

**REGULAR MEETING OF THE BOARD OF DIRECTORS, THE EXECUTIVE COMMITTEE
AND THE USER COMMITTEE
TUESDAY, JANUARY 19, 2021, 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://us02web.zoom.us/j/82379590364?pwd=dm1tSU1PdWVNbzNIUng4WWNNcTZJUT09>

Meeting ID: 823 7959 0364

Access Code: 877585

A. CALL TO ORDER

B. ROLL CALL

1. Board of Directors
2. Executive Committee
3. User Committee

C. PUBLIC DISCUSSION

In the interest of maintaining appropriate social distancing, members of the Board of Directors, Executive Committee, User 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 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.

All of your comments provided by the deadlines above will be available to the Board of Directors, Executive Committee, User Committee, and the public prior to the meeting.

In addition, you may participate by joining Zoom during the meeting by using the link above and using the "raise hand" button or entering *9 on the phone's dial pad if you would like to make a comment.

D. BOARD OF DIRECTORS GENERAL BUSINESS

1. Minutes from September 8, 2020
APPROVE
2. Minutes from October 13, 2020
APPROVE
3. Fiscal Year 2020-2021 Mid-Year Budget Report
RECEIVE AND FILE

4. Consideration of Resolution to Rescind the Portion of Resolution No. 336 that Purports to Amend the Bylaws and to Reaffirm Adoption of the Amended Cost Allocation Policy
ADOPT RESOLUTION NO. 337

E. EXECUTIVE COMMITTEE CONSENT CALENDAR

1. Minutes from December 15, 2020
APPROVE
2. Check Register and Budget Transfer Report- December 2020
RECEIVE AND FILE
3. Ratification of an Emergency Purchase from Dr. Paul's Immediate Care for SARS-COV-2 Testing Services
APPROVE

F. EXECUTIVE COMMITTEE GENERAL BUSINESS

1. Fiscal Year 2019-2020 Annual Financial Report
RECEIVE AND FILE

G. USER COMMITTEE GENERAL BUSINESS

1. Minutes from December 15, 2020
APPROVE

H. ACTING EXECUTIVE DIRECTOR'S REPORT

I. EXECUTIVE AND USER COMMITTEES' COMMENTS

J. EXECUTIVE COMMITTEE CLOSED SESSION AGENDA

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

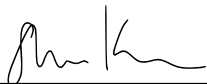
Agency Designated Representative: Acting Executive Director and Liebert, Cassidy, Whitmore
Employee Organization: The California Teamsters Public, Professional and Medical Employees Union Local 911
2. CONFERENCE WITH LABOR NEGOTIATOR
Pursuant to Government Code Section 54957.6

Agency Designated Representative: Acting Executive Director and Liebert, Cassidy, Whitmore
Employee Organization: The Communication Workers of America
3. PUBLIC EMPLOYMENT
Pursuant to Government Code Section 54957(b)(1)
Title: Executive Director

K. ADJOURNMENT

Posting Date/Time: January 14, 2020 4:00PM

Signature:



Shannon Kauffman, Acting Executive Director

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**SPECIAL MEETING OF THE BOARD OF DIRECTORS,
THE EXECUTIVE COMMITTEE, AND THE USER COMMITTEE**

SEPTEMBER 8, 2020

A. CALL TO ORDER

The Board of Directors, the Executive, and User Committees convened in a regular joint session at 2:06PM on September 8, 2020 by teleconference.

B. ROLL CALL BY ACTING EXECUTIVE DIRECTOR

Present: Councilmember Haidar Awad, City of Hawthorne
Councilmember Rodney Tanaka, City of Gardena
Councilmember Hildy Stern, City of Manhattan Beach
City Manager Bruce Moe, City of Manhattan Beach
City Manager Erick Lee, City of Hawthorne
City Manager Clint Osorio, City of Gardena
Chief Mike Saffell, Gardena Police Department
Chief Derrick Abell, Manhattan Beach Police Department
Chief Wolfgang Knabe, Manhattan Beach Fire Department
Chief Mike Ishii, Hawthorne Police Department

Also Present: Jennifer Petrusis, Richards Watson Gershon
Suja Lowenthal, City of Hermosa Beach
Chief Paul LeBaron, Hermosa Beach Police Department
Carl Jacobson
Lisa Jenkins, Manhattan Beach Human Resources
Captain Gary Tomatani, Hawthorne Police Department
Chief Kenneth Powell, Culver City Fire Department
Captain Eric Lane, Hawthorne Police Department
Acting Executive Director John Krok
Operations Manager Shannon Kauffman
Finance & Performance Audit Manager Vanessa Alfaro

C. PUBLIC DISCUSSION

None.

D. EXECUTIVE COMMITTEE CONSENT CALENDAR

MOTION: City Manager Moe moved to approve Consent Calendar, Items 1-3. The motion passed by unanimous voice vote.

1. Minutes from August 18, 2020, Regular Meeting
APPROVE
2. Check Register for August 2020
RECEIVE AND FILE
3. Fiscal Year ~~2020/21~~ 2019/20 Q4 Budget Performance Report
APPROVE

E. EXECUTIVE COMMITTEE GENERAL BUSINESS

1. New Agreement for Emergency Police Dispatch Services with the City of Hermosa Beach Based on Cost Allocation Policy and Shared Police Dispatch Services with the City of Manhattan Beach

APPROVE

Acting Executive Director Krok provided a summary of the new agreement with the City of Hermosa Beach. City Manager Moe wanted to confirm the fund balance would remain within policy limits. City Manager Lee clarified elimination of five positions as they are currently vacant. It was reported no impact to current staffing.

MOTION: City Manager Moe moved to approve the agreement. The motion was seconded by City Manager Osorio and passed by unanimous voice vote.

F. ELECTION OF BOARD OF DIRECTORS CHAIRPERSON AND VICE-CHAIR FOR FISCAL YEAR 2020/21

Councilmember Tanaka nominated Councilmember Stern as Chair seconded by Councilmember Awad. Councilmember Tanaka accepted nomination for Vice Chair.

G. BOARD OF DIRECTORS GENERAL BUSINESS

1. Minutes from April 14, 2020, Special Meeting

APPROVE

MOTION: Councilmember Tanaka moved to approve the minutes from April 14, 2020. The motion was seconded by Councilmember Awad and passed by unanimous voice vote.

2. Revised Technical Services Division Workload Support Charges

APPROVE

Councilmember Tanaka inquired about the priority of the workload and the impact on the current cities. It was reported not to have impact on the current cities. City Manager Lee clarified the policy was adopted last year by Board of Directors. Councilmember Stern inquired about the yearly report to be provided on a regular basis. Acting Executive Director Krok will provide these reports and will continue to report the data.

MOTION: Councilmember Tanaka moved to approved the revised Technical Services Division Workload Support charges. The motion was seconded by Councilmember Awad and passed by unanimous voice vote.

3. Fiscal Year 2019/20 Budget Surplus

APPROVE

FY2019/20 hasn't closed yet until auditors have finalized their reports.

MOTION: Councilmember Tanaka moved to approve the budget surplus for FY 2019/20. The motion was seconded by Councilmember Awad and passed by unanimous voice vote.

4. Fiscal Year 2020/21 Proposed Budget Amendment and Revised Assessments for Member Cities Pending Approval of Hermosa Beach Channel Sharing

APPROVE

MOTION: Councilmember Tanaka moved to approve the proposed budget amendment and revised assessments. The motion was seconded by Councilmember Awad and passed by unanimous voice vote.

5. Fiscal Year 2020/21 Proposed Budget Amendment and Revised Assessments for Member Cities without Hermosa Beach Channel Sharing

APPROVE

This item was removed with the approval of Hermosa Beach Channel Sharing.

6. Establishment of a Section 115 Trust with CERBT

APPROVE

MOTION: Councilmember Tanaka moved to approve the establishment of a Section 115 Trust with CERBT. The motion was seconded by Councilmember Awad and passed by unanimous voice vote.

H. USER COMMITTEE GENERAL BUSINESS

1. Minutes from August 18, 2020, Regular Meeting

APPROVE

Motion: Chief Abell moved to approve the minutes from August 18, 2020. The motion was seconded by Chief Ishii and passed by unanimous voice vote.

I. ACTING EXECUTIVE DIRECTOR'S REPORT

Acting Executive Director Krok provided a report on Recruitment of Communications Operator, Continuity of Operations during COVID-19 pandemic, Phase 2 Feasibility Study for the City of Palos Verdes Estates Update, Second Amended and Restated Joint Powers Agreement Update, and Mark43 CAD update.

J. BOARD OF DIRECTORS, EXECUTIVE, AND USER COMMITTEES' COMMENTS

None.

K. EXECUTIVE COMMITTEE CLOSED SESSION AGENDA

At 2:43PM, the Executive Committee entered into closed session to discuss the following item:

PUBLIC EMPLOYMENT

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

Title: Executive Director Recruitment

The meeting returned to open session at 2:59PM with no action taken in closed session.

L. ADJOURNMENT

The meeting adjourned at 2:59PM.

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A. CALL TO ORDER

The Board of Directors convened in a special meeting at 9:28AM on October 13, 2020 by teleconference.

B. ROLL CALL BY ACTING EXECUTIVE DIRECTOR

Present: Chair Hildy Stern, City of Manhattan Beach
Councilmember Rodney Tanaka, City of Gardena

Absent: Vice Chair Haidar Awad, City of Hawthorne

Also Present: John Krok, Acting Executive Director

C. PUBLIC DISCUSSION

None.

D. BOARD OF DIRECTORS' GENERAL BUSINESS

1. Resolution Amending Article X (Finances) of the Bylaws and to Modify the Method of Assessment and Approving the Cost Allocation Policy
APPROVE

MOTION: Councilmember Tanaka moved to approve the Resolution. The motion was seconded by Chair Stern and passed by voice vote.

E. BOARD OF DIRECTORS' COMMENTS

None.

F. ADJOURNMENT

The meeting adjourned at 9:31AM.

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Staff Report

South Bay Regional Public Communications Authority

MEETING DATE: January 19, 2021

ITEM NUMBER: D-3

TO: Board of Directors

FROM: Shannon Kauffman, Acting Executive Director
Vanessa Alfaro, Finance & Performance Audit Manager

SUBJECT: FISCAL YEAR 2020-2021 MID-YEAR BUDGET REPORT

ATTACHMENTS: 1. Revenue Status Report
2. Expenditure Status Report

RECOMMENDATION

Staff recommends the Board of Directors to receive and to file the Fiscal Year 2020-2021 Mid-Year Budget Performance Report for the period July 1, 2020 through December 31, 2020.

DISCUSSION

Staff has analyzed the Authority's financial activities through December 31, 2020. The Authority has accrued assessment revenues (Attachment #1) from its member cities and contract cities in accordance with the Amended Budget and Revised Assessment Schedule adopted by the Board of Directors in September 2020.

As it relates to expenses (Attachment #2), a total of \$5,690,419 has been expended from the Enterprise Fund, which represents 47.1% of the budget in the first half of the fiscal year. However, this percentage also includes the CalPERS unfunded actuarial liability (UAL) lump sum payment of \$494,138 for fiscal year 2020-21, which generates interest savings compared to monthly payments. Additionally, the Authority's liability and workers' compensation insurance premiums for the entire fiscal year, totaling approximately \$285,555, were also paid in full during this period. When these two amounts are prorated for the periods covering this mid-year report, expenses total \$5,300,572 with 43.9% of the budget expended through December 31, 2020.

Moreover, in September 2020, the Board of Directors approved the use of FY19-20 surplus funds to offset FY20-21 assessments for member cities. Taking this appropriation into account, expenses total \$6,699,506 or 49.9% of the budget through December 31, 2020.

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

Department	Adjusted Appropriation	Year-to-date Expenditures	Percent Used	Year-to-date Encumbrances	Balance	Percent Used (w/ encumbrances)
SALARY & BENEFITS						
Administration	\$ 1,170,051	\$ 479,836	41.0%	\$ -	\$ 690,215	41.0%
Operations	7,446,166	3,752,918	50.4%	-	3,693,248	50.4%
Technical Services	743,087	403,799	54.3%	-	339,288	54.3%
Salary & Benefits Total	\$ 9,359,304	\$ 4,636,553	49.5%	\$ -	\$ 4,722,751	49.5%
SUPPLIES, SERVICES & EQUIPMENT						
Administration	\$ 1,028,014	\$ 531,203	51.7%	\$ 301,762	\$ 195,049	81.0%
Operations	268,735	88,796	33.0%	5,179	174,760	35.0%
Technical Services	1,178,042	432,038	36.7%	603,988	142,016	87.9%
Total	\$ 2,474,791	\$ 1,052,036	42.5%	\$ 910,929	\$ 511,826	79.3%
Other-FY20 Member Cities' Surplus	1,345,450	1,009,088	75.0%	-	\$ 336,363	75.0%
Adjusted Total	\$ 3,820,241	\$ 2,061,124	54.0%	\$ 910,929	\$ 848,188	77.8%
CAPITAL IMPROV. PROJECTS						
	\$ 252,500	\$ 1,829	0.7%	\$ -	\$ 250,671	0.7%
ENTERPRISE FUND TOTAL						
	\$ 12,086,595	\$ 5,690,419	47.1%	\$ 910,929	\$ 5,485,247	54.6%
ENTERPRISE FUND ADJ. TOTAL	\$ 13,432,045	\$ 6,699,506	49.9%	\$ 910,929	\$ 5,821,610	56.7%

During the first half of the fiscal year, staff has been working diligently to accomplish the Authority's Fiscal Year 2020-2021 work plans. Progress to date is summarized below:

- Mark43 Computer Aided Dispatch ("CAD") System
Continue development and go-live.

Status: Project is behind schedule. As of December 2019, the Authority has assumed project management responsibilities from the City of Hawthorne. The Authority is currently working on a new MARK43 CAD Contract and staff meets with Mark43 weekly on the development of the CAD.
- Contract for Services with the City of Culver City
Work with the City of Culver City to develop a successor agreement for dispatch services. The current agreement expires on March 1, 2022.

