,961</b>	<b>\$ 8,392,423</b>	<b>\$ 8,079,707</b>	<b>\$ (312,716)</b>	<b>-3.73%</b>
							-	-
<b>Technical Services</b>							\$ -	\$ -
Salaries & Benefits	\$ 812,266	\$ 667,568	\$ 783,770	\$ 783,770	\$ 770,440	\$ 742,925	\$ (27,515)	-3.57%
Supplies/Services/Equip	1,202,892	8,080,061	1,183,150	1,191,410	1,178,042	1,178,042	-	0.00%
<b>Subtotal Technical Services</b>	<b>\$ 2,015,157</b>	<b>\$ 8,747,630</b>	<b>\$ 1,966,920</b>	<b>\$ 1,975,180</b>	<b>\$ 1,948,482</b>	<b>\$ 1,920,967</b>	<b>\$ (27,515)</b>	<b>-1.41%</b>
							-	-
<b>Total Operating Expenses</b>	<b>\$ 10,917,765</b>	<b>\$ 18,313,045</b>	<b>\$ 12,426,529</b>	<b>\$ 12,497,010</b>	<b>\$ 12,688,443</b>	<b>\$ 12,151,793</b>	<b>\$ (536,650)</b>	<b>-4.23%</b>
							-	-
<b>Total Capital Outlay</b>	<b>\$ 130,808</b>	<b>\$ 5,867</b>	<b>\$ 125,000</b>	<b>\$ 170,450</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ -</b>	<b>0.00%</b>
							-	-
<b>Grand Total</b>	<b>\$ 11,048,573</b>	<b>\$ 18,318,911</b>	<b>\$ 12,551,529</b>	<b>\$ 12,667,461</b>	<b>\$ 12,938,443</b>	<b>\$ 12,401,793</b>	<b>\$ (536,650)</b>	<b>-4.15%</b>
							-	-
<b>Department Summary</b>							-	-
Administration	\$ 1,965,085	\$ 2,185,684	\$ 2,209,648	\$ 2,271,869	\$ 2,347,538	\$ 2,151,119	\$ (196,419)	-8.37%
Operations	6,937,523	7,379,731	8,249,961	8,249,961	8,392,423	8,079,707	(312,716)	-3.73%
Technical Services	2,015,157	8,747,630	1,966,920	1,975,180	1,948,482	1,920,967	(27,515)	-1.41%
Capital Outlay	130,808	5,867	125,000	170,450	250,000	250,000	-	0.00%
<b>Grand Total</b>	<b>\$ 11,048,573</b>	<b>\$ 18,318,911</b>	<b>\$ 12,551,529</b>	<b>\$ 12,667,461</b>	<b>\$ 12,938,443</b>	<b>\$ 12,401,793</b>	<b>\$ (536,650)</b>	<b>-4.15%</b>
							-	-
<b>Major Category Summary</b>							-	-
Salaries & Benefits	\$ 8,692,952	\$ 8,784,858	\$ 9,951,783	\$ 9,886,783	\$ 10,170,486	\$ 9,742,502	\$ (427,984)	-4.21%
Supplies/Services/Equip	2,224,814	9,528,186	2,474,746	2,610,227	2,517,957	2,409,291	(108,666)	-4.32%
Capital Outlay	130,808	5,867	125,000	170,450	250,000	250,000	-	0.00%
<b>Grand Total</b>	<b>\$ 11,048,573</b>	<b>\$ 18,318,911</b>	<b>\$ 12,551,529</b>	<b>\$ 12,667,461</b>	<b>\$ 12,938,443</b>	<b>\$ 12,401,793</b>	<b>\$ (536,650)</b>	<b>-4.15%</b>

**Expenses by Account**

ACCT	DESCRIPTION	FY17-18 Actual	FY18-19 Actual	FY 19-20 Adopted	FY 19-20 Amended	FY 20-21 Adopted	FY 20-21 Revised	vs Adopted Increase (Decrease)	vs Adopted Increase (Decrease) %
5101	Salaries (Full-Time)	\$ 5,150,558	\$ 5,277,108	\$ 6,616,540	\$ 6,551,540	\$ 6,871,132	\$ 6,594,452	\$ (276,680)	-4.03%
5102	Salaries (Part-Time)	95,155	110,963	-	-	40,000	-	(40,000)	(1.00)
5103	Overtime	1,144,879	981,489	390,000	390,000	202,389	202,389	-	0.00%
5104	Acting Pay	284	3,005	10,000	10,000	10,000	13,682	3,682	36.82%
5105	Bilingual Pay	9,100	7,900	8,400	8,400	8,400	8,400	-	0.00%
5107	Merit Pay	4,089	81,056	3,650	3,650	4,350	4,350	-	0.00%
5108	Sick Leave Payoff	128,133	127,283	145,594	145,594	157,451	157,451	-	0.00%
5109	Vacation Leave Payoff	130,209	95,787	112,698	112,698	93,472	93,472	-	0.00%
5110	Training Pay	7,464	11,963	15,000	15,000	15,000	15,000	-	0.00%
5112	Other Pay	-	-	7,200	7,200	34,680	29,790	(4,890)	-14.10%
5114	Holiday Payoff	78,302	146,240	100,000	100,000	75,000	75,000	-	0.00%
5115	Education Incentive	93,849	99,224	132,406	132,406	104,300	104,300	-	0.00%
5116	Overtime-Ridealongs	-	-	10,000	10,000	-	-	-	0.00%
5201	Medical Insurance	593,977	530,107	778,459	778,459	809,989	781,534	(28,455)	-3.51%
5202	Dental Insurance	31,006	41,880	57,876	57,876	46,807	46,198	(609)	-1.30%
5203	Vision Care	13,846	19,318	22,361	22,361	21,795	21,055	(740)	-3.40%
5204	Life Insurance	7,016	7,713	9,980	9,980	9,768	9,471	(297)	-3.04%
5205	Medicare	100,802	101,659	105,933	105,933	110,819	106,789	(4,030)	-3.64%
5206	Unemployment Insurance	2,934	11,463	6,713	6,713	5,000	5,000	-	0.00%
5207	Workers' Compensation	165,726	75,637	154,838	154,838	132,500	91,488	(41,012)	-30.95%
5208	PERS Contribution	825,215	940,422	1,124,646	1,124,646	810,996	780,668	(30,328)	-3.74%
5209	Retirees' Medical Insurance	101,472	85,466	111,099	111,099	76,000	76,000	-	0.00%
5211	Social Security	589	126	890	890	-	-	-	0.00%
5212	Deferred Comp Matching	8,346	29,048	27,500	27,500	36,500	31,875	(4,625)	-12.67%
5219	PERS Contribution-UAL	-	-	-	-	494,138	494,138	-	-
<b>Subtotal Salaries &amp; Benefits</b>		<b>\$ 8,692,952</b>	<b>\$ 8,784,858</b>	<b>\$ 9,951,783</b>	<b>\$ 9,886,783</b>	<b>\$ 10,170,486</b>	<b>\$ 9,742,502</b>	<b>\$ (427,984)</b>	<b>-4.21%</b>
5300	Maintenance & Operations	-	160	-	-	-	-	-	0.00%
5301	Communications Contract Svcs	23,210	23,314	49,000	49,000	54,000	48,000	(6,000)	-11.11%
5302	Computer Contract/CAD	360,450	400,360	200,000	200,000	200,000	200,000	-	0.00%
5304	Accountant/Auditing Services	12,250	28,800	33,000	33,000	33,000	33,000	-	0.00%
5305	Legal Services	62,130	61,875	95,000	147,121	95,000	75,000	(20,000)	-21.05%
5306	Recruitment Costs	68,616	76,911	53,610	68,610	68,530	34,000	(34,530)	-50.39%
5307	Software Maintenance Services	43,232	103,554	69,762	69,762	77,537	61,037	(16,500)	-21.28%
5308	Banking Services (Fees)	5,753	5,468	6,000	6,000	6,000	6,000	-	0.00%
5309	Website Maintenance Service	3,070	1,740	5,000	5,000	7,500	7,500	-	0.00%
5311	GST Software Reimbursable	47,574	44,791	50,000	52,692	52,692	52,692	-	0.00%
5312	Medical Director Services	65,000	59,619	54,000	54,000	61,000	61,000	-	0.00%
5313	Temporary Staffing	-	292,605	50,000	125,100	50,000	40,000	(10,000)	-20.00%
5401	Membership Dues	220	818	3,220	3,220	3,220	2,680	(540)	-16.77%
5402	Publications	785	3,343	2,060	2,060	2,060	2,060	-	0.00%
5403	Conferences, Meeting & Travel	36,256	20,083	40,485	40,485	51,675	38,202	(13,473)	-26.07%
5404	Employee Services/EC-BOD	4,061	3,771	3,500	3,500	13,000	8,000	(5,000)	-38.46%
5405	Employee Awards	-	-	500	500	500	500	-	0.00%
5406	POST Training	-	992	23,815	23,815	24,865	11,908	(12,957)	-52.11%
5407	Tuition Reimbursement	10,014	6,797	20,000	20,000	18,000	18,000	-	0.00%
5501	Office Supplies	12,101	31,411	9,000	9,000	9,000	9,000	-	0.00%
5502	Miscellaneous Supplies	160	408	1,100	1,100	9,100	9,100	-	0.00%
5503	General Technical Supplies	(10,660)	4,009	7,500	7,500	7,500	7,500	-	0.00%
5504	Vending Machine Supplies	-	-	-	-	-	-	-	0.00%
5505	Voice Recording Tapes	-	-	-	-	-	-	-	0.00%
5506	Uniforms/Safety Equipment	6,087	17,839	11,500	11,500	10,500	10,500	-	0.00%
5507	Postage	1,224	983	1,600	1,600	1,600	1,600	-	0.00%
5508	Shipping Costs	-	343	-	1,200	1,200	1,200	-	0.00%
5509	Reproduction	1,046	80	2,000	2,000	2,000	2,000	-	0.00%
5511	Office Equipment Lease	14,499	14,107	15,750	15,750	15,750	15,750	-	0.00%
5513	General Liability Insurance	172,917	137,703	210,826	210,826	175,678	198,512	22,834	13.00%
5514	Parts - Billing	527,416	745,477	600,000	597,308	600,000	600,000	-	0.00%
5515	Parts - Telecommunications	6,491	5,073	-	-	-	-	-	0.00%
5516	Install Wire, Loom & Hardware	35,533	31,058	40,000	38,800	30,000	30,000	-	0.00%
5517	Vehicle Operations	4,333	4,293	6,500	6,500	6,500	6,500	-	0.00%
5520	Equipment Repair	-	232	5,000	5,000	5,000	5,000	-	0.00%

### Expenses by Account

ACCT	DESCRIPTION	FY17-18 Actual	FY18-19 Actual	FY 19-20 Adopted	FY 19-20 Amended	FY 20-21 Adopted	FY 20-21 Revised	vs Adopted Increase (Decrease)	vs Adopted Increase (Decrease) %
5521	Outside Tech Serv-Towers/Equi	237,587	359,890	325,000	325,000	325,000	325,000	-	0.00%
5524	GETAC Project	-	-	-	-	-	-	-	0.00%
5525	Culver City Infrastructure Trans	23,321	-	-	-	-	-	-	0.00%
5601	Telephone - Administration	15,387	20,123	15,000	15,000	15,000	15,000	-	0.00%
5603	Telephone - El Segundo	2,403	2,149	3,000	3,000	3,000	3,000	-	0.00%
5604	Telephone - Gardena	2,683	1,349	5,000	5,000	3,000	3,000	-	0.00%
5606	Telephone - Hawthorne	4,419	5,385	6,000	6,000	6,000	6,000	-	0.00%
5607	Telephone - Hermosa Beach	21,838	27,864	25,000	25,000	27,000	27,000	-	0.00%
5608	Telephone - Manhattan Beach	4,528	5,029	8,000	8,000	6,000	6,000	-	0.00%
5611	Telephone - Punta Place	3,765	3,897	5,500	5,500	4,500	4,500	-	0.00%
5612	Telephone - RCC	10,630	10,717	12,000	12,000	11,000	11,000	-	0.00%
5613	Sprint Wireless Reimbursable	77,632	65,103	77,289	77,289	70,000	70,000	-	0.00%
5614	Verizon Wireless Reimbursable	15,022	29,194	15,229	15,229	25,000	25,000	-	0.00%
5615	Telephone-Culver City	22,457	10,327	5,500	5,500	14,500	14,500	-	0.00%
5701	Maintenance/HQ	146,587	166,757	154,400	139,400	164,150	161,650	(2,500)	-1.52%
5702	Maintenance/Other	-	-	-	-	-	-	-	0.00%
5703	Electricity - HQ	88,489	86,087	106,700	106,700	98,000	98,000	-	0.00%
5704	Electricity - Grandview	2,012	900	2,200	2,200	2,200	2,200	-	0.00%
5705	Electricity - Punta	5,552	6,706	6,600	6,600	6,600	6,600	-	0.00%
5706	Gas - HQ	7,991	8,797	11,000	11,000	11,000	11,000	-	0.00%
5707	Water - HQ	3,733	3,360	3,850	3,850	3,850	3,850	-	0.00%
5715	Electricity - MB Water Tower	2,088	2,997	2,750	2,750	2,750	2,750	-	0.00%
5810	Office Equipment	4,382	15,237	-	8,260	12,000	2,000	(10,000)	-83.33%
5820	Other Equipment	7,820	6,568,300	15,000	15,000	15,000	15,000	-	0.00%
5830	Furniture & Fixtures	720	-	-	-	-	-	-	0.00%
5840	Vehicles	-	-	-	-	-	-	-	0.00%
<b>Subtotal Supplies/Services/Equip</b>		<b>\$ 2,224,814</b>	<b>\$ 9,528,186</b>	<b>\$ 2,474,746</b>	<b>\$ 2,610,227</b>	<b>\$ 2,517,957</b>	<b>\$ 2,409,291</b>	<b>\$ (108,666)</b>	<b>-4.32%</b>
<b>Total Operating Expenses</b>		<b>\$ 10,917,765</b>	<b>\$ 18,313,045</b>	<b>\$ 12,426,529</b>	<b>\$ 12,497,010</b>	<b>\$ 12,688,443</b>	<b>\$ 12,151,793</b>	<b>\$ (536,650)</b>	<b>-4.23%</b>
5901	<b>Total Capital Outlay</b>	<b>130,808</b>	<b>5,867</b>	<b>125,000</b>	<b>170,450</b>	<b>250,000</b>	<b>250,000</b>	<b>-</b>	<b>0.00%</b>
<b>Total Enterprise Fund (Fund 10)</b>		<b>\$ 11,048,573</b>	<b>\$ 18,318,911</b>	<b>\$ 12,551,529</b>	<b>\$ 12,667,461</b>	<b>\$ 12,938,443</b>	<b>\$ 12,401,793</b>	<b>\$ (536,650)</b>	<b>-4.15%</b>
5901	Grant Fund (20)	614,532	1,602,069	-	-	-	-	-	0.00%
<b>Grand Total All Funds</b>		<b>11,663,106</b>	<b>19,920,980</b>	<b>12,551,529</b>	<b>12,667,461</b>	<b>12,938,443</b>	<b>12,401,793</b>	<b>(536,650)</b>	<b>-4.15%</b>

**NOTES:**

Proposed budget excludes non-cash expenses such as accrued leave, depreciation, and gain (loss) on disposal of fixed assets.

FY 2019-20 Amended budget includes appropriations after budget adoption.