Status: Staff is currently working with Culver City Staff on a successor agreement.
- Update of Governing Documents
Implement changes associated with the adoption of the Second Amended Joint Powers Agreement, updated bylaws, and investment policy.

Status: The Second Amended Joint Powers Agreement was executed by all three member cities by October 2020. Accordingly, staff will bring an amended investment policy to the Board of Directors in March 2021. The filing of the Second Amended Joint Powers Agreement with the California Secretary of State was submitted on January 7, 2021 and is awaiting confirmation.
- Strategic Initiatives to Improve Fire Dispatching
Continue working with the Fire Departments to refine call processing and dispatch procedures in order to reduce the overall emergency response times and develop plans to improve service delivery.

Status: Call-taking procedures were revised in late 2020 in an effort to decrease call entry times for medical incidents. As a result, for calendar year 2020 call entry times for medical calls decreased by 9 seconds and entry to dispatch times resulted in an overall average of 58 seconds, compared to 1:11 seconds in 2019. Staff will continue to monitor dispatch times and evaluate and implement new processes to improve service delivery.

- Compliance with National Fire Protection Association (“NFPA”) Standard 1221
Review and refinement of data collection and dispatching procedures to ensure event processing time for emergency fire events is completed within sixty (60) seconds, ninety (90) percent of the time.

Status: The data needed to accurately produce reports to NFPA Standards 1221 is limited with the current CAD. Staff continues to monitor event processing times with our current reporting system. Staff is working with Mark43 to ensure the system will be able to provide this refined data.

- Implement Policy for Funding Non-Current Liabilities
Implement policy established by the Board of Directors to fund the long-term costs of benefits provided to employees and retirees through pension and Other Post-Employment Benefits (OPEB) plans.

Status: The Board of Directors authorized participation in a Section 115 Trust for OPEB in September 2020 with an initial transfer of \$250,000 held as an OPEB reserve in the Enterprise Fund. Ongoing funding recommendations will be presented upon establishment of the trust expected to be completed by Spring 2021.

- Contract for Services with the City of Palos Verdes Estates
Complete the Phase Two Feasibility Study and follow-up to potentially develop a contract for dispatching services with the City of Palos Verdes Estates.

Status: Phase Two Feasibility Study was completed and submitted to the City of Palos Verdes Estates in November 2020.

- Contract for Services with the City of Redondo Beach
Develop a Phase Two Feasibility study, if requested by the City of Redondo Beach, and potentially develop a contract for dispatching services.

Status: No request for a Phase Two Feasibility Study has been received from the City of Redondo Beach to date.

- Regional Fire Dispatching
Monitor the developments of the Fire Departments in Mutual Aid Areas A & G to determine feasibility of establishing a regional fire dispatching communications center and engage with related stakeholders as appropriate.

Status: Work plan is currently on hold pending the availability of staff resources.

In addition to the work plans established in the Fiscal Year 2020-2021 budget, staff has also accomplished these other high priority items and projects:

- Executed a budget reduction plan in response to the COVID-19 pandemic and subsequent Budget Amendment.
- Maintained a COVID-19 Continuity of Operations Plan to keep employees safe and maintain critical services during the COVID-19 pandemic.

- Implemented a COVID-19 Prevention Program to provide employees a healthy and safe workplace as required under the California Occupational Safety and Health Act and associated regulations.
- In response to the COVID-19 pandemic, introduced modifications to team schedules in the Communications Center and revised time off and overtime procedures.
- Hired three (3) Communications Operators.
- Established an Agreement for Emergency Police Dispatch Services with the City of Hermosa Beach based on Cost Allocation Policy and Shared Police Dispatch Services with the City of Manhattan Beach.
- Adopted and implemented an amended Cost Allocation Policy reflecting a new methodology calculating Workload Support Charges to percentage of labor hours beginning in the FY2020/21.
- Generated an agreement with El Camino College District Police Department to provide professional emergency vehicle build and repair services.
- Entered into a Side Letter Agreement with the Communications Workers of America to extend the agreement for an additional six (6) months.
- Entered into a Side Letter Agreement with the Teamsters Public, Professional and Medical Employees Union Local 911 to extend the agreement for an additional six (6) months.

FISCAL IMPACT

None.

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Attachment 1

Revenue Status Report

South Bay Regional PCA
7/1/2020 through 12/31/2020

10 SBRPCA Enterprise Fund

<u>Account Number</u>	<u>Adjusted Estimate</u>	<u>Revenues</u>	<u>Year-to-date Revenues</u>	<u>Balance</u>	<u>Prct Rcvd</u>
10-50 Administration					
10-50-111 Administration					
10-50-111-4110 Gardena	2,083,118.00	1,778,689.37	1,778,689.37	304,428.63	85.39
10-50-111-4120 Hawthorne	2,552,293.00	2,179,275.65	2,179,275.65	373,017.35	85.39
10-50-111-4130 Manhattan Beach	1,387,975.00	1,208,718.06	1,208,718.06	179,256.94	87.09
10-50-111-4140 Hermosa Beach	742,528.00	589,357.16	589,357.16	153,170.84	79.37
10-50-111-4145 El Segundo	1,493,738.00	1,120,303.50	1,120,303.50	373,434.50	75.00
10-50-111-4146 Culver City Assessment	2,665,229.00	1,998,921.75	1,998,921.75	666,307.25	75.00
10-50-111-4150 El Camino Community College	790.00	0.00	0.00	790.00	0.00
10-50-111-4153 Medical Director Service/Manhattan Beach	30,500.00	7,625.01	7,625.01	22,874.99	25.00
10-50-111-4154 Medical Director Services/El Segundo	30,500.00	0.00	0.00	30,500.00	0.00
10-50-111-4210 Investment Earnings (LAIF)	50,000.00	11,454.37	11,454.37	38,545.63	22.91
10-50-111-4220 POST Reimbursements	1,400.00	360.00	360.00	1,040.00	25.71
10-50-111-4240 911 Reimbursements	8,000.00	0.00	0.00	8,000.00	0.00
10-50-111-4241 Redondo Beach Maintenance Agreement	13,000.00	0.00	0.00	13,000.00	0.00
10-50-111-4255 Unrealized Gain/Loss on Investments	0.00	-22,227.48	-22,227.48	22,227.48	0.00
10-50-111-4430 Other Miscellaneous Revenue	2,500.00	962.47	962.47	1,537.53	38.50
Total Administration	11,061,571.00	8,873,439.86	8,873,439.86	2,188,131.14	80.22
10-60 Operations					
10-60-211 Communications Center					
10-60-211-4215 DUI Reimbursement-Overtime	2,000.00	0.00	0.00	2,000.00	0.00

Revenue Status Report

South Bay Regional PCA
7/1/2020 through 12/31/2020

10 SBRPCA Enterprise Fund

<u>Account Number</u>	<u>Adjusted Estimate</u>	<u>Revenues</u>	<u>Year-to-date Revenues</u>	<u>Balance</u>	<u>Prct Rcvd</u>
10-60-211-4435 Reimbursements Sprint Wireless	70,000.00	0.00	0.00	70,000.00	0.00
10-60-211-4440 Reimbursements/Verizon Wireless	25,000.00	0.00	0.00	25,000.00	0.00
Total Operations	97,000.00	0.00	0.00	97,000.00	0.00
10-70 Technical Services					
10-70-311 Technical Services					
10-70-311-4310 Labor-Installation-Member	309,477.00	71,441.01	71,441.01	238,035.99	23.08
10-70-311-4320 Labor-Installation-Non Member	125,310.00	19,408.83	19,408.83	105,901.17	15.49
10-70-311-4360 Reimbursements for Billable Parts	600,000.00	161,739.80	161,739.80	438,260.20	26.96
10-70-311-4370 Reimbursements for GST Software	52,692.00	0.00	0.00	52,692.00	0.00
Total Technical Services	1,087,479.00	252,589.64	252,589.64	834,889.36	23.23
Total SBRPCA Enterprise Fund	12,246,050.00	9,126,029.50	9,126,029.50	3,120,020.50	74.52

Revenue Status Report

South Bay Regional PCA
7/1/2020 through 12/31/2020

20 Grant Fund

<u>Account Number</u>	<u>Adjusted Estimate</u>	<u>Revenues</u>	<u>Year-to-date Revenues</u>	<u>Balance</u>	<u>Prct Rcvd</u>
20-80 Capital Infrastructure Projects					
20-80-433 Consulting/Vector Resources					
Total Grant Fund	0.00	0.00	0.00	0.00	0.00
 Grand Total	 12,246,050.00	 9,126,029.50	 9,126,029.50	 3,120,020.50	 74.52

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Attachment 2

Expenditure Status Report

South Bay Regional PCA
7/1/2020 through 12/31/2020

10 SBRPCA Enterprise Fund

<i>Account Number</i>	<i>Adjusted Appropriation</i>	<i>Expenditures</i>	<i>Year-to-date Expenditures</i>	<i>Year-to-date Encumbrances</i>	<i>Balance</i>	<i>Prct Used</i>
50 Administration						
50-100 Administration						
50-100-5000 Expenditures						
50-111-5101 Salaries (Full-Time)	794,052.00	307,705.62	307,705.62	0.00	486,346.38	38.75
50-111-5104 Acting Pay	3,682.00	7,247.92	7,247.92	0.00	-3,565.92	196.85
50-111-5107 Longevity Pay	2,350.00	2,250.00	2,250.00	0.00	100.00	95.74
50-111-5108 Sick Leave Payoff	33,358.00	19,894.72	19,894.72	0.00	13,463.28	59.64
50-111-5109 Vacation Leave Payoff	24,086.00	20,696.50	20,696.50	0.00	3,389.50	85.93
50-111-5112 Other Pay	29,790.00	0.00	0.00	0.00	29,790.00	0.00
50-111-5201 Medical Insurance	87,658.00	15,284.91	15,284.91	0.00	72,373.09	17.44
50-111-5202 Dental Insurance	6,998.00	3,106.14	3,106.14	0.00	3,891.86	44.39
50-111-5203 Vision Insurance	1,597.00	663.66	663.66	0.00	933.34	41.56
50-111-5204 Life Insurance	759.00	330.00	330.00	0.00	429.00	43.48
50-111-5205 Medicare	12,866.00	5,403.00	5,403.00	0.00	7,463.00	41.99
50-111-5207 Workers' Compensation	7,405.00	7,405.00	7,405.00	0.00	0.00	100.00
50-111-5208 PERS Contributions	85,607.00	34,941.45	34,941.45	0.00	50,665.55	40.82
50-111-5209 Retirees' Medical Insurance	6,000.00	3,938.99	3,938.99	0.00	2,061.01	65.65
50-111-5212 Deferred Comp Matching Benefit	31,875.00	9,000.00	9,000.00	0.00	22,875.00	28.24
50-111-5219 PERS Contributions-UAL	41,968.00	41,968.13	41,968.13	0.00	-0.13	100.00
50-111-5301 Communications Contract Services	48,000.00	21,881.11	21,881.11	23,522.44	2,596.45	94.59
50-111-5302 Computer Contract Services/CAD-Tiburon	55,000.00	50,000.00	50,000.00	5,000.00	0.00	100.00
50-111-5304 Accounting/Auditing Services	46,000.00	18,496.00	18,496.00	6,954.00	20,550.00	55.33
50-111-5305 Legal Services	75,000.00	15,034.67	15,034.67	59,965.33	0.00	100.00
50-111-5306 Recruitment Costs	34,000.00	6,988.20	6,988.20	21,775.00	5,236.80	84.60
50-111-5307 Software Maintenance Services	61,037.00	37,721.79	37,721.79	13,874.17	9,441.04	84.53
50-111-5308 Banking Services (Fees)	6,000.00	3,547.92	3,547.92	0.00	2,452.08	59.13
50-111-5309 Online/Website Maintenance Services	7,500.00	1,662.00	1,662.00	0.00	5,838.00	22.16
50-111-5312 Medical Director Services/Paramedics	61,000.00	12,708.35	12,708.35	48,291.65	0.00	100.00
50-111-5313 Temporary Staffing Services	10,000.00	0.00	0.00	0.00	10,000.00	0.00
50-111-5401 Memberships & Dues	390.00	131.20	131.20	0.00	258.80	33.64

Expenditure Status Report

South Bay Regional PCA
7/1/2020 through 12/31/2020

10 SBRPCA Enterprise Fund

<i>Account Number</i>	<i>Adjusted Appropriation</i>	<i>Expenditures</i>	<i>Year-to-date Expenditures</i>	<i>Year-to-date Encumbrances</i>	<i>Balance</i>	<i>Prct Used</i>
50-111-5402 Publications	350.00	419.55	419.55	0.00	-69.55	119.87
50-111-5403 Conferences, Meetings & Travel	16,725.00	4,871.00	4,871.00	0.00	11,854.00	29.12
50-111-5404 Employee Services/EC-BOD	35,500.00	1,228.32	1,228.32	0.00	34,271.68	3.46
50-111-5501 Office Supplies	9,000.00	1,628.63	1,628.63	0.00	7,371.37	18.10
50-111-5502 Miscellaneous Supplies	9,100.00	7,053.39	7,053.39	0.00	2,046.61	77.51
50-111-5507 Postage & Shipping	1,600.00	174.31	174.31	1,135.88	289.81	81.89
50-111-5509 Reproduction	1,500.00	0.00	0.00	0.00	1,500.00	0.00
50-111-5511 Office Equipment Lease	15,750.00	5,913.79	5,913.79	9,628.12	208.09	98.68
50-111-5513 General Liability Insurance Premium	198,512.00	194,067.48	194,067.48	0.00	4,444.52	97.76
50-111-5517 Vehicle Operations	2,000.00	0.00	0.00	0.00	2,000.00	0.00
50-111-5601 Telephone - Administration	15,000.00	6,322.76	6,322.76	0.00	8,677.24	42.15
50-111-5701 Maintenance - HQ	194,650.00	73,870.74	73,870.74	111,615.45	9,163.81	95.29
50-111-5703 Electricity - HQ	98,000.00	54,840.08	54,840.08	0.00	43,159.92	55.96
50-111-5704 Electricity - Grandview	2,200.00	963.15	963.15	0.00	1,236.85	43.78
50-111-5705 Electricity - Punta Place	6,600.00	4,064.97	4,064.97	0.00	2,535.03	61.59
50-111-5706 Gas - HQ	11,000.00	3,535.31	3,535.31	0.00	7,464.69	32.14
50-111-5707 Water - HQ	3,850.00	1,728.13	1,728.13	0.00	2,121.87	44.89
50-111-5715 Electricity-MB Water Tower	2,750.00	630.66	630.66	0.00	2,119.34	22.93
50-111-5810 Office Equipment	0.00	1,305.82	1,305.82	0.00	-1,305.82	0.00
50-111-5830 Furniture & Fixtures	0.00	413.43	413.43	0.00	-413.43	0.00
Total Administration	2,198,065.00	1,011,038.80	1,011,038.80	301,762.04	885,264.16	59.73
60 Operations						
60-200 Operations						
60-200-5000 Expenditures						
60-211-5101 Salaries (Full-Time)	5,025,397.00	2,234,680.74	2,234,680.74	0.00	2,790,716.26	44.47
60-211-5102 Salaries (Part-Time)	0.00	55,835.81	55,835.81	0.00	-55,835.81	0.00
60-211-5103 Overtime	195,539.00	116,078.55	116,078.55	0.00	79,460.45	59.36
60-211-5104 Acting Pay	10,000.00	5,267.21	5,267.21	0.00	4,732.79	52.67
60-211-5105 Bilingual Pay	8,400.00	3,071.00	3,071.00	0.00	5,329.00	36.56
60-211-5108 Sick Leave Payoff	106,313.00	93,008.57	93,008.57	0.00	13,304.43	87.49
60-211-5109 Vacation Leave Payoff	55,000.00	45,509.43	45,509.43	0.00	9,490.57	82.74

Expenditure Status Report

South Bay Regional PCA
7/1/2020 through 12/31/2020

10 SBRPCA Enterprise Fund

<i>Account Number</i>	<i>Adjusted Appropriation</i>	<i>Expenditures</i>	<i>Year-to-date Expenditures</i>	<i>Year-to-date Encumbrances</i>	<i>Balance</i>	<i>Prct Used</i>
60-211-5110 Training Pay	15,000.00	6,795.60	6,795.60	0.00	8,204.40	45.30
60-211-5114 Holiday Payoff	75,000.00	55,967.07	55,967.07	0.00	19,032.93	74.62
60-211-5115 Education Incentive Pay	104,300.00	51,111.80	51,111.80	0.00	53,188.20	49.00
60-211-5201 Medical Insurance	590,236.00	264,452.77	264,452.77	0.00	325,783.23	44.80
60-211-5202 Dental Insurance	36,400.00	19,299.27	19,299.27	0.00	17,100.73	53.02
60-211-5203 Vision Insurance	16,591.00	7,729.41	7,729.41	0.00	8,861.59	46.59
60-211-5204 Life Insurance	7,524.00	3,575.00	3,575.00	0.00	3,949.00	47.51
60-211-5205 Medicare	82,014.00	36,920.14	36,920.14	0.00	45,093.86	45.02
60-211-5206 Unemployment Insurance	5,000.00	7,654.76	7,654.76	0.00	-2,654.76	153.10
60-211-5207 Workers' Compensation	34,490.00	34,490.00	34,490.00	0.00	0.00	100.00
60-211-5208 PERS Contributions	614,433.00	279,054.96	279,054.96	0.00	335,378.04	45.42
60-211-5209 Retirees' Medical Insurance	50,000.00	17,887.12	17,887.12	0.00	32,112.88	35.77
60-211-5219 PERS Contributions-UAL	414,529.00	414,528.96	414,528.96	0.00	0.04	100.00
60-211-5401 Memberships & Dues	2,290.00	0.00	0.00	0.00	2,290.00	0.00
60-211-5402 Publications	1,710.00	0.00	0.00	0.00	1,710.00	0.00
60-211-5403 Conferences, Meetings & Travel	18,827.00	3,119.95	3,119.95	1,785.00	13,922.05	26.05
60-211-5404 Employee Services/EC-BOD	2,500.00	0.00	0.00	0.00	2,500.00	0.00
60-211-5405 Employee Awards	500.00	0.00	0.00	0.00	500.00	0.00
60-211-5406 POST Training	11,908.00	180.57	180.57	0.00	11,727.43	1.52
60-211-5407 Tuition Reimbursement	18,000.00	1,840.00	1,840.00	0.00	16,160.00	10.22
60-211-5506 Uniforms/Safety Equipment	12,500.00	9,184.50	9,184.50	3,394.30	-78.80	100.63
60-211-5509 Reproduction	500.00	0.00	0.00	0.00	500.00	0.00
60-211-5603 Telephone - El Segundo	3,000.00	886.07	886.07	0.00	2,113.93	29.54
60-211-5604 Telephone - Gardena	3,000.00	416.17	416.17	0.00	2,583.83	13.87
60-211-5606 Telephone - Hawthorne	6,000.00	3,394.78	3,394.78	0.00	2,605.22	56.58
60-211-5607 Telephone - Hermosa Beach	27,000.00	16,582.52	16,582.52	0.00	10,417.48	61.42
60-211-5608 Telephone - Manhattan Beach	6,000.00	1,939.24	1,939.24	0.00	4,060.76	32.32
60-211-5611 Telephone - Punta Place	4,500.00	555.33	555.33	0.00	3,944.67	12.34
60-211-5612 Telephone - RCC	11,000.00	4,296.01	4,296.01	0.00	6,703.99	39.05
60-211-5613 Sprint Wireless Reimbursable	70,000.00	18,069.55	18,069.55	0.00	51,930.45	25.81
60-211-5614 Verizon Wireless Reimbursable	25,000.00	23,728.23	23,728.23	0.00	1,271.77	94.91
60-211-5615 Telephone - Culver City	14,500.00	4,036.56	4,036.56	0.00	10,463.44	27.84
60-211-5810 Office Equipment	0.00	480.70	480.70	0.00	-480.70	0.00
60-211-5820 Other Equipment	30,000.00	85.71	85.71	0.00	29,914.29	0.29

Expenditure Status Report

South Bay Regional PCA
7/1/2020 through 12/31/2020

10 SBRPCA Enterprise Fund

<i>Account Number</i>	<i>Adjusted Appropriation</i>	<i>Expenditures</i>	<i>Year-to-date Expenditures</i>	<i>Year-to-date Encumbrances</i>	<i>Balance</i>	<i>Prct Used</i>
Total Operations	7,714,901.00	3,841,714.06	3,841,714.06	5,179.30	3,868,007.64	49.86
70 Technical Services						
70-300 Technical Services						
70-300-5000 Expenditures						
70-311-5101 Salaries (Full-Time)	472,235.00	227,471.26	227,471.26	0.00	244,763.74	48.17
70-311-5103 Overtime	6,850.00	213.54	213.54	0.00	6,636.46	3.12
70-311-5107 Merit Pay	2,000.00	1,361.50	1,361.50	0.00	638.50	68.08
70-311-5108 Sick Leave Payoff	17,780.00	10,456.46	10,456.46	0.00	7,323.54	58.81
70-311-5109 Vacation Leave Payoff	14,386.00	9,211.53	9,211.53	0.00	5,174.47	64.03
70-311-5201 Medical Insurance	52,760.00	26,638.30	26,638.30	0.00	26,121.70	50.49
70-311-5202 Dental Insurance	2,800.00	1,400.22	1,400.22	0.00	1,399.78	50.01
70-311-5203 Vision Insurance	1,645.00	669.54	669.54	0.00	975.46	40.70
70-311-5204 Life Insurance	660.00	330.00	330.00	0.00	330.00	50.00
70-311-5205 Medicare	7,519.00	3,034.05	3,034.05	0.00	4,484.95	40.35
70-311-5207 Workers' Compensation	49,593.00	49,593.00	49,593.00	0.00	0.00	100.00
70-311-5208 PERS Contributions	57,218.00	27,787.32	27,787.32	0.00	29,430.68	48.56
70-311-5209 Retirees' Medical Insurance	20,000.00	7,991.36	7,991.36	0.00	12,008.64	39.96
70-311-5219 PERS Contributions-UAL	37,641.00	37,640.91	37,640.91	0.00	0.09	100.00
70-311-5302 Computer Contract Services/CAD-Tiburon	145,000.00	50,000.00	50,000.00	95,000.00	0.00	100.00
70-311-5311 GST Software Reimbursable	52,692.00	39,519.00	39,519.00	13,173.00	0.00	100.00
70-311-5403 Conferences, Meetings & Travel	2,650.00	0.00	0.00	0.00	2,650.00	0.00
70-311-5503 General Technical Supplies	7,500.00	2,512.39	2,512.39	0.00	4,987.61	33.50
70-311-5506 Uniforms/Safety Equipment	2,500.00	0.00	0.00	0.00	2,500.00	0.00
70-311-5507 Postage & Shipping	1,200.00	0.00	0.00	0.00	1,200.00	0.00
70-311-5514 Parts - Billing	600,000.00	184,038.33	184,038.33	392,770.45	23,191.22	96.13
70-311-5516 Install Wire, Loom & Hardware	30,000.00	0.00	0.00	0.00	30,000.00	0.00
70-311-5517 Vehicle Operations	4,500.00	968.04	968.04	1,475.00	2,056.96	54.29
70-311-5520 Equipment Repair	5,000.00	0.00	0.00	0.00	5,000.00	0.00
70-311-5521 Outside Technical Serv-Towers & Equip	325,000.00	155,000.00	155,000.00	101,570.00	68,430.00	78.94
70-311-5810 Office Equipment	2,000.00	0.00	0.00	0.00	2,000.00	0.00
Total Technical Services	1,921,129.00	835,836.75	835,836.75	603,988.45	481,303.80	74.95

Expenditure Status Report

South Bay Regional PCA
7/1/2020 through 12/31/2020

10 SBRPCA Enterprise Fund

<u>Account Number</u>	<u>Adjusted Appropriation</u>	<u>Expenditures</u>	<u>Year-to-date Expenditures</u>	<u>Year-to-date Encumbrances</u>	<u>Balance</u>	<u>Prct Used</u>
80 Capital Infrastructure Projects						
80-400 CIP						
80-400-5000 Expenditures						
80-436-5901 CIP Exp-MB Allocation	45,450.18	34,087.64	34,087.64	0.00	11,362.54	75.00
80-454-5901 CIP Expenditures-IT Infrastructure/Equip	252,500.00	1,829.05	1,829.05	0.00	250,670.95	0.72
80-455-5901 City of Gardena Surplus	417,040.00	312,780.00	312,780.00	0.00	104,260.00	75.00
80-456-5901 City of Hawthorne Surplus	585,910.00	439,432.50	439,432.50	0.00	146,477.50	75.00
80-457-5901 City of Manhattan Beach Surplus	297,050.00	222,787.50	222,787.50	0.00	74,262.50	75.00
Total Expenditures	1,597,950.18	1,010,916.69	1,010,916.69	0.00	587,033.49	63.26
Total CIP	1,597,950.18	1,010,916.69	1,010,916.69	0.00	587,033.49	63.26
Total Capital Infrastructure Projects	1,597,950.18	1,010,916.69	1,010,916.69	0.00	587,033.49	63.26
Total SBRPCA Enterprise Fund	13,432,045.18	6,699,506.30	6,699,506.30	910,929.79	5,821,609.09	56.66

Expenditure Status Report

South Bay Regional PCA
7/1/2020 through 12/31/2020

20 Grant Fund

<u>Account Number</u>	<u>Adjusted Appropriation</u>	<u>Expenditures</u>	<u>Year-to-date Expenditures</u>	<u>Year-to-date Encumbrances</u>	<u>Balance</u>	<u>Prct Used</u>
80 Capital Infrastructure Projects						
80-400 CIP						
80-400-5000 Expenditures						
Total Grant Fund	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total	13,432,045.18	6,699,506.30	6,699,506.30	910,929.79	5,821,609.09	56.66

D-4




Staff Report

South Bay Regional Public Communications Authority

MEETING DATE: January 19, 2021

ITEM: D-4

TO: Board of Directors

FROM: Shannon Kauffman, Acting Executive Director 

SUBJECT: RESCINDING A PORTION OF RESOLUTION NO. 336 THAT
PURPORTED TO AMEND THE BYLAWS AND REAFFIRMING
ADOPTION OF AMENDED COST ALLOCATION POLICY

ATTACHMENTS: 1. Resolution No. 336 with Amended Cost Allocation Policy
2. Resolution No. 337

RECOMMENDATION

Staff recommends the Board of Directors adopt a resolution that rescinds that portion of Resolution No. 336 that purported to amend the Bylaws, and that reaffirms the adoption of the Cost Allocation Policy that is attached as Exhibit A to Resolution No. 336.

DISCUSSION

On October 13, 2020, the Board of Directors adopted Resolution No. 336, which adopted an amended Cost Allocation Policy. The amended Cost Allocation Policy is attached as Exhibit A to the resolution. Resolution No. 336 also purports to amend Article X of the Bylaws. A clerical mistake was made in preparing Resolution No. 336 and it was not the intent that Resolution No. 336 amend the Bylaws. Therefore, in order to clear up any confusion about which version of the Bylaws is controlling, staff recommends that the Board of Directors adopt the attached resolution, which explicitly rescinds that portion of Resolution No. 336 that purports to amend the Bylaws. The draft resolution also reaffirms the adoption of the amended Cost Allocation Policy by the Board of Directors on October 13, 2020.

FISCAL IMPACT

There is no fiscal impact to the Authority or to its Member or Contract Cities from adopting this resolution.