## ADMINISTRATION DEPARTMENT



### Expenses by Account - Administration Department

ACCT	DESCRIPTION	FY17-18 Actual	FY18-19 Actual	FY 19-20 Adopted	FY 19-20 Amended	FY 20-21 Adopted	FY 20-21 Revised	vs Adopted Increase (Decrease)	vs Adopted Increase (Decrease) %
5101	Salaries (Full-Time)	\$ 811,470	\$ 663,617	\$ 819,504	\$ 754,504	\$ 847,612	\$ 794,052	\$ (53,560)	-6.32%
5102	Salaries (Part-Time)	-	-	-	-	40,000	-	(40,000)	-100.00%
5104	Acting Pay	-	189	-	-	-	3,682	3,682	0.00%
5107	Longevity Pay	2,800	2,950	2,150	2,150	2,350	2,350	-	0.00%
5108	Sick Leave Payoff	20,409	14,418	21,501	21,501	33,358	33,358	-	0.00%
5109	Vacation Leave Payoff	88,078	34,686	35,095	35,095	24,086	24,086	-	0.00%
5112	Other Pay	-	-	7,200	7,200	34,680	29,790	(4,890)	-14.10%
5114	Holiday Payoff	-	2,423	-	-	-	-	-	0.00%
5201	Medical Insurance	54,858	54,655	93,161	93,161	88,393	87,658	(735)	-0.83%
5202	Dental Insurance	3,271	5,080	6,968	6,968	7,607	6,998	(609)	-8.01%
5203	Vision Care	1,068	1,488	2,256	2,256	1,726	1,597	(129)	-7.47%
5204	Life Insurance	595	590	832	832	792	759	(33)	-4.17%
5205	Medicare	13,796	10,778	13,727	13,727	13,660	12,866	(794)	-5.81%
5206	Unemployment Insurance	32	-	-	-	-	-	-	0.00%
5207	Workers' Compensation	9,612	4,053	12,533	12,533	10,725	7,405	(3,320)	-30.96%
5208	PERS Contribution	115,893	100,364	119,629	119,629	90,317	85,607	(4,710)	-5.21%
5209	Retirees' Medical Insurance	14,434	12,310	15,524	15,524	6,000	6,000	-	0.00%
5212	Deferred Comp Matching	8,346	29,048	27,500	27,500	36,500	31,875	(4,625)	-12.67%
5219	PERS Contribution-UAL	-	-	-	-	41,022	41,022	-	0.00%
<b>Subtotal Salaries &amp; Benefits</b>		<b>\$ 1,144,662</b>	<b>\$ 936,648</b>	<b>\$ 1,177,580</b>	<b>\$ 1,112,580</b>	<b>\$ 1,278,828</b>	<b>\$ 1,169,105</b>	<b>\$ (109,723)</b>	<b>-8.58%</b>
5301	Communications Contract S	23,210	23,314	49,000	49,000	54,000	48,000	(6,000)	-11.11%
5302	Computer Contract/CAD	30,450	90,360	55,000	55,000	55,000	55,000	-	0.00%
5304	Accountant/Auditing Servic	12,250	28,800	33,000	33,000	33,000	33,000	-	0.00%
5305	Legal Services	62,130	61,875	95,000	147,121	95,000	75,000	(20,000)	-21.05%
5306	Recruitment Costs	68,616	76,911	53,610	68,610	68,530	34,000	(34,530)	-50.39%
5307	Software Maintenance Serv	43,232	103,554	69,762	69,762	77,537	61,037	(16,500)	-21.28%
5308	Banking Services (Fees)	5,753	5,468	6,000	6,000	6,000	6,000	-	0.00%
5309	Website Maintenance Servi	3,070	1,740	5,000	5,000	7,500	7,500	-	0.00%
5312	Medical Director Services	65,000	59,619	54,000	54,000	61,000	61,000	-	0.00%
5313	Temporary Staffing	-	292,605	50,000	125,100	50,000	40,000	(10,000)	-20.00%
5401	Membership Dues	220	789	390	390	390	390	-	0.00%
5402	Publications	-	1,714	350	350	350	350	-	0.00%
5403	Conferences, Meeting & Tr	22,950	3,209	13,680	13,680	21,725	16,725	(5,000)	-23.01%
5404	Employee Services/EC-BOD	2,218	3,294	1,000	1,000	10,500	5,500	(5,000)	-47.62%
5407	Tuition Reimbursement	-	-	2,000	2,000	-	-	-	0.00%
5501	Office Supplies	12,101	31,411	9,000	9,000	9,000	9,000	-	0.00%
5502	Miscellaneous Supplies	160	408	1,100	1,100	9,100	9,100	-	0.00%
5507	Postage & Shipping	1,224	983	1,600	1,600	1,600	1,600	-	0.00%
5509	Reproduction	693	80	1,500	1,500	1,500	1,500	-	0.00%
5511	Office Equipment Lease	14,499	14,107	15,750	15,750	15,750	15,750	-	0.00%
5513	General Liability Insurance	172,917	137,703	210,826	210,826	175,678	198,512	22,834	13.00%
5517	Vehicle Operations	366	125	2,000	2,000	2,000	2,000	-	0.00%
5601	Telephone - Administration	15,387	20,123	15,000	15,000	15,000	15,000	-	0.00%
5701	Maintenance/HQ	146,587	166,757	154,400	139,400	164,150	161,650	(2,500)	-1.52%
5703	Electricity - HQ	88,489	86,087	106,700	106,700	98,000	98,000	-	0.00%
5704	Electricity - Grandview	2,012	900	2,200	2,200	2,200	2,200	-	0.00%
5705	Electricity - Punta	5,552	6,706	6,600	6,600	6,600	6,600	-	0.00%
5706	Gas - HQ	7,991	8,797	11,000	11,000	11,000	11,000	-	0.00%
5707	Water - HQ	3,733	3,360	3,850	3,850	3,850	3,850	-	0.00%
5715	Electricity - MB Water Towe	2,088	2,997	2,750	2,750	2,750	2,750	-	0.00%
5810	Office Equipment	4,382	15,237	-	-	10,000	-	(10,000)	-100.00%
5820	Other Equipment	2,421	-	-	-	-	-	-	0.00%
5830	Furniture & Fixtures	720	-	-	-	-	-	-	0.00%
<b>Subtotal Supplies/Services/Equip</b>		<b>\$ 820,423</b>	<b>\$ 1,249,035</b>	<b>\$ 1,032,068</b>	<b>\$ 1,159,289</b>	<b>\$ 1,068,710</b>	<b>\$ 982,014</b>	<b>\$ (86,696)</b>	<b>-8.11%</b>
<b>Total Expenses - Administration</b>		<b>\$ 1,965,085</b>	<b>\$ 2,185,684</b>	<b>\$ 2,209,648</b>	<b>\$ 2,271,869</b>	<b>\$ 2,347,538</b>	<b>\$ 2,151,119</b>	<b>\$ (196,419)</b>	<b>-8.37%</b>

## OPERATIONS DEPARTMENT





### Expenses by Account - Operations Department

ACCT	DESCRIPTION	FY17-18 Actual	FY18-19 Actual	FY 19-20 Adopted	FY 19-20 Amended	FY 20-21 Adopted	FY 20-21 Revised	vs Adopted Increase (Decrease)	vs Adopted Increase (Decrease) %
5101	Salaries (Full-Time)	\$ 3,843,426	\$ 4,176,042	\$ 5,311,530	\$ 5,311,530	\$ 5,546,631	\$ 5,328,165	\$ (218,466)	-3.94%
5102	Salaries (Part-Time)	95,155	110,963	-	-	-	-	-	0.00%
5103	Overtime	1,143,975	980,650	385,000	385,000	195,539	195,539	-	0.00%
5104	Acting Pay	284	2,815	10,000	10,000	10,000	10,000	-	0.00%
5105	Bilingual Pay	9,100	7,900	8,400	8,400	8,400	8,400	-	0.00%
5107	Merit Pay	-	69,000	-	-	-	-	-	0.00%
5108	Sick Leave Payoff	92,696	96,478	106,313	106,313	106,313	106,313	-	0.00%
5109	Vacation Leave Payoff	36,694	49,221	63,217	63,217	55,000	55,000	-	0.00%
5110	Training Pay	7,464	11,963	15,000	15,000	15,000	15,000	-	0.00%
5114	Holiday Payoff	68,025	143,818	100,000	100,000	75,000	75,000	-	0.00%
5115	Education Incentive	90,403	99,224	132,406	132,406	104,300	104,300	-	0.00%
5116	Overtime-Ridealongs	-	-	10,000	10,000	-	-	-	0.00%
5201	Medical Insurance	479,885	442,163	637,435	637,435	668,836	641,116	(27,720)	-4.14%
5202	Dental Insurance	25,103	34,282	47,968	47,968	36,400	36,400	-	0.00%
5203	Vision Care	11,449	16,623	18,699	18,699	18,424	17,813	(611)	-3.32%
5204	Life Insurance	5,680	6,467	8,455	8,455	8,316	8,052	(264)	-3.17%
5205	Medicare	79,000	83,751	84,939	84,939	89,572	86,404	(3,168)	-3.54%
5206	Unemployment Insuranc	2,873	11,463	6,713	6,713	5,000	5,000	-	0.00%
5207	Workers' Compensation	56,347	24,605	58,372	58,372	49,951	34,490	(15,461)	-30.95%
5208	PERS Contribution	631,635	767,603	922,296	922,296	662,899	637,843	(25,056)	-3.78%
5209	Retirees' Medical Insurar	56,240	45,484	62,800	62,800	50,000	50,000	-	0.00%
5211	Social Security	589	126	890	890	-	-	-	0.00%
5219	PERS Contribution-UAL	-	-	-	-	415,637	415,637	-	0.00%
<b>Subtotal Salaries &amp; Benefits</b>		<b>\$ 6,736,024</b>	<b>\$ 7,180,642</b>	<b>\$ 7,990,433</b>	<b>\$ 7,990,433</b>	<b>\$ 8,121,218</b>	<b>\$ 7,830,472</b>	<b>\$ (290,746)</b>	<b>-3.58%</b>
5300	Maintenance & Operatio	-	160	-	-	-	-	-	0.00%
5401	Membership Dues	-	29	2,830	2,830	2,830	2,290	(540)	-19.08%
5402	Publications	785	1,629	1,710	1,710	1,710	1,710	-	0.00%
5403	Conferences, Meeting &	13,306	15,382	24,155	24,155	27,300	18,827	(8,473)	-31.04%
5404	Employee Services/EC-BI	1,843	477	2,500	2,500	2,500	2,500	-	0.00%
5405	Employee Awards	-	-	500	500	500	500	-	0.00%
5406	POST Training	-	992	23,815	23,815	24,865	11,908	(12,957)	-52.11%
5407	Tuition Reimbursement	10,014	6,797	18,000	18,000	18,000	18,000	-	0.00%
5506	Uniforms/Safety Equipm	4,422	7,862	8,000	8,000	8,000	8,000	-	0.00%
5509	Reproduction	353	-	500	500	500	500	-	0.00%
5603	Telephone - El Segundo	2,403	2,149	3,000	3,000	3,000	3,000	-	0.00%
5604	Telephone - Gardena	2,683	1,349	5,000	5,000	3,000	3,000	-	0.00%
5606	Telephone - Hawthorne	4,419	5,385	6,000	6,000	6,000	6,000	-	0.00%
5607	Telephone - Hermosa Be	21,838	27,864	25,000	25,000	27,000	27,000	-	0.00%
5608	Telephone - Manhattan I	4,528	5,029	8,000	8,000	6,000	6,000	-	0.00%
5611	Telephone - Punta Place	3,765	3,897	5,500	5,500	4,500	4,500	-	0.00%
5612	Telephone - RCC	10,630	10,717	12,000	12,000	11,000	11,000	-	0.00%
5613	Sprint Wireless Reimbur:	77,632	65,103	77,289	77,289	70,000	70,000	-	0.00%
5614	Verizon Wireless Reimbu	15,022	29,194	15,229	15,229	25,000	25,000	-	0.00%
5615	Telephone-Culver City	22,457	10,327	5,500	5,500	14,500	14,500	-	0.00%
5820	Other Equipment	5,399	4,749	15,000	15,000	15,000	15,000	-	0.00%
<b>Subtotal Supplies/Services/Equip</b>		<b>\$ 201,499</b>	<b>\$ 199,090</b>	<b>\$ 259,528</b>	<b>\$ 259,528</b>	<b>\$ 271,205</b>	<b>\$ 249,235</b>	<b>\$ (21,970)</b>	<b>-8.10%</b>
<b>Total Expenses - Operations</b>		<b>\$ 6,937,523</b>	<b>\$ 7,379,731</b>	<b>\$ 8,249,961</b>	<b>\$ 8,249,961</b>	<b>\$ 8,392,423</b>	<b>\$ 8,079,707</b>	<b>\$ (312,716)</b>	<b>-3.73%</b>

## TECHNICAL SERVICES DIVISION



### Expenses by Account - Technical Services Department

ACCT	DESCRIPTION	FY17-18 Actual	FY18-19 Actual	FY 19-20 Adopted	FY 19-20 Amended	FY 20-21 Adopted	FY 20-21 Revised	vs Adopted Increase (Decrease)	vs Adopted Increase (Decrease) %
5101	Salaries (Full-Time)	\$ 495,661	\$ 437,449	\$ 485,506	\$ 485,506	\$ 476,889	\$ 472,235	\$ (4,654)	-0.98%
5103	Overtime	904	839	5,000	5,000	6,850	6,850	-	0.00%
5104	Acting Pay	-	-	-	-	\$ -	-	-	0.00%
5106	Call Back Pay	-	-	-	-	\$ -	-	-	0.00%
5107	Merit Pay	1,289	9,106	1,500	1,500	2,000	2,000	-	0.00%
5108	Sick Leave Payoff	15,028	16,387	17,780	17,780	17,780	17,780	-	0.00%
5109	Vacation Leave Payoff	5,437	11,880	14,386	14,386	14,386	14,386	-	0.00%
5114	Holiday Payoff	10,277	-	-	-	-	-	-	0.00%
5115	Education Incentive	3,446	-	-	-	-	-	-	0.00%
5201	Medical Insurance	59,234	33,289	47,863	47,863	52,760	52,760	-	0.00%
5202	Dental Insurance	2,632	2,519	2,940	2,940	2,800	2,800	-	0.00%
5203	Vision Care	1,330	1,208	1,406	1,406	1,645	1,645	-	0.00%
5204	Life Insurance	741	656	693	693	660	660	-	0.00%
5205	Medicare	8,006	7,130	7,267	7,267	7,587	7,519	(68)	-0.90%
5206	Unemployment Insurance	29	-	-	-	-	-	-	0.00%
5207	Workers' Compensation	99,767	46,978	83,933	83,933	71,824	49,593	(22,231)	-30.95%
5208	PERS Contribution	77,688	72,456	82,721	82,721	57,780	57,218	(562)	-0.97%
5209	Retirees' Medical Insurance	30,798	27,672	32,775	32,775	20,000	20,000	-	0.00%
5219	PERS Contribution-UAL	-	-	-	-	37,479	37,479	-	0.00%
<b>Subtotal Salaries &amp; Benefits</b>		<b>\$ 812,266</b>	<b>\$ 667,568</b>	<b>\$ 783,770</b>	<b>\$ 783,770</b>	<b>\$ 770,440</b>	<b>\$ 742,925</b>	<b>\$ (27,515)</b>	<b>-3.57%</b>
5302	Computer Contract/CA	330,000	310,000	145,000	145,000	145,000	145,000	-	0.00%
5311	GST Software Reimbur	47,574	44,791	50,000	52,692	52,692	52,692	-	0.00%
5403	Conferences, Meeting	-	1,491	2,650	2,650	2,650	2,650	-	0.00%
5503	General Technical Support	(10,660)	4,009	7,500	7,500	7,500	7,500	-	0.00%
5506	Uniforms/Safety Equip	1,664	9,977	3,500	3,500	2,500	2,500	-	0.00%
5507	Postage & Shipping	-	-	-	-	1,200	1,200	-	0.00%
5508	Shipping Costs	-	343	-	1,200	-	-	-	0.00%
5514	Parts - Billing	527,416	745,477	600,000	597,308	600,000	600,000	-	0.00%
5515	Parts - Telecommunica	6,491	5,073	-	-	-	-	-	0.00%
5516	Install Wire, Loom & H	35,533	31,058	40,000	38,800	30,000	30,000	-	0.00%
5517	Vehicle Operations	3,967	4,168	4,500	4,500	4,500	4,500	-	0.00%
5520	Equipment Repair	-	232	5,000	5,000	5,000	5,000	-	0.00%
5521	Outside Tech Serv-Tow	237,587	359,890	325,000	325,000	325,000	325,000	-	0.00%
5524	GETAC Project	-	-	-	-	-	-	-	0.00%
5525	Culver City Infrastructure	23,321	-	-	-	-	-	-	0.00%
5810	Office Equipment	-	-	-	8,260	2,000	2,000	-	0.00%
5820	Other Equipment	-	6,563,550	-	-	-	-	-	0.00%
<b>Subtotal Supplies/Serv/Equip</b>		<b>\$ 1,202,892</b>	<b>\$ 8,080,061</b>	<b>\$ 1,183,150</b>	<b>\$ 1,191,410</b>	<b>\$ 1,178,042</b>	<b>\$ 1,178,042</b>	<b>\$ -</b>	<b>0.00%</b>
<b>Total Expenses - Tech Services</b>		<b>\$ 2,015,157</b>	<b>\$ 8,747,630</b>	<b>\$ 1,966,920</b>	<b>\$ 1,975,180</b>	<b>\$ 1,948,482</b>	<b>\$ 1,920,967</b>	<b>\$ (27,515)</b>	<b>-1.41%</b>

E-6



# Staff Report

## South Bay Regional Public Communications Authority

**MEETING DATE:** July 21, 2020

**ITEM NUMBER:** E-6

**TO:** Executive Committee

**FROM:** Vanessa Alfaro, Finance & Performance Audit Manager

**SUBJECT:** UPDATED PUBLICLY AVAILABLE PAY SCHEDULE

**ATTACHMENTS:** 1. Salary Schedule

### **RECOMMENDATION**

Staff recommends 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 Management and Confidential Employees approved by the Executive Committee on August 20, 2019, the following positions received a 2.00% wage increase effective July 11, 2020:

- 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-6

Attachment 1

# 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
07/11/2020	Accountant	\$ 6,722.50	\$ 7,058.53	\$ 7,411.54	\$ 7,781.59	\$ 8,170.79	N/A	N/A
07/11/2020	Administrative Services Manager	\$ 10,176.04	\$ 10,660.08	\$ 11,172.85	\$ 11,706.09	\$ 12,272.18	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
07/11/2020	Executive Assistant	\$ 7,215.10	\$ 7,719.68	\$ 8,224.22	\$ 8,728.77	\$ 9,233.35	N/A	N/A
07/11/2020	Finance & Performance Audit Manager	\$ 10,431.13	\$ 10,927.06	\$ 11,451.62	\$ 11,999.34	\$ 12,578.39	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
07/11/2020	Operations Manager	\$ 10,635.83	\$ 11,167.60	\$ 11,725.98	\$ 12,312.28	\$ 12,927.90	N/A	N/A

### MONTHLY SALARY STEPS OF UNREPRESENTED POSITIONS

Salary Effective Date	Position Title	Salary
12/28/2019	Executive Director	17,853.33

### HOURLY RATE STEPS FOR PART-TIME EMPLOYEES

Salary Effective Date	Position Title	Step A	Step B	Step C	Step D	Step E
11/20/2019	Administrative Intern	\$ 15.00	\$ 16.50	\$ 18.15	N/A	N/A
11/20/2019	Communications Operator	\$ 32.80	\$ 34.37	\$ 36.03	\$ 37.77	\$ 39.60
11/20/2019	Office Assistant	\$ 18.00	\$ 19.80	\$ 21.78	N/A	N/A



G-1



# Staff Report

## South Bay Regional Public Communicationso Authority

**MEETING DATE:** July 21, 2020

**ITEM:** G-1

**TO:** Executive Committee

**FROM:** John Krok, Acting Executive Director JK  
Vanessa Alfaro, Finance & Performance Audit Manager

**SUBJECT:** CARRY OVER OF FISCAL YEAR 2019/20 FUNDS AND  
PURCHASE ORDERS TOTALING \$113,450.18.

**ATTACHMENTS:** None

### **RECOMMENDATION**

Staff recommends the Executive Committee approve the carry over of the remaining appropriation for the City of Manhattan Beach in the amount of \$45,450.18, \$15,000 in Other Equipment, and the remaining balance for the following purchase orders issued in fiscal year 2019/20 totaling \$53,000.00.