D-4

Attachment 1

RESOLUTION NO. 336

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

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

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

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

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

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

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

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

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

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

SECTION 4. Resolution 324, passed and adopted September 17, 2019, and all amendments thereof are hereby repealed.

SECTION 5. This resolution shall become effective immediately, and shall remain in full force and effect until the further order of the Board of Directors.

Passed, approved, and adopted in a meeting held on the 13th day of October, 2020 by the following vote:

Ayes: Stern, Tanaka

Noes:

Absent: Awad

Abstain:

DocuSigned by:

Hildy Stern

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Hildy Stern, Chair
Board of Directors

DocuSigned by:

John Krok

87A5B7C8733A46B...

John Krok, Secretary
Board of Directors

EXHIBIT “A”

Cost Allocation Policy

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Workload Support	Percent of Workload Support Allocation	Percent of Total Technical Services Division Costs
Number of Labor Hours	100%	50%
Total	100%	50%

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

Section 7. Cost Adjustment Surcharge for Contract Agencies. In addition to the assessments for Operations Department and Technical Services Division costs, each contract agency shall be required to pay any cost adjustment surcharge as established by a resolution of the Executive Committee. This cost adjustment surcharge can be assessed in order to fund future costs related to unfunded liabilities associated with the California Public Employees' Retirement System ("CalPERS"), Other Post-Employment Benefits ("OPEB") and/or long-term capital improvement needs, which are not currently accounted for in annual budgets. The aforementioned resolution shall specify the source(s) of costs for the surcharge, provide for surcharge funds to accumulate in a separate restricted fund, and designate parameters and conditions under which surcharge funds may be expended.

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

D-4

Attachment 2

RESOLUTION NO. 337

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS
AUTHORITY RESCINDING A PORTION OF RESOLUTION
NO. 336 AND REAFFIRMING THE ADOPTION OF THE
AMENDED COST ALLOCATION POLICY**

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

WHEREAS, pursuant to Resolution No. 336, the Board of Directors of the South Bay Regional Public Communications Authority adopted an amended Cost Allocation Policy, a copy of which is attached as Exhibit A to Resolution No. 336;

WHEREAS, Resolution No. 336 also purported to amend Article X of the Bylaws;

WHEREAS, it was not the intent of the Board of Directors to amend Article X or any other provision of the Bylaws;

WHEREAS, the Board of Directors desires to rescind that portion of Resolution No. 336 that purports to amend the Bylaws;

WHEREAS, the Board of Directors also desires to reaffirm its adoption of the amended Cost Allocation Policy that was adopted through Resolution No. 336;

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

SECTION 1. The Board of Directors rescinds only that portion of Resolution No. 336 that purports to amend the Bylaws.

SECTION 2. The Board of Directors reaffirms all other provisions contained in Resolution No. 336, including the adoption of the amended Cost Allocation Policy that is attached as Exhibit A to Resolution No. 336.

WE HEREBY CERTIFY that the foregoing is a true copy of the resolution adopted by the Board of Directors of the South Bay Regional Public Communications Authority in a meeting thereof held on the 19th day of January, 2021, by the following vote.

AYES:

NOES:

ABSENT:

ABSTAIN:

Hildy Stern, Chair
Board of Directors

Shannon Kauffman, Secretary
Board of Directors

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EXECUTIVE COMMITTEE AND THE USER COMMITTEE

A. CALL TO ORDER

The Executive and User Committees convened in a regular joint session at 2:01PM on December 15, 2020.

B. ROLL CALL

Present: City Manager Bruce Moe, City of Manhattan Beach
City Manager Erick Lee, City of Hawthorne
City Manager Clint Osorio, City of Gardena
Chief Wolfgang Knabe, Manhattan Beach Fire Department
Chief Mike Saffell, Gardena Police Department
Chief Derrick Abell, Manhattan Beach Police Department

Absent: Chief Mike Ishii, Hawthorne Police Department

Also Present: Shannon Kauffman, Acting Executive Director
John Krok, Administrative Services Manager
Vanessa Alfaro, Finance & Performance Audit Manager
Jennifer Petrusis, Richards Watson Gershon
Laura Kalty, Liebert Cassidy Whitmore
Stephanie Swofford, Manhattan Beach Human Resources
Lisa Jenkins, Manhattan Beach Human Resources

C. PUBLIC DISCUSSION

None.

D. EXECUTIVE COMMITTEE CONSENT CALENDAR

MOTION: City Manager Moe moved to approve the Consent Calendar, Items 1-4. The motion was seconded by City Manager Osorio and passed by unanimous voice vote.

1. Minutes from November 9, 2020
APPROVE
2. Minutes from November 12, 2020
APPROVE
3. Minutes from November 17, 2020
APPROVE
4. Check Register - November 2020
RECEIVE AND FILE

E. ITEMS TO REMOVE FROM CONSENT CALENDAR

None.

F. USER COMMITTEE GENERAL BUSINESS

1. Minutes from November 12, 2020
APPROVE

MOTION: Chief Knabe moved to approve the minutes from November 12, 2020. The motion was seconded by Chief Abell and approved by voice vote.

2. Minutes from November 17, 2020

APPROVE

MOTION: Chief Abell moved to approve the minutes from November 17, 2020. The motion was seconded by Chief Knabe and approved by voice vote.

G. ACTING EXECUTIVE DIRECTOR'S REPORT

Acting Executive Director Kauffman provided updates on Continuity of Operations during COVID-19 Pandemic, Recruitment, Mark43 CAD, and City of Palos Verdes Estates Phase 2.

H. EXECUTIVE AND USER COMMITTEES' COMMENTS

None.

I. EXECUTIVE COMMITTEE CLOSED SESSION AGENDA

The Executive Committee entered into closed session at 2:07PM to discuss the following items.

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

Agency Designated Representative: Acting Executive Director and Liebert, Cassidy, Whitmore
Employee Organization: The California Teamsters Public, Professional and Medical Employees Union Local 911
2. CONFERENCE WITH LABOR NEGOTIATOR
Pursuant to Government Code Section 54957.6

Agency Designated Representative: Acting Executive Director and Liebert, Cassidy, Whitmore
Employee Organization: The Communication Workers of America
3. PUBLIC EMPLOYMENT
Pursuant to Government Code Section 54957(b)(1)
Title: Executive Director

The Executive Committee returned from closed session at 2:41PM with no actions taken.

J. ADJOURNMENT

The meeting adjourned at 2:41PM.

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Check Register FY 2020-21

December 2020

<u>Accounts Payable Check Issued Date</u>	<u>Total Check Amount</u>	<u>Notes</u>
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December 4, 2020	\$106,928.05	
December 11, 2020	\$96,089.44	
December 18, 2020	\$165,379.95	
December 24, 2020	\$158,309.84	
December 31, 2020	\$95,159.39	

Accounts Payable Total	\$621,866.67	
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<u>Payroll Checks Issued Date</u>	
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December 4, 2020	\$163,457.47
December 18, 2020	\$163,211.52
December 31, 2020	\$173,450.75

Payroll Total	\$500,119.74
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Bank : union UNION BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
20208	12/4/2020	00219	INTERNAL REVENUE SERVICE	Ben31207	12/4/2020	FEDERAL WITHHOLDING TAX	32,404.97	32,404.97
20209	12/4/2020	00223	EMPLOYMENT DEVEL DEPT	Ben31211	12/4/2020	STATE DISABILITY INSURANC	12,150.67	12,150.67
20210	12/4/2020	00222	STATE DISBURSEMENT UNIT	Ben31215	12/4/2020	SUPPORT: PAYMENT	184.62	184.62
20211	12/4/2020	00058	CALPERS	Ben31209	12/4/2020	PERS RETIREMENT: PAYMEN	39,202.40	39,202.40
20212	12/4/2020	00221	ICMA RETIREMENT TRUST	Ben31213	12/4/2020	DEFERRED COMPENSATION	14,836.28	14,836.28
20213	12/1/2020	00696	GUARDIAN	533654-12	11/19/2020	GUARDIAN - DENTAL,VISION,	5,881.14	5,881.14
55430	12/4/2020	00217	CALIFORNIA TEAMSTERS UN	Ben31203	12/4/2020	UNION DUES TEAMSTERS: P	2,010.00	2,010.00
55431	12/4/2020	00218	CWA LOCAL 9400	Ben31205	12/4/2020	UNION DUES CWA: PAYMENT	257.97	257.97
Sub total for UNION BANK:							106,928.05	

Bank : union UNION BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
1790	12/11/2020	00012	CALIFORNIA WATER SERVICE5550731926	11/13/2020	FIRE PROTECTION SERVICE,	81.08	81.08
55432	12/11/2020	00297	AT&T, ATT CALNET 000015702371	12/3/2020	PHONE SERVICE 11/03/20-12,	542.30	542.30
55433	12/11/2020	00064	AT&T, ATT PAYMENT CENTER960 461-1623 55	12/1/2020	PHONE SERVICE 11/01/2020-	3,027.36	3,027.36
55434	12/11/2020	00670	BARTEL ASSOCIATES, LLC 20-1026	11/17/2020	ACTUARIAL CONSULTING SE	8,982.00	8,982.00
55435	12/11/2020	00017	CHEM PRO LABORATORY, IN669096	11/23/2020	WATER TREATMENT SERVIC	86.50	86.50
55436	12/11/2020	00225	COMMLINE INC 0261960-IN	11/30/2020	OUTSIDE TECH SERVICES	15,000.00	15,000.00
55437	12/11/2020	00879	CROWN CASTLE 737062	12/1/2020	REDUNDANT INTERNET SER	1,100.00	1,100.00
55438	12/11/2020	00031	EMPLOYMENT DEVELOPMENL0191512032	10/28/2020	Q3 UNEMPLOYMENT INS/PE	7,654.76	7,654.76
55439	12/11/2020	00008	FEDERAL SIGNAL CORP 7626112	11/19/2020	FEDERAL SIGNAL CORP BILL	1,802.00	
			7614119	11/3/2020	FEDERAL SIGNAL CORP BILL	1,722.50	
			7623035	11/16/2020	FEDERAL SIGNAL CORP BILL	351.29	3,875.79
55440	12/11/2020	00070	GAS COMPANY, THE 059 194 8982 2	12/4/2020	GAS SERVICE HQ/ 10/31/20-1	990.36	990.36
55441	12/11/2020	00027	HAVIS INC. SIN117058	11/16/2020	HAVIS INC. BILLABLE PARTS	4,413.73	
			SIN116817	11/12/2020	HAVIS INC. BILLABLE PARTS	2,105.78	
			SIN118367	12/1/2020	HAVIS INC. BILLABLE PARTS	1,094.29	
			SIN117739	11/21/2020	HAVIS INC. BILLABLE PARTS	501.96	8,115.76
55442	12/11/2020	00148	HAWTHORNE, CITY OF Ref000031216	12/3/2020	Refund receipt #: 001582	9,271.87	9,271.87
55443	12/11/2020	00798	HYDREX PEST CONTROL 345148	9/30/2020	HQ MAINTENANCE - PEST CC	59.00	59.00
55444	12/11/2020	00688	IKEY 146385	11/11/2020	IKEY BILLABLE PARTS	5,265.85	5,265.85
55445	12/11/2020	00654	INNOVATIVE PRODUCTS, INC 105935	11/13/2020	MAGNETIC MIC BILLABLE PA	1,600.61	1,600.61
55446	12/11/2020	00799	LA UNIFORMS & TAILORING 7208	11/13/2020	UNIFORMS FOR COMMUNIC/	185.00	
			7150	11/9/2020	UNIFORMS FOR COMMUNIC/	180.59	
			7151	11/9/2020	UNIFORMS FOR COMMUNIC/	178.38	
			7295	11/25/2020	UNIFORMS FOR COMMUNIC/	178.38	
			7076	11/3/2020	UNIFORMS FOR COMMUNIC/	171.77	
			7288	11/24/2020	UNIFORMS FOR COMMUNIC/	171.77	1,065.89
55447	12/11/2020	00442	LAWSON PRODUCTS, INC. 9308015375	11/13/2020	LAWSON PRODUCS INC BILL	107.03	
			9308019038	11/16/2020	LAWSON PRODUCS INC BILL	11.95	118.98
55448	12/11/2020	00043	MANEY WIRE & CABLE, INC. 20067650	11/20/2020	VEHICLE OUTFITTING PARTS	3,095.80	
			20067746	11/25/2020	VEHICLE OUTFITTING PARTS	304.36	3,400.16
55449	12/11/2020	00671	MARC R. COHEN, MD EMSMD-16	11/30/2020	MEDICAL DIRECTOR SERVIC	2,541.67	2,541.67
55450	12/11/2020	00331	MITSUBISHI ELECTRIC INC 388137	12/1/2020	HQ MAINTENANCE - ELEVATC	677.04	677.04
55451	12/11/2020	00955	PERSONNEL CONCEPTS 9345049211	11/23/2020	FEDERAL & STATE LABOR LA	52.95	52.95
55452	12/11/2020	00411	PITNEY BOWES 3104379117	11/26/2020	POSTAGE METER FOR MAILI	170.36	170.36