<u>Vendor</u>	<u>Remaining Balance</u>
Bartel Associates, LLC	\$13,000.00
Bio SoCal	\$33,000.00
LA Uniforms & Tailoring	\$4,500.00
Continental Computers	\$2,500.00
<b>TOTAL:</b>	<b>\$53,000.00</b>

### **DISCUSSION**

#### *Manhattan Beach Appropriation*

The Authority continues to maintain a fund balance for equipment expenditures for the City of Manhattan Beach related to grant reimbursements for the Punta Place Radio Site project. The allocation for the City of Manhattan Beach starting July 1, 2019 was \$45,450.18. The City of Manhattan Beach has requested that these funds be applied as a credit towards its FY2020/21 assessment along with any FY2019/20 budget surplus.

#### *Other Equipment \$15,000 Appropriation for Operations*

Staff requests to carry forward the unspent FY19/20 appropriation of \$15,000 in Other Equipment for the Operations department. These funds were intended to be used to begin the process of replacing desktop computers in the Communications Center. However,

plans to do so have been delayed due to the COVID-19 pandemic.

#### *Purchase Orders*

The Authority contracts with Bartel Associates, LLC. for actuarial consulting services. The current agreement and corresponding purchase order includes a fee for a GASB 75 valuation report for fiscal year ending 6-30-20. This work is ongoing and therefore, the unexpended balance for this purchase order of \$13,000 should be carried over from FY2019/20 to FY2020/21.

In April 2020, the Executive Committee approved an agreement with Bio SoCal, an infectious disease cleanup specialist in an amount not to exceed \$100,000. The agreement was secured in order to ensure continuity of operations should the Authority's headquarters be exposed to the COVID-19 virus. No services have been rendered by Bio SoCal and thus no payment has been issued to the vendor. However, due to the recent and rapidly increasing number of positive cases throughout Los Angeles County, staff has determined it is prudent to carry forward an existing \$33,000 purchase order for BioSoCal, the estimated cost of disinfecting the Authority's headquarters in the event of single exposure.

Due to the COVID-19 pandemic, plans to replace uniforms for Communications staff have also been delayed. Staff requests to carry forward an existing purchase order for uniform replacements with LA Uniforms & Tailoring in the amount of \$4,500.00.

Lastly, the FY2019/20 budget included an appropriation of \$125,000 for communications and technology infrastructure replacement purchases. While most of this work has been completed, additional components are pending, such as replacement of the server that hosts the Authority's financial software. Staff requests to carry-forward a purchase order for Continental Computers in the amount of \$2,500 to FY2020/21 to complete this project.

#### **FISCAL IMPACT**

The recommended carry overs from FY2019/20 to FY2020/21 total \$113,450.18.

G-2



# Staff Report

## South Bay Regional Public Communications Authority

**MEETING DATE:** July 21, 2020

**ITEM NUMBER:** G-2

**TO:** Executive Committee

**FROM:** John Krok, Acting Executive Director  
Vanessa Alfaro, Finance & Performance Audit Manager

**SUBJECT:** SECTION 115 TRUST

**ATTACHMENTS:** 1. CalPERS CERBT Program  
2. PARS OPEB and Pension Rate Stabilization Program

### **RECOMMENDATION**

Staff recommends the Executive Committee select a vendor for the establishment of a Section 115 Trust to fund Other Post-Employment Benefits ("OPEB").

### **BACKGROUND**

During the February 2020 Executive Committee meeting, staff was directed to begin the process of establishing a Section 115 Trust to be presented to the Board of Directors for approval in September 2020, with initial funding of \$250,000 currently held in the Authority's Enterprise Fund as an OPEB reserve.

### **DISCUSSION**

Staff conducted research on Section 115 Trust providers and selected to compare the two most equitable and established providers: California Public Employees' Retirement System ("CalPERS") and Public Agency Retirement Services ("PARS").

CalPERS offers the California Employers Retiree Benefit Trust ("CERBT"), a multiple-employer OPEB irrevocable trust fund administered by CalPERS, with more than 550 participating public employers and approximately \$11 billion in assets under management. CERBT offers three (3) investment strategy options ranging in risk tolerance levels. While Strategy 1 invests nearly 60% of assets in equity (i.e. stocks), Strategy 3 invests nearly 50% in fixed income, such as bonds, for a more conservative investment approach. Fiduciary responsibility is assumed by the CalPERS Board of Administration and investment strategies are managed by the Affiliate Investments Program ("AIP") team. The AIP team is separate from the pension fund investment team, but is part of the CalPERS Investment Office.

Participating employers select one of the three available options based on their investment goals and risk tolerance, and a funding policy. However, contributions to the trust are voluntary and not required. Additionally, due to the existing infrastructure within CalPERS,

CERBT offers an unmatched low cost of 10 basis points (0.10%) for all assets under management. This rate has remained unchanged for the last 6 years but is subject to change.

PARS offers a multiple-employer irrevocable Section 115 trust for both OPEB and pension liabilities, with more than 350 employers participating in the OPEB program and approximately \$3.2 billion in OPEB assets under management. PARS serves as the trust administrator and consultant, and contracts with US Bank to serve as the trustee for plan assets, and HighMark Capital Management for investment management. HighMark Capital Management has over 100 years of industry experience with \$16.2 billion in assets under management.

PARS offers five (5) investment strategy options with varying degrees of risk tolerance. Its Capital Appreciation option has a higher risk tolerance with investments in equity ranging from 65-85% and its Conservative model has the lowest risk tolerance with 60-95% in fixed income. PARS and HighMark Capital Management offer fees based on asset levels. For the Authority's level of assets, the fee for PARS is 25 basis points (0.25%) and 35 basis points (0.35%) for HighMark Capital Management; a total cost of 60 basis points (0.60%).

The table below compares investment returns for CERBT's investment strategies to those of PARS with similar asset allocations.

Strategy	% Invested in Equity	1 Year	3 Years	5 Years	10 Years
CERBT Strategy 1	54-64%	5.52%	5.14%	4.84%	7.72%
PARS Capital Appreciation	65-85%	5.56%	5.69%	5.74%	8.48%
CERBT Strategy 2	35-45%	6.97%	5.56%	4.89%	N/A
PARS Moderate	40-60%	5.75%	5.19%	5.00%	7.02%
CERBT Strategy 3	17-27%	7.34%	5.44%	4.55%	N/A
PARS Moderately Conservative	20-40%	5.91%	4.71%	4.33%	5.70%

While the PARS trust option costs significantly higher than CERBT, PARS's Capital Appreciation strategy has outperformed CERBT's Strategy 1, net of fees over 10 years.

For the lowest cost option, staff recommends selecting CalPER's CERBT program for the Authority's Section 115 Trust. On the other hand, PARS is better suited for agencies wishing to divert OPEB assets elsewhere or with larger asset thresholds, which offer lower fees.

Upon selection of a provider, staff will present the recommendation to the Board of Directors. The Board of Directors will authorize the establishment of the trust, select the investment strategy, and approve the initial deposit into the trust.

Staff will bring recommendations for ongoing funding strategies at a later time after establishing the trust.

### **FISCAL IMPACT**

None at this time. Fund balance will decrease by \$250,000 upon establishment of and subsequent transfer to the Section 115 Trust.

G-2

Attachment 1

# CalPERS Prefunding Programs

California Employers Retiree Benefit Trust  
(CERBT)

South Bay Regional  
Public Communications Authority



# The Impact of Prefunding

## Increase investment income

- Use higher-yielding investment strategies than County treasury or LAIF
- Build and expose a larger pool of assets to these market conditions
- Reduce budget dependency when paying future benefits

## Reduce unfunded liabilities and future contributions

- Trust assets may offset liabilities
- Higher discount rates reduce liability and contribution calculations

## Prudent financial management

- Prefunding can improve financial reporting outcomes
- Contributes to preserving positive credit ratings

# CERBT Customer Example: then and now

Fiscal Year Ending	6/30/2008 (Pay-Go)	6/30/2017 (Prefund)
Discount Rate	4.25%	7.00%
Total OPEB Liability	\$7,869,000	\$4,346,151
Cumulative CERBT Contributions	\$0	\$1,536,354
Net Investment Income Generated	\$?	\$690,373
CERBT Assets	\$0	\$2,226,727
Unfunded Actuarial Accrued Liability	\$7,869,000	\$2,119,424
Funded Ratio	0%	51%

# Employer Controls the Funding Policy

- Chooses appropriate investment strategy
  - Based on investment time horizon
- Decides if, when, and how much to contribute
  - Voluntary and never required
- Decides if and when to seek reimbursement
  - Pay-go costs; implicit rate subsidies
- Chooses outside consulting actuary

# Types of OPEB Prefunding Policies

## 100% of Actuarially Determined Contribution

- Employer pays retiree premiums from operating budget, contributes difference between ADC and retiree premiums to CERBT
- Employer contributes 100% of ADC to CERBT, reimburses for retiree premiums

## Partial prefunding

- Employer makes contribution to CERBT that is in excess of the retiree premiums, but less than the difference between the ADC and the retiree premiums
- Employer has control over amount contributed. No contribution required.

## Discretionary contributions as budget allows

- Employer contributes any one-time or excess funds
- Employer contributes funds that were previously held in internal fund, then doesn't make any additional contributions

# Advantages of the CERBT

- Investment management expertise
- Lowest total participation cost
- Excellent customer service
- Streamlined administration
- GASB compliant financial reporting

# CERBT Employers

571 Total

- State of California
- 148 Cities or Towns
- 12 Counties
- 70 School Employers
- 28 Courts
- 311 Special Districts and other Public Agencies
  - (97 Water, 34 Sanitation, 31 Fire, 24 Transportation)

# CERBT Expected Rates of Return

2018 Capital Market Assumptions	Strategy 1	Strategy 2	Strategy 3
Expected Time-Weighted Return, Near Term	5.85%	5.22%	4.41%
Expected Time-Weighted Blended Return, Longer Term	7.59%	7.01%	6.22%
Standard Deviation of Expected Investment Returns	11.83%	9.24%	7.28%

Near term is 10 years. Longer term is 60 years. Expected returns are net of fees. CERBT total fees are 10 bps. Standard deviation is 10 years.

# CERBT Asset Class Target Allocations

Asset Classification	Benchmark	Strategy 1	Strategy 2	Strategy 3
Global Equity	MSCI All Country World Index	59% ±5%	40% ±5%	22% ±5%
Fixed Income	Barclays Capital Long Liability Index	25% ±5%	43% ±5%	49% ±5%
Global Real Estate (REITs)	FTSE EPRA/NAREIT Developed Liquid Index	8% ±5%	8% ±5%	8% ±5%
Treasury Inflation Protected Securities (TIPS)	Barclays Capital Global Real: US TIPS Index	5% ±3%	5% ±3%	16% ±3%
Commodities	S&P GSCI Total Return Index	3% ±3%	4% ±3%	5% ±3%
Cash	3-Month Treasury Bill	0% +2%	0% +2%	0% +2%



# CERBT Investment Returns – Time Weighted

Periods Ended May 31, 2020

Fund	Assets	1 Month	3 Months	FYTD	1 Year	3 Years	5 Years	10 Years	ITD
CERBT Strategy 1 (Inception June 1, 2007)	\$9,191,880,898	3.36%	-0.79%	0.98%	5.52%	5.14%	4.84%	7.72%	4.65%
Benchmark		3.31%	-0.97%	0.61%	5.16%	4.81%	4.43%	7.45%	4.21%
CERBT Strategy 2 (Inception October 1, 2011)	\$1,392,363,073	2.68%	-0.41%	3.23%	6.97%	5.56%	4.89%	NA	7.03%
Benchmark		2.64%	-0.51%	2.99%	6.76%	5.28%	4.53%	NA	6.73%
CERBT Strategy 3 (Inception January 1, 2012)	\$677,140,510	2.03%	-0.39%	4.49%	7.34%	5.44%	4.55%	NA	5.64%
Benchmark		1.99%	-0.47%	4.30%	7.16%	5.21%	4.25%	NA	5.31%

Time weighted return reports the performance of the investment vehicle, not of the employer assets. Returns are gross. Historical performance is not necessarily indicative of actual future investment performance or of future total program cost. Current and future performance may be lower or higher than the historical performance data reported here. Investment return and principal value may fluctuate so that your investment, when redeemed, may be worth more or less than the original cost. The value of an employer's CERBT fund shares will go up and down based on the performance of the underlying funds in which the assets are invested. The value of the underlying funds' assets will, in turn, fluctuate based on the performance and other factors generally affecting the securities market.

# CERBT Total Participation Cost

- Total all-inclusive cost of CERBT participation is 10 basis points of assets under management
  - CERBT is a self-funded trust
  - Employer account charged daily
  - CERBT does not profit
  - Rate can be changed without prior notice and may be higher or lower in the future

# CERBT Fee Rate History

Fiscal Year	Total Participation Cost
2007-2008	2.00 basis points
2008-2009	6.00 basis points
2009-2010	9.00 basis points
2010-2011	12.00 basis points
2011-2012	12.00 basis points
2012-2013	15.00 basis points
2013-2014	14.00 basis points
2014-2015	10.00 basis points
2015-2016	10.00 basis points
2016-2017	10.00 basis points
2017-2018	10.00 basis points
2018-2019	10.00 basis points
2019-2020	10.00 basis points
2020-2021	10.00 basis points

# Excellent Customer Service

- Direct access to CERBT team members
  - Via desk and mobile lines and email
- Account annual update
- Timely trust communication and program updates
- Program email address for all inquiries/requests
  - Same or next day response
- CERBT fund workshops & webinars

# Financial Reporting

## CERBT Delivers

GASB 74 Compliant Reporting

GASB 75 Compliance Data and Support

# Simple Administration - Contracting

Actuary	Governing Body	Agency
Actuarial Valuation	CERBT Contract Agreement	Certification of OPEB Funding Policy and GASB Reporting Compliance
Certification of Actuarial Information		
Summary of Actuarial Information	Delegation of Authority to Request Disbursements	

# Questions? Where to Get Trust Fund Information?

Name	Title	E-mail	Desk	Mobile
Matt Goss	Outreach & Support Program Manager	Matthew.Goss@calpers.ca.gov	(916) 795-9071	(916) 382-6487
Karen Lookingbill	Outreach & Support Manager	Karen.Lookingbill@calpers.ca.gov	(916) 795-1387	(916) 501-2219
Jasper Jacobs	Outreach & Support Analyst	Jasper.Jacobs@calpers.ca.gov	(916) 795-0432	(916) 717-3886
Colleen Cain-Herrback	Administration & Reporting Program Manager	Colleen.Cain-Herrback@calpers.ca.gov	(916) 795-2474	(916) 505-2506
Robert Sharp	Assistant Division Chief	Robert.Sharp@calpers.ca.gov	(916) 795-3878	(916) 397-0756

Program E-mail Addresses	Prefunding Programs Webpages
CERBT4U@calpers.ca.gov – Questions & Document Submittal	<a href="http://www.calpers.ca.gov/CERBT">www.calpers.ca.gov/CERBT</a>
CEPPT4U@calpers.ca.gov – Questions & Document Submittal	<a href="http://www.calpers.ca.gov/CEPPT">www.calpers.ca.gov/CEPPT</a>
CERBTACCOUNT@calpers.ca.gov – Online Record Keeping System	

G-2

Attachment 2



PUBLIC  
AGENCY  
RETIREMENT  
SERVICES

PARS

TRUSTED SOLUTIONS. LASTING RESULTS.



# SOUTH BAY REGIONAL PUBLIC COMMUNICATION AUTHORITY

OPEB Prefunding and Pension Rate Stabilization Program (PRSP)

June 30, 2020

# PARS 115 TRUST TEAM

## Trust Administrator & Consultant



- Recordkeeping
- Sub-trust accounting
- Monitors plan compliance
- Processes contributions/disbursements
- Hands-on, dedicated support teams
- Coordinates all agency services

36

Years of Experience  
(1984-2020)

1,500+

Plans under  
Administration

1,000+

Public Agency  
Clients

500 K+

Plan Participants

\$4.0 B

Assets under  
Administration

## Trustee



- 5th largest commercial bank and one of the nation's largest trustees for Section 115 trusts.
- Safeguard plan assets,
- Oversight protection as plan fiduciary
- Custodian of assets

157

Years of Experience  
(1863-2020)

\$5.0 T

Assets under  
Administration

## Investment Manager



- Investment sub-advisor to trustee U.S. Bank
- Investment policy assistance
- Uses open architecture
- Active and passive platform options
- Customized portfolios (with minimum asset level)

101

Years of Experience  
(1919-2020)

\$16.2 B

Assets under  
Management

# ONE-STOP SHOP SERVICES

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The PARS Section 115 Combination Trust offers comprehensive trust services:

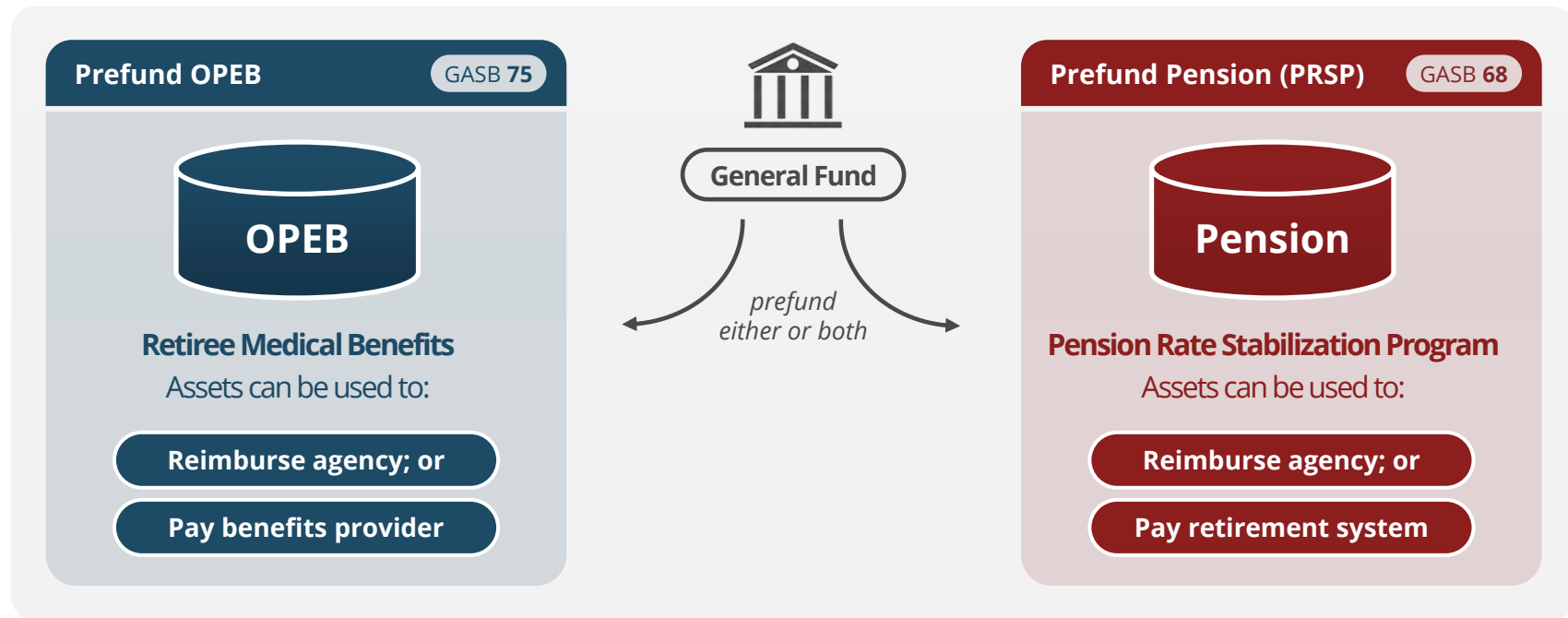


# SECTION 115 TRUST

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- Section 115 Trusts can be used by local governments to fund essential governmental functions (i.e., retiree healthcare, pension)
- Any income derived from a Section 115 Trust is tax exempt
- The PARS Trust received the first IRS Private Letter Ruling (PLR) in June 2015 to fund both OPEB and Pension Liabilities for a multiple-employer trust
- PARS 115 Trust is setup as an irrevocable Trust to prefund the Authority's employee benefit plan obligations
- Once contributions are placed into The PARS Trust, assets from the Trust can be used for specific benefit plan purposes including:
  - Reimbursing the Authority for OPEB expenses or retirement system contributions
  - Reimbursing retired employees directly for OPEB expenses
  - Transferring assets directly to the healthcare program or retirement system
  - Paying plan expenses (actuarial valuation or audit)

# PARS IRS-APPROVED SECTION 115 TRUST



## Subaccounts

OPEB and pension assets are individually sub-accounted, and can be divided by dept., bargaining group, or cost center



## Financial Stability

Assets in the PARS Section 115 Combination Trust can be used to address unfunded liabilities.



## Flexible Investing

Allows separate investment strategies for OPEB and pension subaccounts.



## Anytime Access

Trust funds are available anytime; OPEB for OPEB and pension for pension.



## Economies-of-Scale

OPEB and pension assets aggregate and reach lower fees on tiered schedule sooner – saving money!



## No Set Up Cost or Minimums

No set-up costs, no minimum annual contribution amounts, and no fees until assets are added.

# OPEB/PENSION CLIENT LIST (CONT.)

Updated June 2020

## SPECIAL DISTRICTS (100)

### **Alameda County MAD**

#### **Beach Cities Heath District**

#### **Bighorn Desert View Water Agency**

Bodega Bay Public Utility District

Calaveras County Water District

California JPIA

California Joint Powers RMA

#### **Central Contra Costa Sanitary District**

Central Contra Costa Transit Authority

Coastside Fire Protection District

#### **Conejo Recreation & Park District**

Contra Costa Employees' Retirement Association

Contra Costa MVCD

Crestline Village Water District

#### **Delta Diablo (Sanitation District)**

Desert Recreation District

#### **East Bay Regional Park District**

#### **East Contra Costa Fire Protection District**

#### **East Orange County Water District**

Eastern Sierra Community Services District

#### **Eastern Sierra Transit Authority**

#### **El Dorado Hills County Water District**

#### **Fallbrook Public Utility District**

#### **Fort Ord Reuse Authority**

Fresno Irrigation District

Fresno Metropolitan Flood Control District

Glenn-Colusa Irrigation District

Goleta Cemetery District

#### **Goleta West Sanitary District**

#### **Great Basin Unified APCD**

#### **Greater Vallejo Recreation District**

Hayward Area Recreation & Park District

#### **Hesperia Fire Protection District**

#### **Housing Authority of the County of Butte**

Housing Authority of the County of Contra Costa

Housing Authority of the County of San Bernardino

#### **Housing Authority of the County of Santa Cruz**

### **Humboldt Bay Municipal Water District**

Humboldt No. 1 Fire Protection District

Menlo Park Fire Protection District

#### **Mesa Water District**

Metropolitan Transportation Commission

#### **Mid-Peninsula Regional Open Space District**

#### **Mid-Peninsula Water District**

#### **Mojave Desert AQMD**

#### **Montecito Fire Protection District**

#### **Monterey Bay UAPCD**

#### **Monterey County Mosquito Abatement District**

#### **Moraga-Orinda Fire Protection District**

#### **Municipal Water District of Orange County**

#### **Napa County Mosquito Abatement District**

#### **Nevada County Consolidated Fire District\***

#### **North Central Fire District**

#### **Novato Sanitary District**

#### **Orange County**

#### **Mosquito and Vector Control District**

#### **Orange County Fire Authority\***

#### **Orchard Dale Water District**

Orange County Water District

#### **Pebble Beach Community Services District**

#### **Placer County Air Pollution Control District**

Placer County Resource Conservation District

Placencia Library District

#### **Public Agency Risk Sharing Authority of CA**

#### **Rancho Cucamonga Fire Protection District\***

Rancho Murrieta Community Services District

Rowland Water District

#### **Sacramento Area Flood Control Agency**

San Andreas Sanitary District

San Elijo Joint Powers Authority

#### **San Mateo County MVCD**

Santa Barbara County Law Library

Sewer Authority Mid Coastside

#### **Shasta Valley Cemetery District**

Santa Cruz Regional 9-1-1

South Montebello Irrigation District

#### **South Coast Water District**

South Orange County Wastewater Authority

South Placer Fire Protection District

#### **Southern Marin Fire Protection District**

Superior Court of CA, County of Contra Costa

Superior Court of CA, County of Imperial

#### **Superior Court of CA, County of Inyo**

#### **Superior Court of CA, County of Kern**

Superior Court of CA, County of Marin

Superior Court of CA, County of Merced

Superior Court of CA, County of Orange

Superior Court of CA, County of San Mateo

Superior Court of CA, County of Shasta

Superior Court of CA, County of Siskiyou

Superior Court of CA, County of Sonoma

#### **Sweetwater Springs Water District\***

#### **Three Valleys Municipal Water District**

#### **Twentynine Palms Water District\***

Ventura Regional Sanitation District

Walnut Valley Water District

#### **West Bay Sanitary District**

West County Wastewater District

#### **Western Riverside Council of Governments**

#### **Yorba Linda Water District**

## EDUCATION DISTRICTS (2)

Sonoma County Office of Education

Intelcom

**Bolded agencies** have adopted PRSP

\* PRSP only



# OPEB/PENSION CLIENT LIST

Updated June 2020

## CITIES & TOWNS (124)

**Alameda**  
Alhambra  
**Anaheim**  
**Atherton**  
**Atwater**  
Bakersfield  
**Bell Gardens**  
**Beverly Hills**  
**Brea\***  
**Brisbane**  
**Burlingame\***  
**Camarillo**  
**Capitola\***  
**Chino Hills**  
**Colma**  
**Commerce**  
**Corcoran\***  
**Coronado**  
**Costa Mesa**  
Covina  
Crescent City  
**Cudahy**  
**Cupertino**  
**Cypress\***  
**Daly City**  
**Del Rey Oaks**  
**Dinuba**  
**Duarte**  
**Dublin**  
**El Centro\***  
**El Segundo\***  
Elk Grove  
**Emeryville**  
**Escondido**  
**Fairfax**  
**Fairfield**  
**Fountain Valley**  
**Fullerton**  
Galt  
**Garden Grove**  
**Gilroy**  
**Glendale**  
**Grass Valley**  
**Half Moon Bay**  
**Healdsburg\***  
Hemet  
**Hercules**  
Hermosa Beach  
**Huntington Beach**  
**Indian Wells**  
**Indio**  
**La Habra**  
**La Mesa\***  
La Verne  
**La Quinta**  
**Laguna Niguel**  
**Lake Forest**  
Lakewood  
**Lemon Grove**  
Livermore  
**Lodi**  
**Los Alamitos**  
**Los Altos Hills**  
**Los Gatos**  
Mammoth Lakes  
**Manhattan Beach**  
**Merced**  
**Monrovia**  
**Morgan Hill**  
**Napa**

**National City**  
**Norwalk**  
**Novato**  
**Oakley**  
Orinda  
**Oroville**  
**Palo Alto**  
**Palmdale**  
**Pasadena**  
**Perris**  
**Pico Rivera**  
**Piedmont**  
**Pinole\***  
**Pittsburg**  
**Pleasanton**  
**Port Hueneme**  
**Rancho Cucamonga\***  
**Riverside**  
Redding  
**Redwood City**  
Rialto  
Richmond  
**Riverside**  
**Rohnert Park**  
**Rolling Hills**  
Rosemead  
**Ross**  
**San Anselmo**  
San Leandro  
**San Ramon**  
**Santa Ana**  
**Santa Clara**  
Santa Clarita  
**Sausalito**  
**Selma**

**Solana Beach**  
**Stanton**  
**Stockton**  
**Taft**  
**Temecula**  
Temple City  
**Thousand Oaks\***  
**Tiburon**  
**Tustin**  
**Union City**  
**Upland**  
**Vallejo**  
**Villa Park**  
**West Covina**  
**West Sacramento**  
**Westminster\***  
**Woodland**  
**Woodside**  
**Yountville**  
**Yuba City**  
**Yucca Valley**

## COUNTIES (28)

Amador  
**Calaveras**  
**Colusa**  
Contra Costa  
**Humboldt**  
Imperial  
Inyo  
Kern  
**Kings**  
**Lake**  
**Lassen**  
Merced  
Mono  
**Napa**  
**Nevada**  
**Placer**  
**Plumas**  
**Riverside**  
**San Benito**  
Shasta  
**Siskiyou**  
**Solano**  
Sonoma  
**Sutter**  
Trinity  
**Tulare**  
**Yolo**  
**Yuba**

**Bolded agencies** have adopted PRSP

\* PRSP only

# OPEB/PENSION CLIENT LIST (CONT.)

Updated June 2020

## SCHOOL DISTRICTS (49)

### **Alisal Union School District**

Auburn Union School District

Alta Loma School District

### **Bass Lake Joint Union Elementary School District**

Bellflower Unified School District

### **Beverly Hills Unified School District**

### **Calistoga Joint Unified School District**

### **Campbell Union High School District**

Compton Unified School District

### **Corning Union Elementary School District**

### **Coronado Unified School District**

### **Cotati-Rohnert Park Unified School District**

El Dorado Union High School District

### **El Monte Union High School District**

### **Fontana Unified School District\***

Fowler Unified School District

### **Hermosa Beach City School District**

### **Hesperia Unified School District**

John Swett Unified School District

### **Lakeside Union School District**

### **Lemon Grove School District**

### **Lindsay Unified School District**

### **Madera Unified School District**

Manteca Unified School District

Moreno Valley Unified School District

Napa Valley Unified School District

### **Natomas Unified School District**

Newport-Mesa Unified School District

### **Ocean View School District**

### **Ontario-Montclair School District**

Orcutt Unified School District

Palmdale School District

### **Placer Union High School District**

Poway Unified School District

Red Bluff Joint Union High School District

Red Bluff Union Elementary School District

### **River Delta Unified School District**

Riverdale Joint Union School District

San Bruno Park School District

San Dieguito Union High School District

### **San Marino Unified School District**

Santa Barbara Unified School District

### **Santa Rita Union School District**

Trona Joint Unified School District

Twin Rivers Unified School District

### **Visalia Unified School District**

Westside Union School District

### **Whittier City School District**

Wilsona School District

## COMMUNITY COLLEGE DISTRICTS (17)

### **Citrus CCD\***

### **Coast CCD\***

### **Grossmont-Cuyamaca CCD**

### **Hartnell CCD\***

### **Imperial CCD**

### **Marin CCD**

Palo Verde CCD

### **Pasadena CCD**

### **Rancho Santiago CCD**

### **Rio Hondo CCD**

### **San Bernardino CCD**

### **San Luis Obispo CCD**

### **(Cuesta College)\***

State Center CCD

### **Victor Valley CCD\***

### **West-Valley Mission CCD\***

### **Yosemite CCD**

**Bolded agencies** have adopted PRSP

\* PRSP only



# PARS OPEB TRUST PROGRAM

*for prefunding Other Post-Employment Benefits*

# OPEB ACTUARIAL RESULTS

Valuation Date: June 30, 2017	Pay-as-you-Go Discount Rate: 3.58%	Percent Change	Prefunding Discount Rate: 7.00%
Total OPEB Liability (TOL)	\$2,810,101	30-36% ▼	?
Fiduciary Net Position	\$0	--	\$0
Net OPEB Liability (NOL)	\$2,810,101	30-36% ▼	?
Service Cost for FY 2018-19	\$143,129	30-36% ▼	?
Annual Benefit Payments (Pay-as-you-Go) for FY 2018-19	\$137,416	--	\$137,416

**Rule of thumb:** For every one percent increase in the discount rate, the unfunded liability is lowered by 10-12%.

# WHY PREFUND OPEB OBLIGATIONS?

1

## Financial Reporting

GFOA recommends prefunding OPEB and has considered it a “best practice” since January 2012.