Bank : union UNION BANK			(Continued)				
Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
55453	12/11/2020	00818	RICHARDS,WATSON & GERSI229444	11/24/2020	GENERAL COUNSEL AND LE	144.00	
			229443	11/24/2020	GENERAL COUNSEL AND LE	4,951.60	5,095.60
55454	12/11/2020	00824	SMART JANITORIAL, COMPLE14103	12/2/2020	HQ MAINTENANCE	3,585.00	
			14104	12/2/2020	HQ MAINTENANCE	1,890.00	5,475.00
55455	12/11/2020	00803	SPARKLETTS	18193479 11272	11/27/2020	WATER FILTERATION SYSTEI	40.00
55456	12/11/2020	00302	SPRINT	155018370-110	11/29/2020	DAC CHARGES/10-26 TO 11-2	3,527.93
			107177860-115	11/27/2020	WIRELESS MODEMS/10-24 TO	85.98	3,613.91
55457	12/11/2020	00171	VERIZON WIRELESS	9867714441	11/23/2020	GPD DAC CHARGES/ 10/24/20	2,843.04
			987637091	11/23/2020	MODEM SVC. MBPD/ 10/24/20	1,027.33	
			9867652982	11/23/2020	DAC CHARGES HPD/ 10/24/20	385.88	
			9867295884	11/18/2020	CELL PH. CHGS: 10/19/20-11/	340.12	
			9867637092	11/23/2020	MODEM SVC. MBPD/ 10/24/20	38.01	4,634.38
55458	12/11/2020	00150	WATTCO	56155	11/10/2020	WATTCO BILLABLE PARTS	724.36
55459	12/11/2020	00063	WHELEN ENGINEERING CO.,	814784	11/18/2020	WHELEN ENGINEERING CO E	1,848.07
			807928	11/5/2020	WHELEN ENGINEERING CO E	582.25	
			815927	11/19/2020	WHELEN ENGINEERING CO E	395.58	2,825.90
Sub total for UNION BANK:							96,089.44

Bank : union UNION BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
20214	12/10/2020	00058	CALPERS	1000000162430	11/16/2020 HEALTH PREMIUMS - DECEM	60,860.21	60,860.21
20215	12/18/2020	00219	INTERNAL REVENUE SERVICE	Ben31274	12/18/2020 FEDERAL WITHHOLDING TAX	32,565.34	32,565.34
20216	12/18/2020	00223	EMPLOYMENT DEVEL DEPT	Ben31278	12/18/2020 STATE DISABILITY INSURANC	12,178.29	12,178.29
20217	12/18/2020	00222	STATE DISBURSEMENT UNIT	Ben31282	12/18/2020 SUPPORT: PAYMENT	184.62	184.62
20218	12/18/2020	00058	CALPERS	Ben31276	12/18/2020 PERS RETIREMENT: PAYMEN	38,925.80	38,925.80
20219	12/18/2020	00221	ICMA RETIREMENT TRUST	Ben31280	12/18/2020 DEFERRED COMPENSATION	14,786.26	14,786.26
55460	12/18/2020	00002	AFLAC	Ben31268	12/18/2020 AFLAC INSURANCE: PAYMEN	3,611.46	3,611.46
55461	12/18/2020	00217	CALIFORNIA TEAMSTERS UN	Ben31270	12/18/2020 UNION DUES TEAMSTERS: P	2,010.00	2,010.00
55462	12/18/2020	00218	CWA LOCAL 9400	Ben31272	12/18/2020 UNION DUES CWA: PAYMENT	257.97	257.97
Sub total for UNION BANK:							165,379.95

Bank : union UNION BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
1791	12/24/2020	00621	FIRST BANKCARD				
		00466	AMAZON MARKETPLACE	112-2716867-57	11/17/2020 JANITORIAL SUPPLIES	60.81	
		00795	MEDIA TEMPLE	324775-28	11/23/2020 MONTHLY WEBSITE HOSTING	55.00	
		00466	AMAZON MARKETPLACE	112-7405352-36	11/20/2020 JANITORIAL SUPPLIES	52.37	
		00466	AMAZON MARKETPLACE	114-4624863-96	11/13/2020 JANITORIAL SUPPLIES	51.65	
		00466	AMAZON MARKETPLACE	113-7122937-41	10/29/2020 JANITORIAL SUPPLIES	44.59	
		00466	AMAZON MARKETPLACE	111-0966387-05	11/8/2020 JANITORIAL SUPPLIES	42.17	
		00854	MANHATTAN POSTAL CENTER	316919	11/4/2020 RECRUITMENT	38.50	
		00466	AMAZON MARKETPLACE	112-8597590-62	11/17/2020 JANITORIAL SUPPLIES	36.05	
		00466	AMAZON MARKETPLACE	111-0966352-05	11/14/2020 JANITORIAL SUPPLIES	35.77	
		00466	AMAZON MARKETPLACE	112-7938408-38	10/30/2020 JANITORIAL SUPPLIES	34.44	
		00466	AMAZON MARKETPLACE	113-6013328-31	11/17/2020 COVID-19: JANITORIAL SUPP	33.64	
		00466	AMAZON MARKETPLACE	111-3564897-50	10/29/2020 COVID-19: JANITORIAL SUPP	32.96	
		00466	AMAZON MARKETPLACE	111-7188002-08	11/2/2020 JANITORIAL SUPPLIES	30.89	
		00466	AMAZON MARKETPLACE	114-4536344-93	11/17/2020 OFFICE SUPPLIES	28.55	
		00854	MANHATTAN POSTAL CENTER	317297	11/12/2020 RECRUITMENT	23.50	
		00466	AMAZON MARKETPLACE	112-4212234-60	11/4/2020 COVID-19: JANITORIAL SUPP	23.34	
		00466	AMAZON MARKETPLACE	114-3883122-53	11/5/2020 OFFICE SUPPLIES	20.95	
		00466	AMAZON MARKETPLACE	112-0127898-29	10/31/2020 COVID-19: JANITORIAL SUPP	19.80	
		00466	AMAZON MARKETPLACE	112-0501433-42	11/23/2020 COVID-19: JANITORIAL SUPP	18.81	
		00466	AMAZON MARKETPLACE	111-4535488-67	11/3/2020 JANITORIAL SUPPLIES	16.47	
		00826	LA TIMES	120720	11/4/2020 LA TIMES MONTHLY SUBSCR	15.96	
		00466	AMAZON MARKETPLACE	114-9051687-58	11/17/2020 JANITORIAL SUPPLIES	15.77	
		00466	AMAZON MARKETPLACE	111-6555484-41	11/24/2020 COVID-19: JANITORIAL SUPP	15.39	
		00466	AMAZON MARKETPLACE	112-4479157-81	11/17/2020 OFFICE SUPPLIES	13.10	
		00466	AMAZON MARKETPLACE	111-3718369-74	11/3/2020 OFFICE SUPPLIES	9.81	
		00466	AMAZON MARKETPLACE	111-1345752-24	11/17/2020 OFFICE SUPPLIES - REFUND	-77.16	
		00801	RICK'S GATE WORKS, INC.	246853	10/29/2020 SIDE GATE REPAIR - HQ MAIL	2,000.00	
		00942	WAYFAIR	3393208866	11/2/2020 FURNITURE & FIXTURES	413.43	
		00462	M & K METAL COMPANY	242881	11/11/2020 GENERAL TECH SUPPLIES	321.01	
		00466	AMAZON MARKETPLACE	111-8044299-98	10/30/2020 JANITORIAL SUPPLIES	257.72	
		00952	GRASS ROOTS LABS	112320	11/23/2020 RECRUITMENT	225.00	
		00610	DIRECTV	065190124X201	11/5/2020 CABLE SERVICE	224.71	
		00199	GOVT FINANCE OFFICERS ASSN	645598	11/9/2020 GAAFR 2020 EDITION E-BOOK	129.00	

Bank : union UNION BANK		(Continued)						
Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
		00467 LOWES BUSINESS	82522607	11/4/2020	GENERAL TECH SUPPLIES	122.31		
		00466 AMAZON MARKETPLACE	112-5198456	11/17/2020	COVID-19: OFFICE SUPPLIES	121.23		
		00600 CHEVRON G&M #186	439674467	11/19/2020	VAN FUEL	105.58		
		00466 AMAZON MARKETPLACE	114-7042800-29	10/30/2020	OFFICE SUPPLIES	103.69		
		00466 AMAZON MARKETPLACE	113-2280987-87	11/17/2020	OFFICE SUPPLIES	101.06		
		00761 BOX	INV08470111	11/26/2020	SOFTWARE SERVICES	90.00		
		00466 AMAZON MARKETPLACE	114-5726341-18	11/2/2020	JANITORIAL SUPPLIES	83.67		
		00466 AMAZON MARKETPLACE	113-9096761-44	11/15/2020	JANITORIAL SUPPLIES	83.67		
		00466 AMAZON MARKETPLACE	112-9049108-05	10/29/2020	JANITORIAL SUPPLIES	72.52		
		00466 AMAZON MARKETPLACE	112-2716867-57	11/22/2020	JANITORIAL SUPPLIES	67.79	5,215.52	
1792	12/24/2020	00012 CALIFORNIA WATER SERVICE	4675328235	12/16/2020	WATER SERV HQ/ 11/14/20 - 1	170.62	170.62	
1793	12/24/2020	00651 FRONTIER	209-188-0077-04	12/1/2020	PHONE SERVICE 12/1/20 - 12/	350.92	350.92	
1794	12/24/2020	00069 SOUTHERN CALIFORNIA EDIS	2-23-553-5986	12/17/2020	ELEC SERV /11/03/20 - 12/11/2	8,572.21		
			2-03-672-6511	12/21/2020	ELEC SERV PUNTA/ 11/19/20	686.61		
			2-19-337-1549	12/8/2020	ELEC SERV GRANDVIEW/ 11/	159.51	9,418.33	
1795	12/24/2020	00227 LA COUNTY FIRE DEPT	IN0326988	7/29/2020	LA COUNTY FIRE DEPT PROC	947.49	947.49	
55463	12/24/2020	00275 ARENDAIN, KRISTINA	121620	12/16/2020	COVID-19: COVID TEST REIM	150.00	150.00	
55464	12/24/2020	00297 AT&T, ATT CALNET	00015732158	12/13/2020	PHONE SERV 11/13/20-12/12/	2,429.31		
			000015739358	12/13/2020	PHONE SERVICE 11/13/20-12/	201.17		
			000015736294	12/13/2020	PHONE SERV 11/13/20-12/12/	107.98	2,738.46	
55465	12/24/2020	00097 BASINGER, WILLIAM	121620	12/16/2020	COVID-19: COVID TEST REIM	150.00	150.00	
55466	12/24/2020	00225 COMMLINE INC	0264796-IN	12/10/2020	OUTSIDE TECH SERVICES	65,000.00	65,000.00	
55467	12/24/2020	00078 COX, CHRISTOPHER	122420	12/24/2020	RETIREE MED PREM/JAN 202	740.78	740.78	
55468	12/24/2020	00785 EXPERIAN	CD2108002448	11/27/2020	CREDIT CHECK	4.20	4.20	
55469	12/24/2020	00651 FRONTIER	7002Z664-S-203	12/5/2020	PHONE SERV 12/05/20-1/04/2	75.87		
			Y002Z665-S-203	12/5/2020	PHONE SERV 12/05/20-1/04/2	51.80	127.67	
55470	12/24/2020	00322 GEOSPATIAL TECHNOLOGIES	17809	12/10/2020	SOFTWARE MAINTENANCE S	13,173.00	13,173.00	
55471	12/24/2020	00148 HAWTHORNE, CITY OF	IT-20-02-rcc	12/1/2020	COMP COMPUTER SERVICE	50,000.00	50,000.00	
55472	12/24/2020	00798 HYDREX PEST CONTROL	356184	12/10/2020	HQ MAINTENANCE - PEST CO	75.00	75.00	
55473	12/24/2020	00958 LOHRE, NICOLE	120920	12/9/2020	COVID-19: COVID TEST REIM	150.00	150.00	
55474	12/24/2020	00116 MEADORS, LATANYA	122420	12/24/2020	RETIREE MED PREM/JAN 202	476.43	476.43	
55475	12/24/2020	00118 MICHAELSEN, ADRIENNE	121620	12/16/2020	COVID-19: COVID TEST REIM	150.00	150.00	
55476	12/24/2020	00119 MOUSER ELECTRONICS, INC	59298954	12/2/2020	VEHICLE OUTFITTING PARTS	486.49	486.49	
55477	12/24/2020	00121 PINELA, ELIZABETH	121620	12/16/2020	COVID-19: COVID TEST REIM	150.00	150.00	

Bank : union UNION BANK		(Continued)					
Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
55478	12/24/2020	00141	POWERPHONE INC	70275	12/3/2020	EMERGENCY MEDICAL DISP/	903.00
				69597	10/7/2020	EMERGENCY MEDICAL DISP/	129.00
							1,032.00
55479	12/24/2020	00959	QUADRINO, JAMES	121620	12/16/2020	COVID-19: COVID TEST REIM	150.00
							150.00
55480	12/24/2020	00060	RIVERA, JOSE	122420	12/24/2020	RETIREE MED PREM/JAN 202	520.89
							520.89
55481	12/24/2020	00123	ROMERO, ERICK YOVANI	121620	12/16/2020	COVID-19: COVID TEST REIM	150.00
							150.00
55482	12/24/2020	00124	SMITH, KEVIN	121620	12/16/2020	COVID-19: COVID TEST REIM	150.00
							150.00
55483	12/24/2020	00460	SPECTRUM BUSINESS	1133787120420	12/4/2020	COMMUNICATION CONTRAC	1,900.00
							1,900.00
55484	12/24/2020	00126	STEVENS, DEBORAH	122420	12/24/2020	RETIREE MED PREM/JAN 202	608.75
							608.75
55485	12/24/2020	00034	STEVENS, GARY	122420	12/24/2020	RETIREE MED PREM/JAN 202	606.50
							606.50
55486	12/24/2020	00063	WHELEN ENGINEERING CO.,	824552	12/7/2020	WHELEN ENGINEERING CO E	1,552.32
				823217	12/3/2020	WHELEN ENGINEERING CO E	275.18
							1,827.50
55487	12/24/2020	00067	XCEL MECHANICAL SYSTEMS	22633	12/9/2020	HQ MAINTENANCE	646.70
							646.70
55488	12/24/2020	00735	XEROX FINANCIAL SERVICES	2397014	12/10/2020	MONTHLY LEASE - BLACK & N	1,042.59
							1,042.59
Sub total for UNION BANK:							158,309.84

Bank : union UNION BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
20220	12/31/2020	00219	INTERNAL REVENUE SERVICE	Ben31369	12/31/2020 FEDERAL WITHHOLDING TAX	34,150.42	34,150.42
20221	12/31/2020	00223	EMPLOYMENT DEVEL DEPT	Ben31373	12/31/2020 STATE DISABILITY INSURANC	12,779.66	12,779.66
20222	12/31/2020	00222	STATE DISBURSEMENT UNIT	Ben31377	12/31/2020 SUPPORT: PAYMENT	184.62	184.62
20223	12/31/2020	00058	CALPERS	Ben31371	12/31/2020 PERS RETIREMENT: PAYMEN	38,156.63	38,156.63
20224	12/31/2020	00221	ICMA RETIREMENT TRUST	Ben31375	12/31/2020 DEFERRED COMPENSATION	9,888.06	9,888.06
Sub total for UNION BANK:							95,159.39

**Report of Budget Transfers approved by Acting Executive Director
December 2020**

Item	Date	Reference #	Amount	Description
1	12/31/2020	BA-2105	30,000	Transfer from Temporary Staffing Services to Employee Services

E-3



Staff Report

South Bay Regional Public Communications Authority

MEETING DATE: January 19, 2021

ITEM NUMBER: E-3

TO: Executive Committee

FROM: Shannon Kauffman, Acting Executive Director 

SUBJECT: RATIFICATION OF AN EMERGENCY PURCHASE FROM DR. PAUL'S IMMEDIATE CARE FOR SARS-COV-2 TESTING SERVICES.