2

## Local Control

Agency maintains autonomy over assets, contributions, disbursements, timing and investment risk tolerance

3

## Protection

Funds in the trust are set-aside and protected from diversion for uses other than retiree healthcare

4

## Diversified Investing

Assets can be diversely invested and may achieve long-term greater returns than your general fund/treasury pool, increasing the discount rate used in actuarial valuations

5

## Financial Stability

Contributions into trust and associated earnings are considered “assets” that address liabilities on financial statements.

6

## Long-Term Planning

Prefunding can help hedge against healthcare inflation, longer life expectancies for retirees and the “baby boom” retirement surge

*The*

# **PARS PENSION RATE STABILIZATION PROGRAM**

*for prefunding pension obligations*



# PENSION FUNDING STATUS

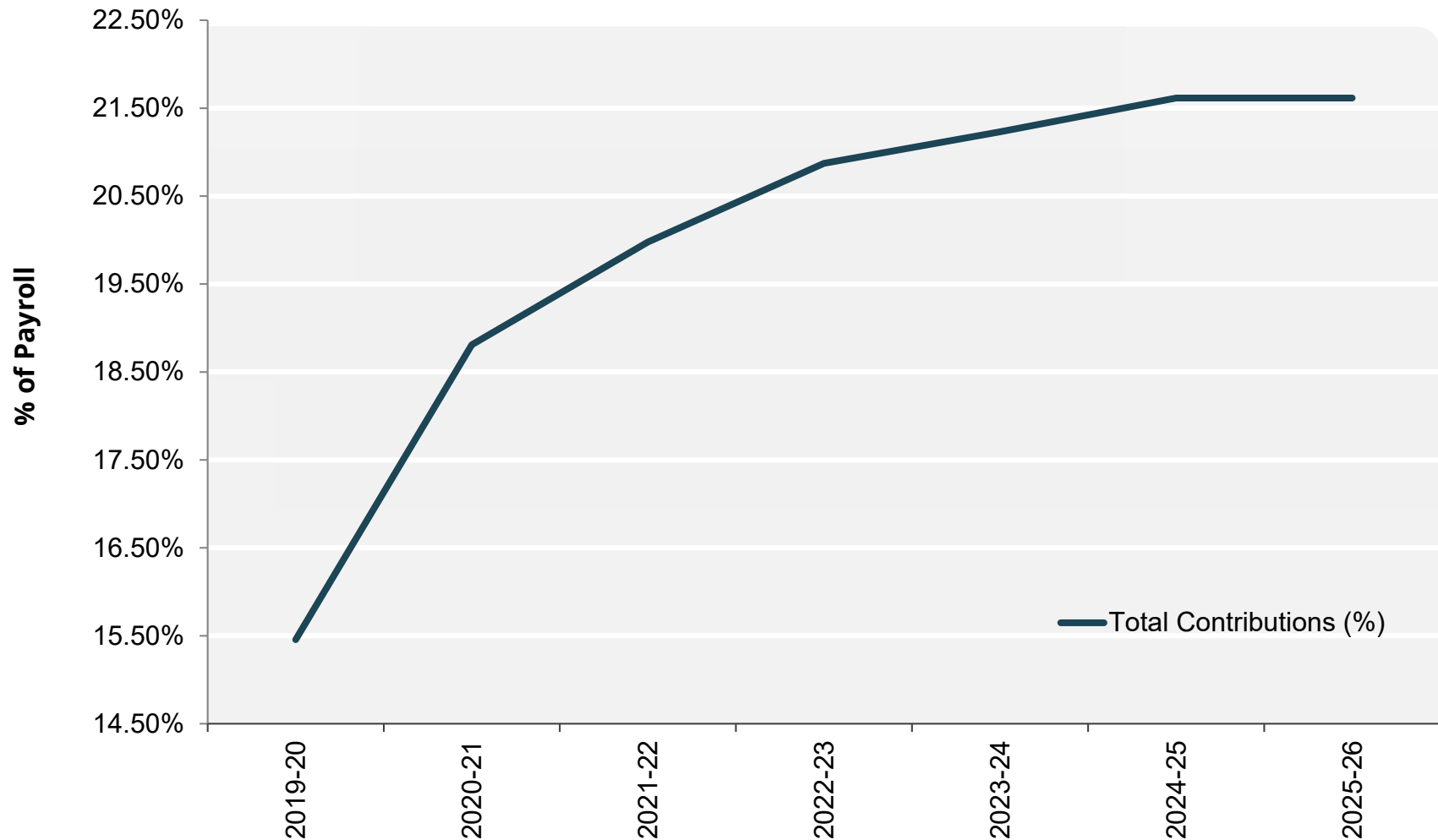
As of June 30, 2018, South Bay Regional PCA's CalPERS pension plan is funded as follows\*:

<b>Actuarial Liability</b>	<b>\$32.9 M</b>
Assets	\$25.2 M
Unfunded Liability	\$7.7 M
Funded Ratio	76.7%
Employer Contribution Amount (FY 19-20)	\$0.9 M
Projected Employer Contribution Amount (FY 25-26)	\$1.5 M (58.0% ↑)

\* Data through 2025-26 from Agency's latest CalPERS actuarial valuation.

# PROJECTED EMPLOYER CONTRIBUTIONS (MISC.)

Projected misc. contributions increase from \$0.9M to \$1.5M\* (58.0% ↑)



\* Data through 2025-26 from Agency's latest CalPERS actuarial valuation.

# WHY PREFUND PENSION OBLIGATIONS?

---

## **1. Complete Local Control over Assets**

Agency has complete control over assets, including contributions, disbursements and the timing, amount, and risk tolerance level of investments

## **2. Pension Rate Stabilization**

Assets can be transferred to the retirement system at the Agency's direction, potentially reducing/eliminating large fluctuations in employer contribution amounts

## **3. Rainy Day Fund**

Emergency source of funds when employer revenues are strained in difficult budgetary or economic times

## **4. Diversified Investing**

The PARS Trust allows for investment flexibility and offers the potential for assets to earn greater returns than the general fund

# INVESTMENT FLEXIBILITY

---

- Agency maintains oversight of the investment manager and the portfolio's risk tolerance level
- Investment restrictions that apply to the general fund (CA Government Code 53601) are not applicable to assets held in The PARS Section 115 Irrevocable Trust
- Assets held in The PARS Section 115 Irrevocable Trust can be invested per Government Code Sections 53216 (Pension) and 53620 (OPEB)
- Investments can be diversified and invested in a prudent fashion
- Investments can be tailored to the Agency's unique demographics and needs
- Increased risk diversification



## Diversified Investing

Assets held in The PARS Section 115 Irrevocable Trust can be diversely invested in a prudent fashion per Government Code Sections 53216 (Pension) and 53620 (OPEB).

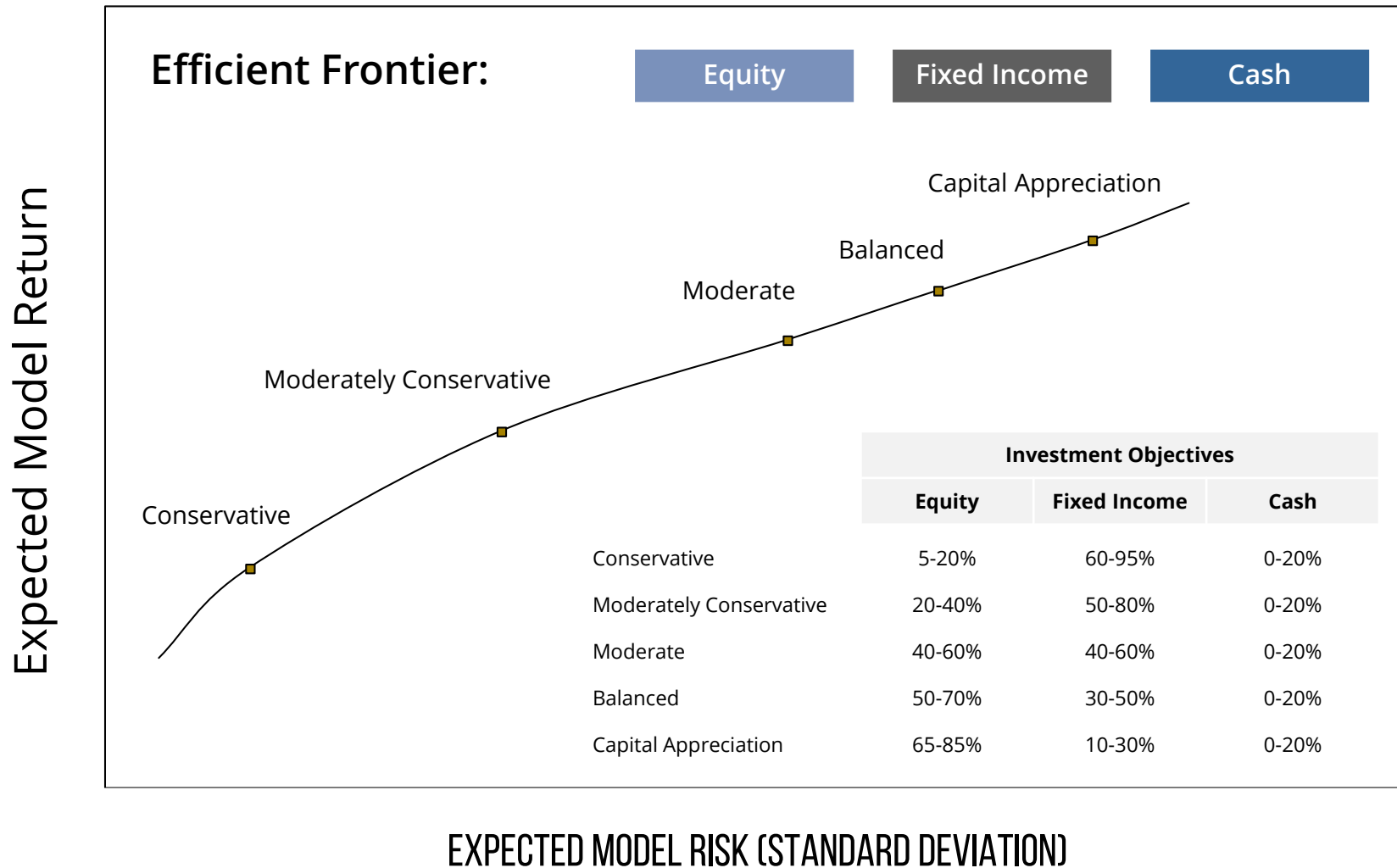
**GOV § 53216 (Pension)**

**GOV § 53620 (OPEB)**



# INVESTMENT STRATEGIES

## PARS ASSET ALLOCATION STRATEGIES



# HIGHMARK CAPITAL MANAGEMENT

As of May 31, 2020

## ACTIVE PORTFOLIO RETURNS

Strategy	Equity (%)	1 Year	3 Years	5 Years	10 Years
Capital Appreciation	65-85%	5.56%	5.69%	5.74%	8.48%
Balanced	50-70%	5.79%	5.48%	5.31%	7.70%
Moderate	40-60%	5.75%	5.19%	5.00%	7.02%
Moderately Conservative	20-40%	5.91%	4.71%	4.33%	5.70%
Conservative	5-20%	6.30%	4.48%	3.91%	4.59%

*\* Past performance does not guarantee future results*

# PROGRAM FEES

As of May 31, 2020

## Trust Administration/Consulting Fees\*



### Plan Set-Up Fee:

None

### Ongoing Fees:

0.25%	for assets \$0-10 million
0.20%	for assets \$10-15 million
0.15%	for assets \$15-50 million
0.10%	for assets over \$50 million

## Discretionary Trustee/Investment Management Fees\*\*



### Plan Set-Up Fee:

None

### Ongoing Fees:

0.35%	for assets under \$5 million
0.25%	for assets \$5-10 million
0.20%	for assets \$10-15 million
0.15%	for assets \$15-50 million
0.10%	for assets over \$50 million

\* PARS does not receive any compensation from the investments or any commissions, back-end loads, or any other forms of compensation.

\*\* Subject to change due to rebalancing.

# STEPS TO IMPLEMENTATION

---

- 1.** Board authorizes establishment of The PARS Trust and appoints a Plan Administrator
- 2.** PARS provides legal documents for signature by Plan Administrator
- 3.** Agency develops investment policy and guidelines for Investment Manager
- 4.** Agency approves initial deposit to The PARS Trust
- 5.** Agency develops policies & procedures for future annual contributions and/or disbursements
- 6.** PARS conducts an annual client services review

# ADVANTAGES OF THE PARS TRUST

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## SECURITY

- Strong trustee — U.S. Bank — 5th largest commercial bank in the nation, serving 25 states
- Discretionary trustee — highest level of fiduciary protection
- IRS Private Letter Ruling of PARS Combination Trust and compliance with CA Government Code

## FLEXIBILITY

- Investments — 10 asset allocation strategies — 5 active / 5 index; Custom strategies also available
- Senior Portfolio Manager will make recommendation and assist with Investment Policy Statement (IPS)
- Termination — Can be immediate with funds transfer to underlying system

## EFFICIENCY

- Easy to adopt master trust
- Signature-ready, legally vetted documents
- Streamlined process (implementation within 30 days or less)
- Agent Multiple Employer Trust structure

## SCALE/SERVICE

- Economies of Scale — Combined asset growth without risk-sharing; using lower cost institutional funds and individual issued securities
- Simple Fee Structure — Asset based, fee schedule declines as assets grow, no minimum fees
- Personal service — PARS Consultant & HighMark Capital Management Senior Portfolio Manager dedicated to the Authority

# CONTACTS

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**Rachael Sanders**  
**Senior Manager, Consulting**  
(800) 540-6369 x121  
rsanders@pars.org

## PARS DIVERSIFIED PORTFOLIOS CONSERVATIVE

Q1 2020

### WHY THE PARS DIVERSIFIED CONSERVATIVE PORTFOLIO?

#### Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

#### Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

#### Flexible Investment Options

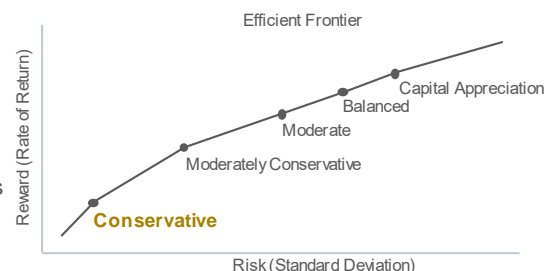
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

#### Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

### INVESTMENT OBJECTIVE

To provide a consistent level of inflation-protected income over the long-term. The major portion of the assets will be fixed income related. Equity securities are utilized to provide inflation protection.



### ASSET ALLOCATION — CONSERVATIVE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	5 – 20%	15%	14%
Fixed Income	60 – 95%	80%	81%
Cash	0 – 20%	5%	5%

### ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

#### HighMarkPlusComposite (Active)

Current Quarter*	-4.29%
Blended Benchmark*, **	-1.91%
Year To Date*	-4.29%
Blended Benchmark*, **	-1.91%
1 Year	1.61%
Blended Benchmark**	3.84%
3 Year	3.18%
Blended Benchmark**	3.67%
5 Year	2.80%
Blended Benchmark**	3.03%
10 Year	3.98%
Blended Benchmark**	3.76%

#### Index PlusComposite (Passive)

Current Quarter*	-1.77%
Blended Benchmark*, **	-1.91%
Year To Date*	-1.77%
Blended Benchmark*, **	-1.91%
1 Year	3.97%
Blended Benchmark**	3.84%
3 Year	3.71%
Blended Benchmark**	3.67%
5 Year	2.98%
Blended Benchmark**	3.03%
10 Year	3.93%
Blended Benchmark**	3.76%

\* Returns less than one year are not annualized. \*\*Breakdown for Blended Benchmark: From 10/1/2012 - Present: 7.5% S&P500, 1.5% Russell Mid Cap, 2.5% Russell 2000, 1% MSCI EM (net), 2% MSCI EAFE (net), 52.25% BBG Barclays US Agg, 25.75% ICE BofA 1-3 Yr US Corp/Govt, 2% ICE BofA US High Yield Master II, 0.5% Wilshire REIT, and 5% FTSE 1 Mth T-Bill. From 4/1/2007 - 9/30/2012, the blended benchmark was 12% S&P 500, 1% Russell 2000, 2% MSCI EAFE (net), 40% ICE BofA 1-3 Year Corp./Govt, 40% BBG Barclays US Agg, 5% FTSE 1 Mth T-Bill. Prior to April 2007: the blended benchmark was 15% S&P 500, 40% ICE BofA 1-3Yr Corp/Govt, 40% BBG Barclays US Agg, and 5% FTSE 1 Mth T-Bill.

### ANNUAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

#### HighMarkPlusComposite (Active)

2008	-9.04%
2009	15.59%
2010	8.68%
2011	2.19%
2012	8.45%
2013	3.69%
2014	3.88%
2015	0.29%
2016	4.18%
2017	6.73%
2018	-1.35%
2019	11.05%

#### Index PlusComposite (Passive)

2008	-6.70%
2009	10.49%
2010	7.67%
2011	3.70%
2012	6.22%
2013	3.40%
2014	4.32%
2015	0.06%
2016	3.75%
2017	5.52%
2018	-1.09%
2019	10.37%

### PORTFOLIO FACTS

#### HighMarkPlus(Active)

Composite Inception Date	07/2004
No of Holdings in Portfolio	19

#### Index Plus(Passive)

Composite Inception Date	07/2004
No of Holdings in Portfolio	12

## HOLDINGS

### HighMark Plus (Active)

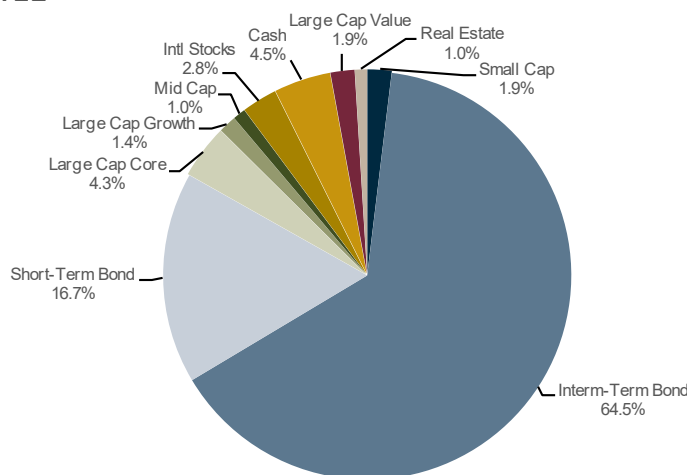
Columbia Contrarian Core I3  
Vanguard Growth & Income Adm  
Dodge & Cox Stock Fund  
iShares S&P 500 Value ETF  
Harbor Capital Appreciation - Retirement  
T. Rowe Price Growth Stock - I  
iShares Russell Mid-Cap ETF  
Vanguard Real Estate ETF  
Undiscovered Managers Behavioral Value-R6  
Victory RS Small Cap Growth - R6  
DFA Large Cap International Portfolio  
Dodge & Cox International Stock  
MFS International Growth - R6  
Hartford Schroders Emerging Markets Eq  
Vanguard Short-Term Invest-Grade Adm  
PIMCO Total Return Fund - Inst  
PGIM Total Return Bond - R6  
DoubleLine Core Fixed Income - I  
First American Government Obligations Z

### Index Plus (Passive)

iShares Core S&P 500 ETF  
iShares S&P 500 Value ETF  
iShares S&P 500 Growth ETF  
iShares Russell Mid-Cap ETF  
Vanguard Real Estate ETF  
iShares Russell 2000 Value ETF  
iShares Russell 2000 Growth ETF  
iShares MSCI EAFE ETF  
Vanguard FTSE Emerging Markets ETF  
Vanguard Short-Term Invest-Grade Adm  
iShares Core U.S. Aggregate  
First American Government Obligations Z

*Holdings are subject to change at the discretion of the investment manager.*

## STYLE



The performance records shown represent size-weighted composites of tax exempt accounts that meet the following criteria: Accounts are managed by HighMark Capital Advisors (HCA) with full investment authority according to the PARS Conservative active and passive objectives.

The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. US Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 0.36% paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio's returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a \$10 million initial value would grow to \$12.53 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. A client's return will be reduced by the advisory fees and other expenses it may incur as a client. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The ICE BofA US High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg Barclays U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The ICE BofA 1-3 Year U.S. Corporate & Government Index tracks the bond performance of the ICE BofA U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged FTSE 1-Month Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

HighMark Capital Management, Inc. (HighMark), an SEC-registered investment adviser, is a wholly owned subsidiary of MUFG Union Bank, N.A. (MUB). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, and public and private retirement plans. MUB, a subsidiary of MUFG Americas Holdings Corporation, provides certain services to HighMark and is compensated for these services. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives. Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.

## HIGHMARK CAPITAL MANAGEMENT

350 California Street  
Suite 1600  
San Francisco, CA 94104  
800-582-4734

### ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has nearly 100 years (including predecessor organizations) of institutional money management experience with \$8.5 billion in assets under management and \$7.7 billion in assets under advisement\*. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

### ABOUT THE PORTFOLIO MANAGEMENT TEAM

#### Andrew Brown, CFA®

Senior Portfolio Manager  
Investment Experience: since 1994  
HighMark Tenure: since 1997  
Education: MBA, University of Southern California; BA, University of Southern California

#### Salvatore "Tory" Milazzo III, CFA®

Senior Portfolio Manager  
Investment Experience: since 2004  
HighMark Tenure: since 2014  
Education: BA, Colgate University

#### J. Keith Stribling, CFA®

Senior Portfolio Manager  
Investment Experience: since 1985  
HighMark Tenure: since 1995  
Education: BA, Stetson University

#### Christiane Tsuda

Senior Portfolio Manager  
Investment Experience: since 1987  
HighMark Tenure: since 2010  
Education: BA, International Christian University, Tokyo

#### Anne Wimmer, CFA®

Senior Portfolio Manager  
Investment Experience: since 1987  
HighMark Tenure: since 2007  
Education: BA, University of California, Santa Barbara

#### Randy Yurchak, CFA®

Senior Portfolio Manager  
Investment Experience: since 2002  
HighMark Tenure: since 2017  
Education: MBA, Arizona State University; BS, University of Washington

#### Asset Allocation Committee

Number of Members: 17  
Average Years of Experience: 26  
Average Tenure (Years): 14

#### Manager Review Group

Number of Members: 7  
Average Years of Experience: 17  
Average Tenure (Years): 8

\*Assets under management ("AUM") include assets for which HighMark provides continuous and regular supervisory and management services. Assets under advisement ("AUA") include assets for which HighMark provides certain investment advisory services (including, but not limited to, investment research and strategies) for client assets of its parent company, MUFG Union Bank, N.A.



## PARS DIVERSIFIED PORTFOLIOS MODERATELY CONSERVATIVE

Q1 2020

### WHY THE PARS DIVERSIFIED MODERATELY CONSERVATIVE PORTFOLIO?

#### Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

#### Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

#### Flexible Investment Options

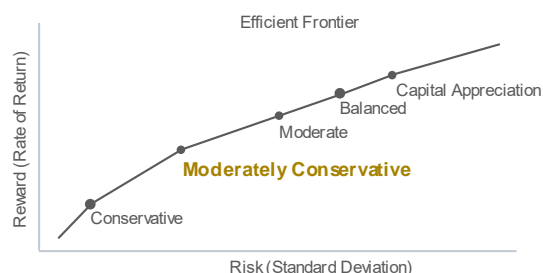
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

#### Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

### INVESTMENT OBJECTIVE

To provide current income, with capital appreciation as a secondary objective. The major portion of the assets is committed to income-producing securities. Market fluctuations should be expected.



### ASSET ALLOCATION — MODERATELY CONSERVATIVE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	20 - 40%	30%	28%
Fixed Income	50 - 80%	65%	67%
Cash	0 - 20%	5%	5%

### ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

#### HighMark Plus Composite (Active)

Current Quarter*	-8.06%
Blended Benchmark*, **	-5.73%
Year To Date*	-8.06%
Blended Benchmark*, **	-5.73%
1 Year	-1.42%
Blended Benchmark**	1.19%
3 Year	2.81%
Blended Benchmark**	3.57%
5 Year	2.85%
Blended Benchmark**	3.34%
10 Year	4.78%
Blended Benchmark**	4.80%

#### Index Plus Composite (Passive)

Current Quarter*	-5.55%
Blended Benchmark*, **	-5.73%
Year To Date*	-5.55%
Blended Benchmark*, **	-5.73%
1 Year	1.18%
Blended Benchmark**	1.19%
3 Year	3.48%
Blended Benchmark**	3.57%
5 Year	3.20%
Blended Benchmark**	3.34%
10 Year	4.82%
Blended Benchmark**	4.80%

\* Returns less than one year are not annualized. \*\* Breakdown for Blended Benchmark: From 10/1/2012 - Present: 15.5% S&P500, 3% Russell Mid Cap, 4.5% Russell 2000, 2% MSCI EM (net), 4% MSCI EAFE (net), 49.25% BBG Barclays US Agg, 14% ICE BofA 1-3 Yr US Corp/Gov't, 1.75% ICE BofA US High Yield Master II, 1% Wilshire REIT, and 5% FTSE 1 Mth T-Bill. From 4/1/2007 - 9/30/2012: the blended benchmark was 25% S&P 500, 1.5% Russell 2000, 3.5% MSCI EAFE (net), 25% ICE BofA 1-3 Year Corp./Gov't, 40% BBG Barclays US Agg, 5% FTSE 1 Mth T-Bill. Prior to April 2007, the blended benchmark was 30% S&P 500, 25% ICE BofA 1-3Yr Corp/Gov't, 40% BBG Barclays US Agg, and 5% FTSE 1 Mth T-Bill.

### ANNUAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

#### HighMark Plus Composite (Active)

2008	-15.37%
2009	18.71%
2010	10.46%
2011	1.75%
2012	10.88%
2013	7.30%
2014	4.41%
2015	0.32%
2016	4.94%
2017	9.56%
2018	-2.60%
2019	13.73%

#### Index Plus Composite (Passive)

2008	-12.40%
2009	11.92%
2010	9.72%
2011	3.24%
2012	8.24%
2013	6.78%
2014	5.40%
2015	-0.18%
2016	5.42%
2017	8.08%
2018	-2.33%
2019	13.53%

### PORTFOLIO FACTS

#### HighMark Plus (Active)

Composite Inception Date	08/2004
No of Holdings in Portfolio	19

#### Index Plus (Passive)

Composite Inception Date	05/2005
No of Holdings in Portfolio	12

## HOLDINGS

### HighMark Plus (Active)

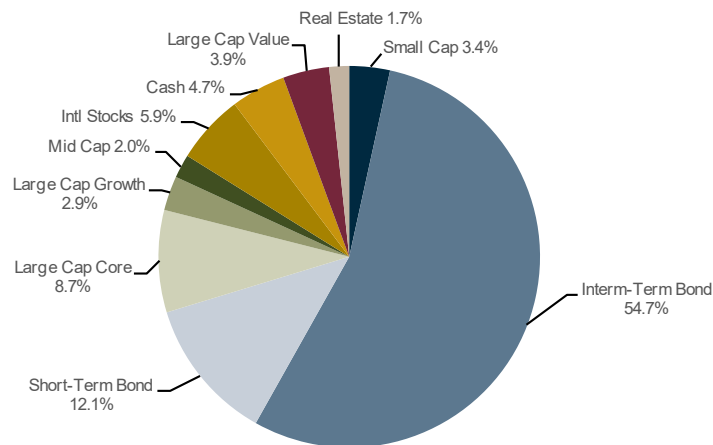
Columbia Contrarian Core I3  
Vanguard Growth & Income Adm  
Dodge & Cox Stock Fund  
iShares S&P 500 Value ETF  
Harbor Capital Appreciation - Retirement  
T. Rowe Price Growth Stock - I  
iShares Russell Mid-Cap ETF  
Vanguard Real Estate ETF  
Undiscovered Managers Behavioral Value-R6  
Victory RS Small Cap Growth - R6  
DFA Large Cap International Portfolio  
Dodge & Cox International Stock  
MFS International Growth - R6  
Hartford Schroders Emerging Markets Eq  
Vanguard Short-Term Invest-Grade Adm  
PIMCO Total Return Fund - Inst  
PGIM Total Return Bond - R6  
DoubleLine Core Fixed Income - I  
First American Government Obligations Z

### Index Plus (Passive)

iShares Core S&P 500 ETF  
iShares S&P 500 Value ETF  
iShares S&P 500 Growth ETF  
iShares Russell Mid-Cap ETF  
Vanguard Real Estate ETF  
iShares Russell 2000 Value ETF  
iShares Russell 2000 Growth ETF  
iShares MSCI EAFE ETF  
Vanguard FTSE Emerging Markets ETF  
Vanguard Short-Term Invest-Grade Adm  
iShares Core U.S. Aggregate  
First American Government Obligations Z

*Holdings are subject to change at the discretion of the investment manager.*

## STYLE



The performance records shown represent a size-weighted composite of tax exempt accounts that meet the following criteria: Accounts are managed by HighMark Capital Advisors (HCA) with full investment authority according to the PARS Moderately Conservative active and passive objectives.

The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. US Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 0.36% paid to HighMark as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio's returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a \$10 million initial value would grow to \$12.53 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. A client's return will be reduced by the advisory fees and other expenses it may incur as a client. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The ICE BofA US High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg Barclays U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The ICE BofA 1-3 Year U.S. Corporate & Government Index tracks the bond performance of the ICE BofA U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged FTSE 1-Month Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

HighMark Capital Management, Inc. (HighMark), an SEC-registered investment adviser, is a wholly owned subsidiary of MUFG Union Bank, N.A. (MUB). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, and public and private retirement plans. MUB, a subsidiary of MUFG Americas Holdings Corporation, provides certain services to HighMark and is compensated for these services. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives. Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.

## HIGHMARK CAPITAL MANAGEMENT

350 California Street  
Suite 1600  
San Francisco, CA 94104  
800-582-4734

### ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has nearly 100 years (including predecessor organizations) of institutional money management experience with \$8.5 billion in assets under management and \$7.7 billion in assets under advisement\*. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

### ABOUT THE PORTFOLIO MANAGEMENT TEAM

#### Andrew Brown, CFA®

Senior Portfolio Manager  
Investment Experience: since 1994  
HighMark Tenure: since 1997  
Education: MBA, University of Southern California; BA, University of Southern California

#### Salvatore "Tory" Milazzo III, CFA®

Senior Portfolio Manager  
Investment Experience: since 2004  
HighMark Tenure: since 2014  
Education: BA, Colgate University

#### J. Keith Stribling, CFA®

Senior Portfolio Manager  
Investment Experience: since 1985  
HighMark Tenure: since 1995  
Education: BA, Stetson University

#### Christiane Tsuda

Senior Portfolio Manager  
Investment Experience: since 1987  
HighMark Tenure: since 2010  
Education: BA, International Christian University, Tokyo

#### Anne Wimmer, CFA®

Senior Portfolio Manager  
Investment Experience: since 1987  
HighMark Tenure: since 2007  
Education: BA, University of California, Santa Barbara

#### Randy Yurchak, CFA®

Senior Portfolio Manager  
Investment Experience: since 2002  
HighMark Tenure: since 2017  
Education: MBA, Arizona State University; BS, University of Washington

#### Asset Allocation Committee

Number of Members: 17  
Average Years of Experience: 26  
Average Tenure (Years): 14

#### Manager Review Group

Number of Members: 7  
Average Years of Experience: 17  
Average Tenure (Years): 8

\*Assets under management ("AUM") include assets for which HighMark provides continuous and regular supervisory and management services. Assets under advisement ("AUA") include assets for which HighMark provides certain investment advisory services (including, but not limited to, investment research and strategies) for client assets of its parent company, MUFG Union Bank, N.A.

## PARS DIVERSIFIED PORTFOLIOS MODERATE

Q1 2020

### WHY THE PARS DIVERSIFIED MODERATE PORTFOLIO?

#### Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

#### Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

#### Flexible Investment Options

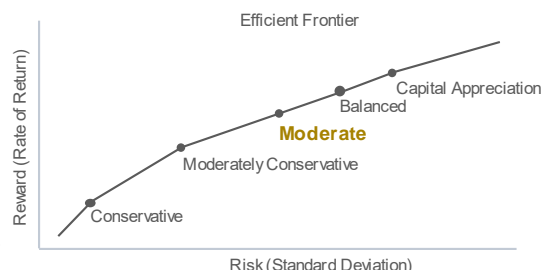
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

#### Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

### INVESTMENT OBJECTIVE

To provide current income and moderate capital appreciation. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important.



### ASSET ALLOCATION — MODERATE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	40 - 60%	50%	47%
Fixed Income	40 - 60%	45%	48%
Cash	0 - 20%	5%	5%

### ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

#### HighMark Plus Composite (Active)

Current Quarter*	-12.47%
Blended Benchmark*, **	-10.90%
Year To Date*	-12.47%
Blended Benchmark*, **	-10.90%
1 Year	-4.81%
Blended Benchmark**	-2.88%
3 Year	2.57%
Blended Benchmark**	3.10%
5 Year	3.11%
Blended Benchmark**	3.55%
10 Year	5.63%
Blended Benchmark**	5.93%

#### Index Plus Composite (Passive)

Current Quarter*	-10.69%
Blended Benchmark*, **	-10.90%
Year To Date*	-10.69%
Blended Benchmark*, **	-10.90%
1 Year	-2.96%
Blended Benchmark**	-2.88%
3 Year	2.93%
Blended Benchmark**	3.10%
5 Year	3.29%
Blended Benchmark**	3.55%
10 Year	5.77%
Blended Benchmark**	5.93%

\* Returns less than one year are not annualized. \*\* Breakdown for Blended Benchmark: From 10/1/2012 – Present: 26.5% S&P 500, 5% Russell Mid Cap, 7.5% Russell 2000, 32.5% MSCI EM (net), 6% MSCI EAFE (net), 33.50% BBG Barclays US Agg, 10% ICE BofA 1-3 Yr US Corp/Govt, 1.50% ICE BofA US High Yield Master II, 1.75% Wishfire REIT, and 5% FTSE 1 Mth T-Bill. From 4/1/2007 – 9/30/2012: the blended benchmark was 43% S&P 500, 2% Russell 2000, 5% MSCI EAFE (net), 15% ICE BofA 1-3 Yr Corp/Govt, 30% BBG Barclays US Agg, 5% FTSE 1 Mth T-Bill. Prior to April 2007: the blended benchmark was 50% S&P 500, 15% ICE BofA 1-3Yr Corp/Govt, 30% BBG Barclays US Agg, and 5% FTSE 1 Mth T-Bill.

### ANNUAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

#### HighMark Plus Composite (Active)

2008	-22.88%
2009	21.47%
2010	12.42%
2011	0.55%
2012	12.25%
2013	13.06%
2014	4.84%
2015	0.14%
2016	6.45%
2017	13.19%
2018	-4.03%
2019	17.71%

#### Index Plus Composite (Passive)

2008	-18.14%
2009	16.05%
2010	11.77%
2011	2.29%
2012	10.91%
2013	12.79%
2014	5.72%
2015	-0.52%
2016	7.23%
2017	11.59%
2018	-4.03%
2019	17.52%

### PORTFOLIO FACTS

#### HighMark Plus (Active)

Composite Inception Date	10/2004
No of Holdings in Portfolio	19

#### Index Plus (Passive)

Composite Inception Date	05/2006
No of Holdings in Portfolio	12

## HOLDINGS

### HighMark Plus (Active)

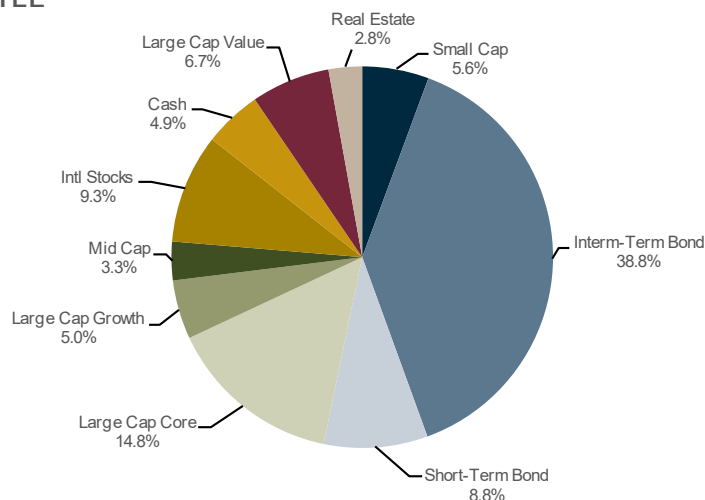
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Victory RS Small Cap Growth - R6  
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First American Government Obligations Z

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iShares S&P 500 Value ETF  
iShares S&P 500 Growth ETF  
iShares Russell Mid-Cap ETF  
Vanguard Real Estate ETF  
iShares Russell 2000 Value ETF  
iShares Russell 2000 Growth ETF  
iShares MSCI EAFE ETF  
Vanguard FTSE Emerging Markets ETF  
Vanguard Short-Term Invest-Grade Adm  
iShares Core U.S. Aggregate  
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## STYLE



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## HIGHMARK CAPITAL MANAGEMENT

350 California Street  
Suite 1600  
San Francisco, CA 94104  
800-582-4734

### ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has nearly 100 years (including predecessor organizations) of institutional money management experience with \$8.5 billion in assets under management and \$7.7 billion in assets under advisement\*. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

### ABOUT THE PORTFOLIO MANAGEMENT TEAM

#### Andrew Brown, CFA®

Senior Portfolio Manager

Investment Experience: since 1994

HighMark Tenure: since 1997

Education: MBA, University of Southern California; BA, University of Southern California

#### Salvatore "Tory" Milazzo III, CFA®

Senior Portfolio Manager

Investment Experience: since 2004

HighMark Tenure: since 2014

Education: BA, Colgate University

#### J. Keith Stribling, CFA®

Senior Portfolio Manager

Investment Experience: since 1985

HighMark Tenure: since 1995

Education: BA, Stetson University

#### Christiane Tsuda

Senior Portfolio Manager

Investment Experience: since 1987

HighMark Tenure: since 2010

Education: BA, International Christian University, Tokyo

#### Anne Wimmer, CFA®

Senior Portfolio Manager

Investment Experience: since 1987

HighMark Tenure: since 2007

Education: BA, University of California, Santa Barbara

#### Randy Yurchak, CFA®

Senior Portfolio Manager

Investment Experience: since 2002

HighMark Tenure: since 2017

Education: MBA, Arizona State University;

BS, University of Washington

#### Asset Allocation Committee

Number of Members: 17

Average Years of Experience: 26

Average Tenure (Years): 14

#### Manager Review Group

Number of Members: 7

Average Years of Experience: 17

Average Tenure (Years): 8

\*Assets under management ("AUM") include assets for which HighMark provides continuous and regular supervisory and management services. Assets under advisement ("AUA") include assets for which HighMark provides certain investment advisory services (including, but not limited to, investment research and strategies) for client assets of its parent company, MUFG Union Bank, N.A.



## PARS DIVERSIFIED PORTFOLIOS BALANCED

Q1 2020

### WHY THE PARS DIVERSIFIED BALANCED PORTFOLIO?

#### Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

#### Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

#### Flexible Investment Options

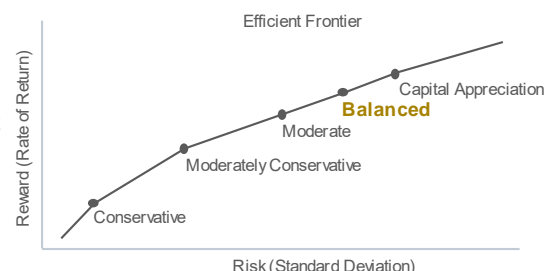
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

#### Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

### INVESTMENT OBJECTIVE

To provide growth of principal and income. While dividend and interest income are an important component of the objective's total return, it is expected that capital appreciation will comprise a larger portion of the total return.



### ASSET ALLOCATION — BALANCED PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	50 – 70%	60%	57%
Fixed Income	30 – 50%	35%	38%
Cash	0 – 20%	5%	5%

### ANNUALIZED TOTAL RETURNS

(Gross of Investment Management Fees, but Net of Embedded Fund Fees)

#### HighMark Plus Composite (Active)

Current Quarter*	-14.65%
Blended Benchmark*, **	-13.38%
Year To Date*	-14.65%
Blended Benchmark*, **	-13.38%
1 Year	-6.53%
Blended Benchmark**	-4.85%
3 Year	2.49%
Blended Benchmark**	2.86%
5 Year	3.18%
Blended Benchmark**	3.63%
10 Year	6.10%
Blended Benchmark**	6.54%

#### Index Plus Composite (Passive)

Current Quarter*	-13.12%
Blended Benchmark*, **	-13.38%
Year To Date*	-13.12%
Blended Benchmark*, **	-13.38%
1 Year	-4.86%
Blended Benchmark**	-4.85%
3 Year	2.60%
Blended Benchmark**	2.86%
5 Year	3.31%
Blended Benchmark**	3.63%
10 Year	6.18%
Blended Benchmark**	6.54%

\* Returns less than one year are not annualized. \*\*Breakdown for Blended Benchmark: From 10/1/2012 – Present: 32% S&P500, 6% Russell Mid Cap, 9% Russell 2000, 4% MSCI EM (net), 7% MSCI EAFE (net), 27% BBG Barclays US Agg, 6.75% ICE BofA 1-3 Yr US Corp/Gov't, 1.25% ICE BofA US High Yield Master II, 2% Wilshire REIT, and 5% FTSE 1 Mth T-Bill. From 4/1/2007 – 9/30/2012: the blended benchmark was 51% S&P 500, 3% Russell 2000, 6% MSCI EAFE (net), 5% ICE BofA 1-3 Year Corp/Gov't, 30% BBG Barclays US Agg, 5% FTSE 1 Mth T-Bill. Prior to April 2007: the blended benchmark was 60% S&P 500, 5% ICE BofA 1-3 Yr Corp/Gov't, 30% BBG Barclays US Agg, and 5% FTSE 1 Mth T-Bill.

### ANNUAL RETURNS

(Gross of Investment Management Fees, but Net of Embedded Fund Fees)

#### HighMark Plus Composite (Active)

2008	-25.72%
2009	21.36%
2010	14.11%
2011	-0.46%
2012	13.25%
2013	16.61%
2014	4.70%
2015	0.04%
2016	6.81%
2017	15.46%
2018	-4.88%
2019	19.85%

#### Index Plus Composite (Passive)

2008	-23.22%
2009	17.62%
2010	12.76%
2011	1.60%
2012	11.93%
2013	15.63%
2014	6.08%
2015	-0.81%
2016	8.25%
2017	13.39%
2018	-5.05%
2019	19.59%

### PORTFOLIO FACTS

#### HighMark Plus (Active)

Composite Inception Date	10/2006
No of Holdings in Portfolio	19

#### Index Plus (Passive)

Composite Inception Date	10/2007
No of Holdings in Portfolio	12

## HOLDINGS

### HighMark Plus (Active)

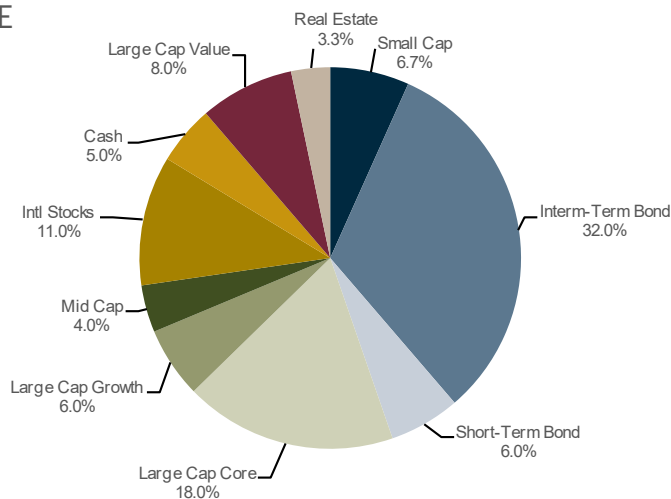
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PGIM Total Return Bond - R6  
DoubleLine Core Fixed Income - I  
First American Government Obligations Z

### Index Plus (Passive)

iShares Core S&P 500 ETF  
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First American Government Obligations Z

*Holdings are subject to change at the discretion of the investment manager.*

## STYLE



The performance records shown represent size-weighted composites of tax exempt accounts that meet the following criteria: Accounts are managed by HighMark Capital Advisors (HCA) with full investment authority according to the PARS Balanced active and passive objectives.

The composite name has been changed from PARS Balanced/Moderately Aggressive to PARS Balanced on 5/1/2013. The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. US Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 0.36% paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio's returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a \$10 million initial value would grow to \$12.53 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. A client's return will be reduced by the advisory fees and other expenses it may incur as a client. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The ICE BofA US High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg Barclays U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The ICE BofA 1-3 Year U.S. Corporate & Government Index tracks the bond performance of the ICE BofA U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged FTSE 1-Month Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

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Number of Members: 17

Average Years of Experience: 26

Average Tenure (Years): 14

### Manager Review Group

Number of Members: 7

Average Years of Experience: 17

Average Tenure (Years): 8

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## PARS DIVERSIFIED PORTFOLIOS CAPITAL APPRECIATION

Q1 2020

### WHY THE PARS DIVERSIFIED CAPITAL APPRECIATION PORTFOLIO?

#### Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

#### Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

#### Flexible Investment Options

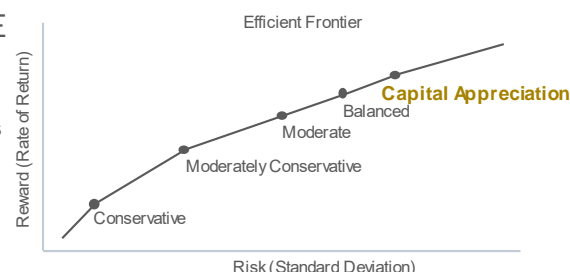
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

#### Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

### INVESTMENT OBJECTIVE

To provide growth of principal. The major portion of the assets are invested in equity securities and market fluctuations are expected.



### ASSET ALLOCATION — CAPITAL APPRECIATION PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	65 - 85%	75%	71%
Fixed Income	10 - 30%	20%	24%
Cash	0 - 20%	5%	5%

### ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

#### Consolidated Composite

Current Quarter*	-17.28%
Blended Benchmark*, **	-17.02%
Year To Date*	-17.28%
Blended Benchmark*, **	-17.02%
1 Year	-8.52%
Blended Benchmark**	-7.86%
3 Year	2.19%
Blended Benchmark**	2.38%
5 Year	3.38%
Blended Benchmark**	3.64%
10 Year	6.55%
Blended Benchmark**	7.03%

\* Returns less than one year are not annualized. \*\*Breakdown for Blended Benchmark: 39.5% S&P500, 7.5% Russell Mid Cap, 10.5% Russell 2000, 5.25% MSCI EM (net), 10.25% MSCI EAFE (net), 16% BBG Barclays US Agg, 3% ICE BofA 1-3 Yr US Corp/Gov't, 1% ICE BofA US High Yield Master II, 2% iShares REIT, and 5% FTSE 1 Mth T-Bill.

### ANNUAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

#### Consolidated Composite

2008	N/A
2009	23.77%
2010	12.95%
2011	-1.35%
2012	13.87%
2013	20.33%
2014	6.05%
2015	-0.27%
2016	8.81%
2017	16.72%
2018	-5.82%
2019	22.62%

### PORTFOLIO FACTS

#### Consolidated Composite

Composite Inception Date	01/2009
No of Holdings in Portfolio	19

## HOLDINGS

### HighMark Plus (Active)

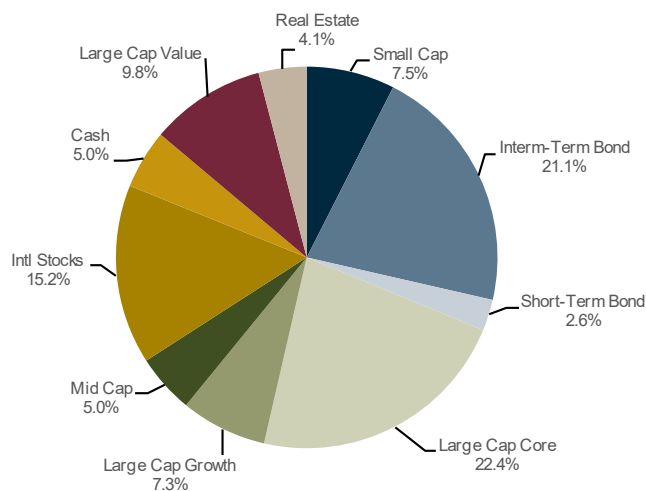
Columbia Contrarian Core I3  
Vanguard Growth & Income Adm  
Dodge & Cox Stock Fund  
iShares S&P 500 Value ETF  
Harbor Capital Appreciation – Retirement  
T. Rowe Price Growth Stock - I  
iShares Russell Mid-Cap ETF  
Vanguard Real Estate ETF  
Undiscovered Managers Behavioral Value-R6  
Victory RS Small Cap Growth - R6  
DFA Large Cap International Portfolio  
Dodge & Cox International Stock  
MFS International Growth - R6  
Hartford Schroders Emerging Markets Eq  
Vanguard Short-Term Invest-Grade Adm  
PIMCO Total Return Fund - Inst  
PGIM Total Return Bond - R6  
DoubleLine Core Fixed Income - I  
First American Government Obligations Z

### Index Plus (Passive)

iShares Core S&P 500 ETF  
iShares S&P 500 Value ETF  
iShares S&P 500 Growth ETF  
iShares Russell Mid-Cap ETF  
Vanguard Real Estate ETF  
iShares Russell 2000 Value ETF  
iShares Russell 2000 Growth ETF  
iShares MSCI EAFE ETF  
Vanguard FTSE Emerging Markets ETF  
Vanguard Short-Term Invest-Grade Adm  
iShares Core U.S. Aggregate  
First American Government Obligations Z

*Holdings are subject to change at the discretion of the investment manager.*

## STYLE



The performance records shown represent a size-weighted composite of tax exempt accounts that meet the following criteria: Accounts are managed by HighMark Capital Advisors (HCA) with full investment authority according to the PARS Capital Appreciation active and passive objectives.