ATTACHMENTS: Receipts

RECOMMENDATION

Staff recommends the Executive Committee to ratify the emergency purchase of SARS-CoV-2 testing in the amount of \$29,750.

BACKGROUND

Under the Authority's Purchasing Policy (Resolution No. 316), Section 7.A, the Executive Director is authorized to make an emergency purchase in excess of fifteen-thousand dollars (\$15,000.00), subject to presentation of the purchase to the Executive Committee for ratification within sixty (60) days.

"Emergency purchases" are those procurements required to prevent the immediate interruption or cessation of necessary Authority services or to safeguard life, property or the public health and welfare.

DISCUSSION

Due to recent COVID-19 cases in the workplace the Authority was required to provide SARS-CoV-2 testing to all employees. COVID-19 tests were administered on 12/10/2020, 12/17/2020, and 12/22/2020.

If three (3) or more COVID-19 cases result in a workplace within a 14-day period or if identified as an outbreak by a local health department, Cal/OSHA requires mandatory testing. Testing is required immediately to all employees in the workplace to exclude positive cases and exposures from the workplace. Repeat testing is required one week later and at least weekly thereafter until the workplace no longer qualifies as an outbreak.

FISCAL IMPACT

None. Funds for these purchases are available in the Fiscal Year 2020-2021 Budget.

E-3

Attachment 1

South Bay Regional Center Invoice 12/10/20



DATE: _____ SERVICE/PRODUCT: _____ AMOUNT: _____

The BD Veritor™ System for Rapid Detection of SARS-CoV-2

12/10/20 53 Mobile Rapid Tests @ \$175.00/test \$9,275.00

TOTAL:
\$9,275.00

Thank you for entrusting us with your health and safety!

Payment Options:

Visa Mastercard Discover or AMEX (call SBK)

Company/City Check to Dr. Paul's Immediate Care

South Bay Regional Center Invoice 12/17/20



DR. PAUL'S
IMMEDIATE CARE

DATE: _____ SERVICE/PRODUCT: _____ AMOUNT: _____

The BD Veritor™ System for Rapid Detection of SARS-CoV-2

12/17/20	59 Mobile Rapid Tests @ \$175.00/test	\$10,325.00
----------	---------------------------------------	-------------

TOTAL:
\$10,325.00

Thank you for entrusting us with your health and safety!

Payment Options:

Visa Mastercard Discover or AMEX (call SBK)

Company/City Check to Dr. Paul's Immediate Care

South Bay Regional Center Invoice 12/22/20



DR. PAUL'S
IMMEDIATE CARE

DATE: _____ SERVICE/PRODUCT: _____ AMOUNT: _____

The BD Veritor™ System for Rapid Detection of SARS-CoV-2

12/22/20 58 Mobile Rapid Tests @ \$175.00/test \$10,150.00

TOTAL:
\$10,150.00

Thank you for entrusting us with your health and safety!

Payment Options:

Visa Mastercard Discover or AMEX (call SBK)

Company/City Check to Dr. Paul's Immediate Care

F-1



Staff Report

South Bay Regional Public Communications Authority

MEETING DATE: January 19, 2021

ITEM: F-1

TO: Executive Committee

FROM: Shannon Kauffman, Acting Executive Director
Vanessa Alfaro, Finance & Performance Audit Manager

SUBJECT: FISCAL YEAR 2019-2020 ANNUAL FINANCIAL REPORT

ATTACHMENTS: 1. Audited Financial Statements for the Fiscal Year Ended June 30, 2020

RECOMMENDATION

Staff recommends the Executive Committee to receive and to file the attached audited Financial Statements for the Fiscal Year Ended June 30, 2020.

BACKGROUND

The Authority's Budgetary Policy (Resolution No. 321) requires the Executive Director to present fiscal year-end audited financial statements to the Executive Committee at the Committee's regularly scheduled meeting in February of each year or sooner.

The Pun Group LLP, the Authority's independent auditing firm, has completed the audit of the Authority's fiscal activities for the fiscal year ended June 30, 2020. Accordingly, the Authority's Financial Statements for the period have been finalized.

DISCUSSION

The auditors have rendered an unqualified opinion on the Authority's Financial Statements for the Fiscal Year Ended June 30, 2020. In their opinion, the financial statements present fairly, in all material respects, the respective financial position of the Authority, as of June 30, 2020 and 2019, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

The Authority's net position was \$4,670,386 for the fiscal year ended June 30, 2020 reflecting a decrease of approximately 4.8% since June 30, 2019. The change in net position is primarily the result of an increase in the net pension liability of over \$750 million. Operating revenues for the Authority increased 4% to \$13,362,094 and operating expenses decreased by 16.1% to \$12,967,570. The decrease in operating expenses in

FY20 is due primarily as a result of the completion of one-time purchases in FY19 for various communication equipment projects.

As illustrated in the Required Supplementary Information (RSI) of the financial statements, the Authority's net pension liability increased by \$764,964 to \$7,335,396 as of June 30, 2020 for the measurement date of June 30, 2019. Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year and any unfunded accrued liability. The Authority is required to contribute the difference between the actuarially determined rate and the contribution rate of members. For the year ending June 30, 2020, the Authority recognized pension expense in the amount of \$799,331.

Additionally, as required under GASB Statement No. 75, the Net Other Postemployment Benefits (OPEB) liability is reported in the Statement of Net Position in the amount of \$2,750,083 using a June 30, 2019 measurement date, a decrease of \$55,150 from the previous fiscal year. The net OPEB liability is calculated by actuaries using estimates and actuarial techniques from an actuarial valuation as of June 30, 2019. The Authority currently funds OPEB obligations on a pay-as-you-go basis (i.e., as medical insurance premiums become due) and records a liability for the difference between pay-as-you-go and the actuarially determined cost of the benefit plan. For fiscal year 2020, the Authority recognized OPEB expense in the amount of \$199,481 with pay-as-you-go contributions comprising of \$122,659 of the total OPEB expense.

In the September 8, 2020 meeting, the Board of Directors approved a resolution to establish a Section 115 Trust for OPEB liabilities with the CERBT program with an initial transfer of \$250,000 currently held as an OPEB reserve in the Enterprise Fund. Staff expects to bring recommendations to the Board of Directors for ongoing contribution options (i.e. a funding policy) after the trust is established and the initial transfer has been completed.

Under the budgetary policy adopted by the Executive Committee, the unreserved Fund 10 Enterprise Fund balance shall be eligible to be remitted to each member in proportion to each member's ownership share in the Authority, in accordance with its Bylaws, based on the fiscal year-end audited financial statements. In the September meeting, the Board of Directors approved the use of FY19/20 surplus funds in the amount of \$1,345,450 to be used to offset FY20/21 assessments for member cities. As a result, staff projects that the unreserved cash balance will be approximately \$1.4 million by the end of Fiscal Year 2020-2021.

In order to plan for funding upcoming technology costs and non-current liabilities in future years, staff recommends that the projected Fund 10 Enterprise Fund unreserved cash balance be retained until such policies are developed.

FISCAL IMPACT

None. The financial statements reflect the overall financial condition of the Authority, and the audit represents an objective evaluation of financial activities.

F-1

Attachment 1

South Bay Regional Public Communications Authority

Hawthorne, California

Annual Financial Report

For the Years Ended June 30, 2020 and 2019





Board of Directors as of June 30, 2020

Name	City Represented	Title
Rodney Tanaka	City of Gardena	Chairman
Haidar Awad	City of Hawthorne	Vice-Chairman
Hildy Stern	City of Manhattan Beach	Member

*South Bay Regional Public Communications Authority
4440 West Broadway
Hawthorne, California 90250*

South Bay Regional Public Communications Authority
Annual Financial Report
For the Years Ended June 30, 2020 and 2019

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the South Bay Regional Public Communications Authority
Hawthorne, California

Report on the Financial Statements

We have audited the accompanying financial statements of the South Bay Regional Public Communications Authority (the "Authority"), as of June 30, 2020 and 2019 and for the years then ended, and the related notes to the basic financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of June 30, 2020 and 2019, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 to 6, and the Schedule of the Authority's Proportionate Share of the Net Pension Liability and Related Ratios, the Schedule of Contributions – Pensions, the Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios, and the Schedule of Contributions – Other Postemployment Benefits on pages 38 through 43, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2020, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "The Pen Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California
December 22, 2020

South Bay Regional Public Communications Authority
Management's Discussion and Analysis (Unaudited)
For the Years Ended June 30, 2020 and 2019

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the South Bay Regional Public Communications Authority (Authority) provides an introduction to the financial statements of the Authority for the years ended June 30, 2020 and 2019. We encourage readers to consider the information presented here in conjunction with the basic financial statements and related notes, which follow this section.

Financial Highlights

- In 2020, the Authority's net position decreased 4.8%, or \$233,082, due primarily to an increase in the net pension liability of over three quarters of a million dollars.
- In 2019, the Authority's net position decreased 26.4%, or \$1,755,278, due primarily to the use of unreserved fund balance in the amount of \$1,733,647 to complete the purchase of mobile and portable radios and accessories with Motorola Solutions.
- In 2020, the Authority's operating revenues increased 4% or \$519,235, due primarily to a combined increase in assessments of over \$250,000 from client cities and increase in demand from member and client cities for vehicle outfitting services by the Technical Services department.
- In 2019, the Authority's operating revenues increased 0.8% or \$99,559, due primarily to additional assessments received from member and contract cities for the purchase agreement with Motorola Solutions.
- In 2020, the Authority's operating expenses plus depreciation expense decreased 15.4% or \$2,490,721 due primarily to non-recurring purchases in FY19 for various communication equipment projects.
- In 2019, the Authority's operating expenses increased 23.0% or \$3,200,887 due primarily to the completion of purchases related to the Urban Areas Security Initiative (UASI) grant in the amount of \$1,602,473 and completion of the purchase agreement with Motorola Solutions for mobile and portable radios.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's financial statements. The financial statements are comprised of two components: 1) financial statements and, 2) notes to financial statements.

This report also contains other supplementary information in addition to the financial statements themselves. The financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Authority's assets, deferred outflow of resources, liabilities, and deferred inflow of resources with the difference between the four reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *statement of revenues, expenses and changes in net position* presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

South Bay Regional Public Communications Authority
Management's Discussion and Analysis (Unaudited) (Continued)
For the Years Ended June 30, 2020 and 2019

The *statement of cash flows* presents information showing the sources and uses of cash related to operating activities, noncapital financing activities, capital and related financing activities and investing activities. In addition, the statement provides information about significant non-cash investing, capital and financing activities.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Financial Analysis of the Authority

One of the most important questions asked about the Authority's finances is, "*Is the Authority better off or worse off as a result of this year's activities?*" The Balance Sheet and the Statement of Revenues, Expenses and Changes in Net Position report information about the Authority in a way that helps answer this question.

These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the Authority's *net position* and changes in them. One can think of the Authority's net position – the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources – as a way to measure the Authority's financial health, or *financial position*. Over time, *increases or decreases* in the Authority's net position are one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions.

Condensed Statements of Net Position

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Assets:			
Current assets	\$ 5,934,406	\$ 5,866,572	\$ 5,916,916
Capital assets, net	9,165,625	9,776,435	10,454,687
Total assets	<u>15,100,031</u>	<u>15,643,007</u>	<u>16,371,603</u>
Deferred outflows of resources	<u>2,403,064</u>	<u>2,303,885</u>	<u>2,575,190</u>
Liabilities:			
Current liabilities	1,011,249	2,292,840	1,488,518
Noncurrent liabilities	10,544,711	9,778,868	9,903,837
Total liabilities	<u>11,555,960</u>	<u>12,071,708</u>	<u>11,392,355</u>
Deferred inflows of resources	<u>1,276,748</u>	<u>971,715</u>	<u>895,691</u>
Net position:			
Investment in capital assets	9,165,625	9,776,435	10,454,687
Unrestricted (Deficit)	(4,495,238)	(4,872,966)	(3,795,940)
Total net position	<u>\$ 4,670,387</u>	<u>\$ 4,903,469</u>	<u>\$ 6,658,747</u>

South Bay Regional Public Communications Authority
Management's Discussion and Analysis (Unaudited) (Continued)
For the Years Ended June 30, 2020 and 2019

As noted earlier, net positions may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets and deferred outflows of resources of the Authority exceeded liabilities and deferred inflows of resources by \$4,670,387 and \$4,903,469 as of June 30, 2020 and 2019.

By far the largest portion of the Authority's net position reflects its investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The Authority uses these capital assets to provide services to its members and client agencies; consequently, these assets are *not* available for future spending.

At the end of fiscal year 2020 and 2019, the Authority shows a negative balance in its unrestricted net position of (\$4,495,238) and (\$4,872,966) respectively, which is due primarily to the net pension liability on the statement of net position of \$7,335,396 and \$6,570,432, respectively. The Executive Committee in collaboration with the Board of Directors, have taken action to reserve aspects of the unrestricted net position for specified purposes such as operating reserves and future other post-employment benefits funding.

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Revenues:			
Operating revenues	\$ 13,362,094	\$ 12,842,859	\$ 12,743,300
Non-operating revenues	102,602	1,590,362	3,575,566
Total revenues	<u>13,464,696</u>	<u>14,433,221</u>	<u>16,318,866</u>
Expenses:			
Operating expenses	12,967,570	15,463,621	12,262,734
Depreciation expense	730,208	724,878	689,166
Total expenses	<u>13,697,778</u>	<u>16,188,499</u>	<u>12,951,900</u>
Change in net position	<u>(233,082)</u>	<u>(1,755,278)</u>	<u>3,366,966</u>
Net Position:			
Beginning of year	4,903,469	6,658,747	3,291,781
End of year	<u>\$ 4,670,387</u>	<u>\$ 4,903,469</u>	<u>\$ 6,658,747</u>

The Statement of Revenues, Expenses, and Changes in Net Position show how the Authority's net position changed during the fiscal year. In the case of the Authority, net position decreased by \$233,082 and \$1,755,278, respectively, as of June 30, 2020 and 2019.

In 2020, a closer examination of the sources of changes in net position reveals that the Authority's total revenues decreased by \$968,525 due primarily to the occurrence of non-recurring grant revenue in FY19. Likewise, total expenses decreased by \$2,490,721 due largely to the completion of a multiple-year project associated with grant funding.

In 2019, a closer examination of the sources of changes in net position reveals that the Authority's total revenues decreased by \$1,885,645, due primarily to additional revenue received from member cities for the purchase of mobile and portable radio equipment. In addition, total expenses increased by \$3,236,599 due primarily to the completion of purchase agreements with Motorola Solutions.

**South Bay Regional Public Communications Authority
Management's Discussion and Analysis (Unaudited) (Continued)
For the Years Ended June 30, 2020 and 2019**

Capital Asset Administration

Capital assets balances consisted of the following:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Non-depreciable assets	\$ 495,554	\$ 495,554
Depreciable assets	15,778,899	15,659,501
Accumulated depreciation	<u>(7,108,828)</u>	<u>(6,378,620)</u>
Total capital assets, net	<u>\$ 9,165,625</u>	<u>\$ 9,776,435</u>

The capital asset activities of the Authority are summarized above and in Note 3 to the basic financial statements.

Conditions Affecting Current Financial Position

The operations of the Authority are funded by assessments from its members. Changes in the economy are unlikely to directly impact the Authority. Management is not aware of past, present or future conditions that would have a significant impact on the Authority's financial position and/or net position.

Requests for Information

This financial report is designed to provide the Authority's funding sources, customers, stakeholders and other interested parties with an overview of the Authority's financial operations and financial condition. Questions regarding the information included in this report, or requests for additional financial information should be addressed to South Bay Regional Public Communications Authority, 4440 West Broadway, Hawthorne, CA 90250.

BASIC FINANCIAL STATEMENTS

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South Bay Regional Public Communications Authority

Statements of Net Position

June 30, 2020 and 2019

ASSETS	2020	2019
Current assets:		
Cash and cash equivalent	\$ 5,620,962	\$ 4,000,395
Accounts receivable	216,474	211,911
Grant receivable	-	1,494,144
Accrued interest receivable	13,358	20,529
Prepaid items	6,682	35,031
Materials and supplies inventory	76,930	104,562
Total current assets	<u>5,934,406</u>	<u>5,866,572</u>
Noncurrent assets:		
Capital assets, not being depreciated	495,554	495,554
Capital assets, being depreciated, net	8,670,071	9,280,881
Total noncurrent assets	<u>9,165,625</u>	<u>9,776,435</u>
Total assets	<u>15,100,031</u>	<u>15,643,007</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	2,213,393	2,180,994
Deferred outflows of resources related to other postemployment benefits	189,671	122,891
Total deferred outflows of resources	<u>2,403,064</u>	<u>2,303,885</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	148,138	1,822,617
Accrued salaries and benefits	336,598	335,822
Member deposits and unearned revenue	373,435	-
Compensated absences, due within one year	153,078	134,401
Total current liabilities	<u>1,011,249</u>	<u>2,292,840</u>
Noncurrent liabilities:		
Compensated absences, due within more than one year	459,233	403,203
Net pension liability	7,335,396	6,570,432
Net other postemployment benefits liability	2,750,082	2,805,233
Total noncurrent liabilities	<u>10,544,711</u>	<u>9,778,868</u>
Total liabilities	<u>11,555,960</u>	<u>12,071,708</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	684,349	617,583
Deferred inflows of resources related to other postemployment benefits	592,399	354,132
Total deferred inflows of resources	<u>1,276,748</u>	<u>971,715</u>
NET POSITION		
Investment in capital assets	9,165,625	9,776,435
Unrestricted (Deficit)	(4,495,238)	(4,872,966)
Total net position	<u>\$ 4,670,387</u>	<u>\$ 4,903,469</u>

South Bay Regional Public Communications Authority
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2020 and 2019

	2020	2019
Operating revenues:		
Assessments from member cities	\$ 12,389,859	\$ 12,120,749
Charges for services	799,834	584,578
Reimbursement Revenue	103,446	94,635
Other revenue	68,955	42,897
Total operating revenues	<u>13,362,094</u>	<u>12,842,859</u>
Operating expenses:		
Administration	2,993,069	2,413,667
Operations	7,870,618	7,455,599
Technical services	2,103,883	3,986,420
Other projects	-	1,607,935
Depreciation expense	518,602	513,272
Depreciation expense – SHSG Punta	211,606	211,606
Total operating expenses	<u>13,697,778</u>	<u>16,188,499</u>
Operating loss	<u>(335,684)</u>	<u>(3,345,640)</u>
Nonoperating revenues:		
Investment income	102,602	96,218
Contributed capital	-	1,494,144
Total nonoperating revenues	<u>102,602</u>	<u>1,590,362</u>
Changes in net position	<u>(233,082)</u>	<u>(1,755,278)</u>
Net position:		
Beginning of year	4,903,469	6,658,747
End of year	<u>\$ 4,670,387</u>	<u>\$ 4,903,469</u>

South Bay Regional Public Communications Authority

Statements of Cash Flows For the Years Ended June 30, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Cash receipts for dispatching services	\$ 13,730,966	\$ 11,868,787
Cash paid to vendors and suppliers for materials and services	(4,616,086)	(4,313,075)
Cash paid for salaries and wages	(8,978,832)	(8,791,047)
Net cash provided by (used in) operating activities	<u>136,048</u>	<u>(1,235,335)</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(119,398)	(46,626)
Capital grant received	1,494,144	-
Net cash provided by capital and related financing activities	<u>1,374,746</u>	<u>(46,626)</u>
Cash flows from investing activities:		
Interest received	109,773	95,647
Net cash provided by investing activities	<u>109,773</u>	<u>95,647</u>
Net increase (decrease) in cash and cash equivalents	1,620,567	(1,186,314)
Cash and cash equivalents:		
Beginning of year	4,000,395	5,186,709
End of year	<u>\$ 5,620,962</u>	<u>\$ 4,000,395</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:		
Operating loss	\$ (335,684)	\$ (3,345,640)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation expense	730,208	724,878
Operating assets, deferred outflows of resources, liabilities and deferred inflows of resources		
(Increase) decrease in accounts receivable	(4,563)	(45,232)
(Increase) decrease prepaid items	28,349	39,452
(Increase) decrease materials and supplies inventory	27,632	364,525
(Increase) decrease pensions related deferred outflows of resources	(32,399)	253,660
(Increase) decrease OPEB related deferred outflows of resources	(66,780)	17,645
Increase (decrease) accounts payable and accrued expenses	(1,674,479)	1,694,884
Increase (decrease) accrued salaries and benefits	776	31,237
Increase (decrease) member deposits and unearned revenue	373,435	(928,840)
Increase (decrease) compensated absences	74,707	28,165
Increase (decrease) net pension liability	764,964	(141,225)
Increase (decrease) net other postemployment benefits liability	(55,151)	(4,868)
Increase (decrease) pensions related deferred inflows of resources	66,766	794
Increase (decrease) OPEB related deferred inflows of resources	238,267	75,230
Total adjustments	<u>471,732</u>	<u>2,110,305</u>
Net cash provided by (used in) operating activities	<u>\$ 136,048</u>	<u>\$ (1,235,335)</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS

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South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements
For the Years Ended June 30, 2020 and 2019

Note 1 – Reporting Entity and Summary of Significant Accounting Policies

Organization and Operations of the Reporting Entity

The South Bay Regional Public Communications Authority (the “Authority”) was organized on October 14, 1975, under the provisions of the Joint Exercise of Powers Act of the Government Code of the State of California. The purpose of the Authority is to provide a forum for discussion, study, development, implementation, operations, and maintenance of a consolidated regional public safety services communications system. At the present time, the Authority serves the Cities of Gardena, Hawthorne, and Manhattan Beach in the aforementioned capacity. Additionally, the Authority serves the Cities of Culver City, Hermosa Beach and El Segundo in a non-member capacity.

Basis of Presentation

Financial statement presentation follows the recommendations promulgated by the Governmental Accounting Standards Board (“GASB”) commonly referred to as accounting principles generally accepted in the United States of America (“U.S. GAAP”). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements (i.e., the statement of net position, the statement of revenues, expenses and changes in net position, and statement of cash flows) report information on all of the activities of the primary government. The Authority accounts for its operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services on a continuing basis be financed or recovered primarily through member assessments and charges for services; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Financial Statements are reported using the “*economic resources*” measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as all eligibility requirements have been met. Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenue of the current fiscal period.

Use of Estimates

The preparation of the basic financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results most likely will differ from those estimates.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, the Authority considers cash and cash equivalents as cash on hand, demands deposits and short-term investments with original maturity of three months or less from the date of acquisition.

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Investments

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

Accounts Receivable

Management deems all accounts receivable as collectible at year-end. Accordingly, an allowance for doubtful accounts has not been reported. Historical experience indicates that uncollectible accounts receivable is immaterial.

Prepaid Items

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

Materials and Supplies Inventory

Materials and supplies inventory consist primarily of equipment for police vehicles such as sirens, modems, light fixtures and wire harness. Inventory is valued at cost using a weighted average cost method. Inventory items are charged to expense at the time that individual items are inventoried at year-end.

Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. The Authority's policy has set the capitalization threshold for reporting capital assets at \$5,000. Donated assets are recorded at estimated acquisition value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. Depreciation is recorded on a straight-line basis over the estimated useful life of the assets. The estimated useful life of buildings, automobiles, property, and equipment ranges from five to forty years.

Construction-in-Process

The costs associated with developmental stage projects are accumulated in an in-progress account until the project is fully developed. Once the project is complete and in use, the entire cost of the project is transferred to a capital asset account and depreciated over its estimated useful life.

Deferred Outflows of Resources and Deferred Inflows of Resources

The Statement of Net Position reports separate sections for deferred outflows of resources and deferred inflows of resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net position) that apply to future periods; therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net position) that apply to future periods; therefore, will not be recognized as a revenue until that time

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Compensated Absences

The Authority accounts for compensated absences (unpaid vacation, compensatory time and holiday leave) in accordance with U.S. GAAP. The Authority is required to accrue a liability, with a corresponding charge to current operations, for employees' right to receive compensation in future years when certain conditions are met. The Authority accrues unpaid vacation, compensatory time and holiday leave.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net pension of the Authority's pension plans and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

For the year ended June 30, 2020

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

For the year ended June 30, 2019

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retirees) as of the beginning of the measurement period.

Other Postemployment Benefits ("OPEB")

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Authority's OPEB Plans and additions to/deductions from the OPEB Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Other Postemployment Benefits (“OPEB”) (Continued)

The following timeframes are used for OPEB reporting:

For the year ended June 30, 2020

Valuation Date	June 30, 2019
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

For the year ended June 30, 2019

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized using the straight-line method over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

Net Position

The financial statements utilize a net position presentation. Net position is categorized as follows:

Investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation.

Restricted – This component of net position consists of external constraints placed on net position imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There is no restricted net position reported by the Authority at June 30, 2020 and 2019.

Unrestricted – This component of net position is the amount of the assets, deferred outflows or resources, liabilities, and deferred inflows of resources that are not included in the determination of investments in capital assets or the restricted component of net position.

Reclassification

\$1,494,144 was reclassified from accounts receivable to grant receivable for the year end June 30, 2019. The reclassification resulted in a reclassification from net cash used in operating activities decreased by the same amount from the net cash provided by capital and related financing activities.

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 2 – Cash and Cash Equivalent

Cash and Cash Equivalent consisted of the following:

Description	June 30, 2020	June 30, 2019
Cash on hand	\$ 500	\$ 500
Demand deposits with financial institutions	1,073,829	792,035
Investments	4,546,633	3,207,860
Total cash and investments	<u>\$ 5,620,962</u>	<u>\$ 4,000,395</u>

Demand Deposits

At June 30, 2020 and 2019, the carrying amount of the Authority's demand deposits was \$1,073,829 and \$792,035, respectively, and the financial institution balance was \$1,117,660 and \$860,362, respectively. The differences of \$43,831 and \$68,327 at June 30, 2020 and 2019, respectively, represent outstanding checks, deposits-in-transit and/or other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure an entity's deposits by pledging government securities with a value of 110% of an entity's deposits. California law also allows financial institutions to secure entity deposits by pledging first trust deed mortgage notes having a value of 150% of an entity's total deposits. The entity's Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC.

The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized agent of depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an agent of depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an agent of depositor has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California agents of depository are considered to be held for, and in the name of, the local government.