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G-3



# Staff Report

## South Bay Regional Public Communications Authority

**MEETING DATE:** July 21, 2020

**ITEM NUMBER:** G-3

**TO:** Executive Committee

**FROM:** John Krok, Acting Executive Director  
Vanessa Alfaro, Finance & Performance Audit Manager

**SUBJECT:** Technical Services Division Workload Support Charges

**ATTACHMENTS:** None

### **RECOMMENDATION**

Staff recommends the Executive Committee approve modifying the method of calculating Workload Support Charges to percentage of labor hours beginning in the FY2020/21.

### **BACKGROUND**

In September 2019, the Board of Directors adopted a resolution amending the Bylaws to modify the method of assessment and approved a Cost Allocation Policy.

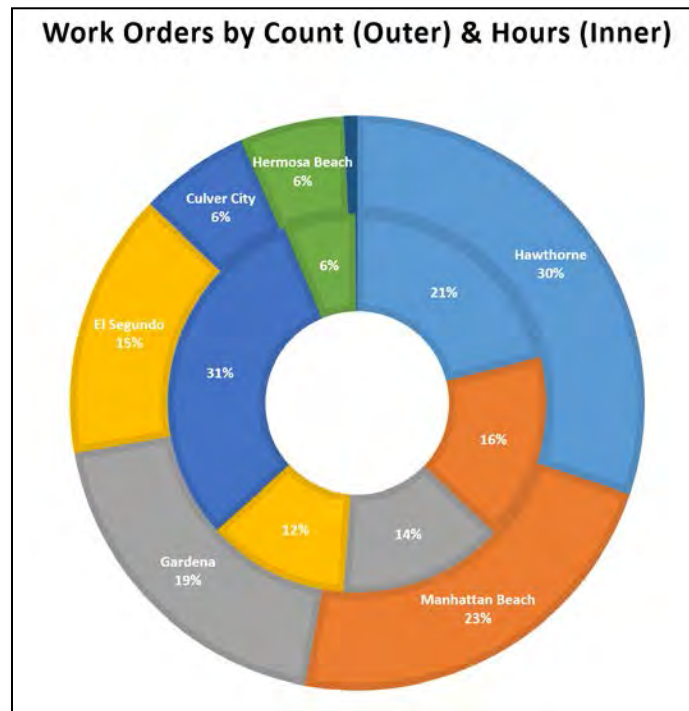
Based on the policy, Technical Services Division ("TSD") costs are divided into two major categories: Dedicated Support and Workload Support. Dedicated Support charges are derived by each agency's corresponding percentage of police and fire vehicles that are anticipated to be active in inventory (either in-service or pending commissioning/decommissioning) during the assessment year. Accounting and billing for Dedicated Support occurs as part of the annual assessment process.

Workload Support Charges are currently derived by each agency's corresponding percentage of vehicle installation and repair work orders. Accounting and billing for Workload Support charges will occur on a quarterly basis. For FY2020/21, the first quarter billing will be made available in early October 2020.

### **DISCUSSION**

As adopted, the Cost Allocation Policy calls for a possible change in 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 beginning in FY 2021/22.

Staff began tracking work orders and corresponding labor hours in July 2019 and has now acquired twelve months of data. The chart below displays percentages based on the number of work orders (outer circle) and percentages based on labor hours associated with those work orders (inner circle) for the last twelve months. The data indicates that while the City of Hawthorne had 30% of the total number of work orders, the percentage drops to 21% of the total labor hours associated with those work orders. Contrastingly, Culver City has 6% of the total number of work orders, but 31% of total labor hours. A closer look at the data reveals that this is primarily due to Culver City's higher number of full and partial vehicle installations compared to other cities during this time period.



To illustrate the difference in billing in dollars, staff utilized the FY2020/21 Proposed Budget Amendment costs to model Workload Support charges in FY2020/21 if labor hours were used instead of number of work orders. However, this is for illustrative purposes only as FY2020/21 actual billing will use percentage of work orders per the Cost Allocation Policy unless amended by the Executive Committee.

Based on the FY2020/21 Proposed Budget Amendment, Technical Services Division costs total \$1,097,873, half of which is billed as Dedicated Support as part of the annual assessment process. The remaining \$548,937 in costs are attributed to vehicle upfitting services, which will be billed back to Member Cities and the City of El Segundo throughout the year based on their corresponding percentage of work orders. Under the terms of the current agreements with Culver City and Hermosa Beach, they are *not* charged for Workload Support.

Using the FY2020/21 TSD Workload Support charges and the last twelve months of data for work orders and corresponding labor hours, \$548,937 is divided as follows:

City	% of Work Orders	Cost \$	% of Labor Hours	Cost \$	Increase/ (Decrease)
Hawthorne	30%	165,488	21%	115,839	(49,649)
Manhattan Beach	23%	125,125	16%	87,469	(37,656)
Gardena	19%	105,751	14%	77,468	(28,283)
El Segundo	15%	82,341	12%	66,580	(15,761)
Culver City	6%	33,905	30%	167,342	133,437
Hermosa Beach	6%	32,290	6%	33,376	1,086
Other	1%	4,036	0.2%	863	(3,173)
Total	100%	\$ 548,937	100%	\$ 548,937	-

In this illustration, Member Cities and El Segundo's costs for Workload Support decrease and Culver City experiences a significant increase if using labor hours instead of number of work orders. While this example uses twelve (12) months of work order data, a switch to percentage of labor hours beginning in FY2020/21 will better reflect a city's use of TSD resources and thus, divide costs among users more accurately.

With consensus from the Executive Committee, staff will present an amendment to the Cost Allocation Policy beginning in Fiscal Year 2020/21 to the Board of Directors in September 2020.

#### **FISCAL IMPACT**

None.

H

H-2

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

**JUNE 16, 2020**

**A. CALL TO ORDER**

The Executive and User Committees convened in a regular joint session at 2:02PM on June 16, 2020 by teleconference.

**B. ROLL CALL BY ACTING EXECUTIVE DIRECTOR**

Present: City Manager Bruce Moe, City of Manhattan Beach  
City Manager Clint Osorio, City of Gardena  
Assistant City Manager Erick Lee, City of Hawthorne  
Chief Mike Ishii, Hawthorne Police Department  
Chief Paul LeBaron, Hermosa Beach Police Department  
Chief Daryn Drum, Manhattan Beach Fire Department  
Chief Mike Saffell, Gardena Police Department

Absent: Chief Derrick Abell, Manhattan Beach Police Department

Also Present: Acting Executive Director John Krok  
Operations Manager Shannon Kauffman  
Finance & Performance Audit Manager Vanessa Alfaro  
Jennifer Petrusis, Richards Watson Gershon  
Josh Armstrong, City of Hawthorne  
Lisa Jenkins, City of Manhattan Beach  
Stephanie Swofford, City of Manhattan Beach

**C. PUBLIC DISCUSSION**

None.

**D. EXECUTIVE COMMITTEE CONSENT CALENDAR**

**MOTION:** City Manager Osorio moved to approve Consent Calendar, Items 1-4, and 6-8. The motion was seconded by Assistant City Manager Lee and passed by unanimous roll call vote.

1. Minutes from May 19, 2020, Regular Meeting  
**APPROVE**
2. Minutes from May 19, 2020, Special Meeting  
**APPROVE**
3. Check Register and Budget Transfers May 2020  
**RECEIVE AND FILE**
4. Approval of a Change Order to Federal Signal Corporation in the Amount of \$60,000 for a Total Not-to-Exceed Amount of \$135,000 for Equipment and Supplies  
**APPROVE**
6. Approve a Purchase Order to 911Vehicle Incorporated for Equipment for a Total Amount of \$51,347.64  
**APPROVE**
7. Side Letter Agreement Amending the July 1, 2017 to June 30, 2020 Memorandum of Understanding with Teamsters  
**APPROVE**
8. Side Letter Agreement Amending the July 1, 2017 to June 30, 2020 Memorandum of Understanding with The Communications Workers of America  
**APPROVE**

#### **E. ITEMS TO REMOVE FROM CONSENT CALENDAR**

5. Approve Payment to the City of Hawthorne in the Amount of \$64,493.38 for Services Related to the Authority's continued use of the Tiburon Computer Aided Dispatch System  
**APPROVE**

City Manager Moe inquired after the funding of the escrow account. Assistant City Manager Lee replied that the City of Hawthorne holds the funds. Chief Ishii explained these costs pertain to current maintenance and third party payments.

**MOTION:** Assistant City Manager Lee moved to approve payment to the City of Hawthorne. The motion was seconded by City Manager Osorio and passed by unanimous voice vote.

#### **F. EXECUTIVE COMMITTEE GENERAL BUSINESS**

1. Approve Fiscal Year 2020/21 Blanket Purchase Orders for Supplies and Services in Total Amount Not-to-Exceed \$1,251,830

Acting Executive Director Krok reported these blanket purchase orders were created for existing professional services agreements and for Technical Services Division's services.

**MOTION:** Assistant City Manager Lee moved to approve the blanket purchase orders. The motion was seconded by City Manager Osorio and passed by unanimous roll call vote.

2. Shared Police Dispatch for Manhattan Beach and Hermosa Beach

Acting Executive Director Krok reported on the savings associated with shared police dispatching between Manhattan Beach and Hermosa Beach. Chief LeBaron weighed in to indicate the City of Hermosa Beach agreed with the proposal. Acting Executive Director Krok reported no layoffs would take place with staffing levels. It was recognized that a decrease in fund balance in the Authority's projections in the outyears would be effected. The impact of shared police dispatching include up to year 2025. Finance Manager Alfaro recommended re-negotiation to start with the new fiscal year with some kind of premium as to not fully lose the current contract details. Acting Executive Director Krok reported that with pandemic the current staffing will stay in place for at least a few more months. City Manager Moe nominated Assistant City Manager Lee to serve as Ad Hoc Chair for negotiations while legal counsel will review any conflicts.

**MOTION:** City Manager Moe moved to appoint Assistant City Manager Lee as Ad Hoc Chair for the negotiation of a contract with the Hermosa Beach Police Department. The motion was seconded by City Manager Osorio and passed by unanimous roll call vote.

3. Fiscal Year 2020/21 Proposed Budget Amendment and Revised Assessments for Member Cities

Acting Executive Director Krok provided report of the extra savings with the recruitment of the Executive Director position and would be included in the proposed budget amendment and revised assessments.

**MOTION:** City Manager Osorio moved to approve the proposed budget amendment and revised assessments. The motion was seconded by Assistant City Manager Lee and passed by unanimous roll call vote.

4. Fiscal Year 2019/20 Budget Surplus

Acting Executive Director Krok provided a report on the budget surplus, changes to assessments and a reduction in fund balance. The timeline would close out at the end of July and be presented to Board of Directors in the September meeting.

**MOTION:** City Manager Osorio move to approve surplus. The motion was seconded by Assistant City Manager Lee and passed by unanimous roll call vote.



5. Update on Computer Aided Dispatch System Project with Mark43

The User Committee will be hosting a special meeting following this meeting to discuss the next course of action.

**G. USER COMMITTEE GENERAL BUSINESS**

1. Minutes from May 19, 2020, Regular Meeting

**APPROVE**

**MOTION:** Chief Drum moved to approve the minutes. The motion was seconded by Chief Ishii and passed by roll call vote.

**H. ACTING EXECUTIVE DIRECTOR'S REPORT**

Acting Executive Director Krok provided updates on COVID-19, the Manhattan Beach Water Tower Radio Site, Assembly Bill 1945, and Phase 2 Feasibility Study for the City of Palos Verdes Estates.

**I. EXECUTIVE AND USER COMMITTEES' COMMENTS**

None.

**J. EXECUTIVE COMMITTEE CLOSED SESSION AGENDA**

At 2:49PM, the Executive Committee entered into a closed session to discuss the following items:

1. CONFERENCE WITH LABOR NEGOTIATOR  
Pursuant to Government Code Section 54957.6

Agency Designated Representative: Acting Executive Director  
Employee Organization: Teamsters Local 911

2. CONFERENCE WITH LABOR NEGOTIATOR  
Pursuant to Government Code Section 54957.6

Agency Designated Representative: Acting Executive Director  
Employee Organization: Communications Workers of America

3. PUBLIC EMPLOYMENT  
Pursuant to Government Code Section: 54957(b)(1)  
Title: Executive Director Recruitment

The Executive Committee met in closed session pursuant to Government Code section 54957(b)(1) regarding the recruitment for the position of Executive Director. The Committee took action to appoint City Manager Moe to serve in an ad hoc capacity as the Executive Committee's point person for the recruitment process and that vote was unanimous.

**K. ADJOURNMENT**

The meeting adjourned at 3:30PM.

H-3

**A. CALL TO ORDER**

The special meeting of the User Committee was called to order at 3:34pm.

**B. ROLL CALL BY ACTING EXECUTIVE DIRECTOR**

Present: Chief Mike Ishii, Hawthorne Police Department  
Chief Derrick Abell, Manhattan Beach Police Department  
Chief Daryn Drum, Manhattan Beach Fire Department  
Assistant Chief Ken Powell, Culver City Fire Department  
Battalion Chief Roger Braum, Culver City Fire Department  
Captain Jason Sims, Culver City Police Department  
Chief Mike Saffell, Gardena Police Department.

Absent: Chief Donovan, El Segundo Fire Department

Also Present: Chief LeBaron, Hermosa Beach Police Department  
Dennis Matzen, Athena  
Bill Romesburg, Cit Com Inc  
Josh Armstrong, Hawthorne Police Department  
Acting Executive Director John Krok  
Operations Manager Shannon Kauffman

**C. PUBLIC DISCUSSION**

None.

**D. USER COMMITTEE GENERAL BUSINESS**

1. Discussion on Computer Aided Dispatch System Project with Mark43

Chief Drum expressed concerns with the lack of progress on this project and the lack of a safety net. Mr. Armstrong spoke about the existing layers of cyber security in the current Tiburon CAD system and the processes to resolve issues related to CAD, such as a lag in the system or complete system failure. He explained the Tiburon CAD is monitored 24/7, has multiple back-ups, and regular maintenance is conducted to ensure the system remains stable. Chief Saffell added if another direction was sought, there would be additional costs.

Mr. Romesburg discussed new revisions to the contract that would include reductions in costs for both RMS and CAD. He also indicated there would be benchmarks outlined in the contract with financial penalties should requirements not be met.

Operations Manager Kauffman indicated beta testing the fire CAD could take place near the end of summer.

Captain Sims indicated Culver City is in favor to stay the course and liked the RMS side. Also, financially, they wouldn't be able to take on additional costs. Chief Abell reiterated the importance to move forward and to stay focused. Chief Powell, Chief LeBaron, Chief Ishii concurred and agreed to move forward with Mark43.

**E. USER COMMITTEE COMMENTS**

None.

**F. ADJOURNMENT**

The meeting adjourned at 4:17PM.

H-4



# Staff Report

## South Bay Regional Public Communications Authority

**MEETING DATE:** July 21, 2020

**ITEM NUMBER:** H-4

**TO:** Executive Committee

**FROM:** John Krok, Acting Executive Director *GTK*

**SUBJECT:** Update on Computer Aided Dispatch System Project with Mark43

**ATTACHMENTS:** None

### **RECOMMENDATION**

Staff recommends the Executive Committee receive and file this report.

### **DISCUSSION**

On June 16, 2020, the Authority held a special meeting of the User Committee, along with the contract city Police and Fire Chiefs, to discuss the current state of the CAD project and determine if the development of an alternative plan was warranted. The User Committee and contract city Police and Fire Chiefs unanimously agreed to move forward with the Mark43 project with specific contract revisions. Staff is currently working with Mark43 on a new agreement to govern the CAD project, said contract will include a reduction in costs for both RMS and CAD and financial penalties should benchmarks not be met. General Counsel will be consulted for a final review of the contract prior to submittal to the Executive Committee for approval.

### **FISCAL IMPACT**

None at this time.

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# Staff Report

## South Bay Regional Public Communications Authority

**MEETING DATE:** July 21, 2020

**ITEM:** I

**TO:** Executive Committee and User Committee

**FROM:** John Krok, Acting Executive Director *JK*

**SUBJECT:** ACTING 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
- Continuity of Operations During COVID-19 Pandemic
- Manhattan Beach Water Tower Radio Site Update
- Phase 2 Feasibility Study for the City of Palos Verdes Estates Update
- 2<sup>nd</sup> Amended and Restated Joint Powers Agreement Update