Authorized Investments and Investment Policy

The Authority has adopted an investment policy directing the Fiscal Officer to deposit funds in financial institutions. Investments are to be made in the following areas:

State Investment Pool	100% of portfolio, maximum
County Investment Pool	50% of portfolio, maximum
U.S. Federal Agencies	33-1/3% maximum for each agency; 60% maximum overall
U.S. Treasuries	No Limit
Certificates of Deposits	20% Maximum
Negotiable certificates of deposit	20% Maximum

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 2 – Cash and Cash Equivalent (Continued)

Custodial Credit Risk

The custodial credit risk for *deposits* is the risk that in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Authority's investment policy requires that collateral be held by an independent third party with whom the Authority has a current custodial agreement.

The custodial credit risk for *investments* is the risk that in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Authority's investment policy requires that all security transactions are conducted on a delivery-versus-payment (DVP) method and that all securities are held by a qualified, third-party custodian, as evidenced by safekeeping receipts. The trust department of the Authority's bank may act as third-party custodian, provided that the custodian agreement is separate from the banking agreement. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

As of June 30, 2020, and 2019 none of the Authority's deposits and investments was exposed to custodial credit risk.

Investments

The Authority's investments as of June 30, 2020 and 2019 were as follows:

<u>Investments</u>	<u>Credit Rating</u>	<u>Maturity - 12 Months or Less</u>	
		<u>June 30, 2020</u>	<u>June 30, 2019</u>
California Local Agency Investment Fund (LAIF)	Not Rated	\$ 4,546,633	\$ 3,207,860

Investment in California – Local Agency Investment Fund (LAIF)

The Authority is a voluntary participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements at amounts based upon the entity's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Further information about LAIF is available on the California State Controller's website: www.treasurer.ca.gov/pmia-laif/

The Authority's investments with LAIF at June 30, 2020 and 2019, included a portion of the pool funds invested in structured notes and asset-backed securities:

Structured Notes: debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities: generally, mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

The Authority had \$4,546,663 and \$3,207,860 invested in LAIF, which had invested 3.37% and 1.77% of the pooled investment funds at June 30, 2020 and June 30, 2019, respectively, in structured notes and medium-term asset-backed securities. The investment in LAIF is reported at amortized cost.

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 3 – Capital Assets

A summary of changes in the capital assets for the year ended June 30, 2020 is as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Nondepreciable assets:				
Land and easements	\$ 495,554	\$ -	\$ -	\$ 495,554
Total nondepreciable assets	495,554	-	-	495,554
Depreciable assets:				
Buildings and improvements	6,389,356	-	-	6,389,356
Vehicles and equipment	9,270,145	119,398	-	9,389,543
Total depreciable assets	15,659,501	119,398	-	15,778,899
Accumulated depreciation:				
Buildings and improvements	(2,702,179)	(179,098)	-	(2,881,277)
Vehicles and equipment	(3,676,441)	(551,110)	-	(4,227,551)
Total accumulated depreciation	(6,378,620)	(730,208)	-	(7,108,828)
Total depreciable assets, net	9,280,881	(610,810)	-	8,670,071
Total capital assets, net	\$ 9,776,435	\$ (610,810)	\$ -	\$ 9,165,625

Depreciation Expense for the year ended June 30, 2020 was charged as follows:

Authority depreciable assets	\$ 518,602
UASI Grant and other equipments	211,606
	<u>\$ 730,208</u>

A summary of changes in the capital assets for the year ended June 30, 2019 is as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Nondepreciable assets:				
Land and easements	\$ 495,554	\$ -	\$ -	\$ 495,554
Total nondepreciable assets	495,554	-	-	495,554
Depreciable assets:				
Buildings and improvements	6,389,356	-	-	6,389,356
Vehicles and equipment	9,223,519	46,626	-	9,270,145
Total depreciable assets	15,612,875	46,626	-	15,659,501
Accumulated depreciation:				
Buildings and improvements	(2,523,081)	(179,098)	-	(2,702,179)
Vehicles and equipment	(3,130,661)	(545,780)	-	(3,676,441)
Total accumulated depreciation	(5,653,742)	(724,878)	-	(6,378,620)
Total depreciable assets, net	9,959,133	(678,252)	-	9,280,881
Total capital assets, net	\$ 10,454,687	\$ (678,252)	\$ -	\$ 9,776,435

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 3 – Capital Assets (Continued)

Depreciation Expense for the year ended June 30, 2019 was charged as follows:

Authority depreciable assets	\$ 513,272
UASI Grant and other equipments	211,606
	<u>\$ 724,878</u>

Note 4 – Member Deposits and Unearned Revenue

As of June 30, 2020, the City of El Segundo prepaid its fiscal year 2020-21 first-quarter installment to the Authority in the amount \$374,435.

Note 5 – Compensated Absences

A summary of changes in compensated absences for the year ended June 30, 2020 and 2019 is as follows:

Year Ended	Beginning Balance	Additions	Deletions	Ending Balance	Due within One Year	Due in More Than One Year
June 30, 2020	<u>\$ 537,604</u>	<u>\$ 741,682</u>	<u>\$ (666,975)</u>	<u>\$ 612,311</u>	<u>\$ 153,078</u>	<u>\$ 459,233</u>
June 30, 2019	<u>\$ 509,439</u>	<u>\$ 989,070</u>	<u>\$ (960,905)</u>	<u>\$ 537,604</u>	<u>\$ 134,401</u>	<u>\$ 403,203</u>

Note 6 – Deferred Compensation Savings Plan

For the benefit of its employees, the Authority participates in a 457 Deferred Compensation Program (Program). The purpose of this Program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death, or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes. Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the Authority is in compliance with this legislation. Therefore, these assets are not the legal property of the Authority, and are not subject to claims of the Authority's general creditors and are not included in the accompanying financial statements. Market value of all plan assets held in trust by ICMA-RC Services, LLC at June 30, 2020 and 2019 was \$4,541,539 and \$4,053,986, respectively.

Note 7 – Defined Benefit Pension Plan

General Information about the Pension Plans

Plan Description

The Authority contributes to the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. A full description of the pension plan, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2018 and 2017 Annual Actuarial Valuation Reports. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 7 – Defined Benefit Pension Plan (Continued)

General Information about the Pension Plans (Continued)

Members Covered by Benefit Terms

At June 30, 2018 and 2017, valuation dates, the following members were covered by the benefit terms:

Plan Members	2018			2017		
	Classic Tier 1	Classic Tier 2	PEPRA Tier 3	Classic Tier 1	Classic Tier 2	PEPRA Tier 3
Active members	41	8	15	43	8	14
Transferred and terminated members	81	7	11	82	5	6
Retired members and beneficiaries	68	1	-	67	-	-
Total plan members	190	16	26	192	13	20

Benefits Provided

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A classic CalPERS member becomes eligible for Service Retirement upon attainment of age 55 with at least five (5) years of credited service. Public Employee Pension Reform Act (PEPRA) miscellaneous members become eligible for service retirement upon attainment of age 62 with at least five (5) years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the highest average annual compensation during any consecutive 12-or 36-month period of employment. Retirement benefits for classic miscellaneous employees are calculated as 2% of the highest average annual compensation during any consecutive 12-or 36-month period of employment. Retirement benefits for PEPRA miscellaneous employees are calculated as 2% of the average final three (3) year compensation.

Participant is eligible for non-industrial disability retirement if they become disabled and has at least five (5) years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8% of final compensation, multiplied by service. Industrial disability benefits are not offered to miscellaneous employees.

An employee's beneficiary may receive the basic death benefit if the employee dies while actively employed. The employee must be actively employed with the Authority to be eligible for this benefit. An employee's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the employee's accumulated contributions, where interest is currently credited at 7.5% per year, plus a lump sum in the amount of one month salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2%.

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 7 – Defined Benefit Pension Plan (Continued)

General Information about the Pension Plans (Continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers will be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The public agency cost-sharing plans covered by the Miscellaneous risk pool, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of members.

For the measurement period ended June 30, 2019, the active member contribution rates for the Classic Miscellaneous Plan Tier 1, Tier 2 and the PEPRM Miscellaneous Plan are 7.00%, 7.00% and 6.25% of annual pay, respectively, and the employer contribution rates are 9.409%, 7.634% and 6.842% of annual payroll, respectively.

For the measurement period ended June 30, 2018, the active member contribution rates for the Classic Miscellaneous Plan Tier 1, Tier 2 and the PEPRM Miscellaneous Plan are 7.00%, 7.00% and 6.25% of annual pay, respectively, and the employer contribution rates are 8.921%, 7.200% and 6.533% of annual payroll, respectively.

Net Pension Liability, Pension Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plans

Actuarial Methods and Assumptions Used to Determine the Total Pension Liability

The June 30, 2018 and 2017 valuations were rolled forward to determine the June 30, 2019 and 2018 total pension liabilities, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

¹The mortality table used in 2019 was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of scale MP 2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

The mortality table used in 2018 was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to December 2017 Experience Study Report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website at www.calpers.ca.gov under Forms and Publications.

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 7 – Defined Benefit Pension Plan (Continued)

Net Pension Liability, Pension Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plans (Continued)

Change of Assumption

In 2019, there were no changes of assumptions. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

Long-Term Expected Rate of Return (Continued)

The expected real rates of return by asset class are as followed:

Asset Class¹	Assumed Asset Allocation	Real Return Years 1 - 10²	Real Return Years 11+³
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
	<u>100.00%</u>		

¹In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments, Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

²An Expected inflation of 2.00% used for this period

³An Expected inflation of 2.92% used for this period

Discount Rate

The discount rate used to measure the 2019 and 2018 total pension liabilities was both 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 7 – Defined Benefit Pension Plan (Continued)

Net Pension Liability, Pension Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plans (Continued)

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate for the June 30, 2019 and 2018 Measurement Date as follows:

Measurement Date	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1% 6.15%	Current Discount Rate 7.15%	Discount Rate + 1% 8.15%
June 30, 2019	\$ 11,895,559	\$ 7,335,396	\$ 3,571,303
June 30, 2018	\$ 10,868,988	\$ 6,570,432	\$ 3,022,044

Pension Plan Fiduciary Net Position

Detail information about the plan's fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS' website under Forms and Publications.

Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the plan's proportionate share of the risk pool collective net pension liability over the measurement period:

	Increase (Decrease)		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/(Asset)
Balance as of June 30, 2018 (Valuation Date)	31,777,327	25,206,895	\$ 6,570,432
Balance as of June 30, 2019 (Measurement Date)	33,903,792	26,568,396	7,335,396
Net Changes during 2018-2019	2,126,465	1,361,501	764,964
Balance as of June 30, 2017 (Valuation Date)	\$ 29,697,882	\$ 22,986,225	\$ 6,711,657
Balance as of June 30, 2018 (Measurement Date)	31,777,327	25,206,895	6,570,432
Net Changes during 2017-2018	2,079,445	2,220,670	(141,225)

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool for the measurement periods ended June 30, 2019 and 2018.

- (1) In determining a cost-sharing plan's proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2018 and 2017). The risk pool's fiduciary net position ("FNP") subtracted from its total pension liability ("TPL") determines the net pension liability ("NPL") at the valuation date.

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 7 – Defined Benefit Pension Plan (Continued)

Net Pension Liability, Pension Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plans (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2019 and 2018). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool's FNP at the measurement date denotes the aggregate risk pool's FNP at June 30, 2019 and 2018 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement periods (2018-2019 and 2017-2018).
- (3) The individual plan's TPL, FNP and NPL are also calculated at the valuation date. TPL is allocated based on the rate plan's share of the actuarial accrued liability. FNP is allocated based on the rate plan's share of the market value assets.
- (4) Two ratios are created by dividing the plan's individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool's total TPL and FNP, respectively.
- (5) The plan's TPL as of the measurement date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan's FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.
- (6) The plan's NPL at the measurement date is the difference between the TPL and FNP calculated in (5).

Deferred outflows of resources, deferred inflows of resources, and pension expense is allocate based on the Authority's share of risk pool actuarial accrued liability at the beginning of measurement period.

The Authority's proportionate share of the net pension liability was as follows:

2020		2019	
<u>Measurement Date</u>		<u>Measurement Date</u>	
June 30, 2018	0.068180%	June 30, 2017	0.067677%
June 30, 2019	0.071590%	June 30, 2018	0.068180%
Change - Increase		Change - Increase	
(Decrease)	<u>0.003410%</u>	(Decrease)	<u>0.000503%</u>

For the years ended June 30, 2020 and 2019, the Authority recognized pension expense in the amount of \$1,756,446 and \$920,324, respectively.

The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized over 5-years straight line. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period.

The expected average remaining service lifetime ("EARSL") is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the risk pool. The EARSL for risk pool for the measurement date ended June 30, 2019 and 2018 are both 3.8 years, which was obtained by dividing the total service years of 530,470 and 516,147 (the sum of remaining service lifetimes of the active employees) by 140,593 and 135,474 (the total number of participants: active, inactive, and retired), respectively.

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 7 – Defined Benefit Pension Plan (Continued)

Net Pension Liability, Pension Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plans (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2020 and 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2020		2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after the measurement date	\$ 957,115	\$ -	\$ 807,095	\$ -
Adjustment due to differences in proportions	397,018	-	340,271	-
Differences between expected and actual experience	509,474	(39,474)	252,096	(85,787)
Differences between projected and actual earnings on pension plan investments	-	(128,245)	32,483	-
Difference between actual and proportionate share of employer contributions	-	(392,634)	-	(348,219)
Changes in assumptions	349,786	(123,996)	749,049	(183,577)
Total Deferred Outflows/(Inflows) of Resources	\$ 2,213,393	\$ (684,349)	\$ 2,180,994	\$ (617,583)

Deferred outflows of resources related to pensions resulting from Authority's contributions subsequent to the measurement date in the amount of \$957,115 and \$807,095 will be recognized as a reduction of the collective net pension liability in the years ending June 30, 2021 and 2020, respectively.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized to pension expense in future periods as follows:

Year Ending June 30,	Deferred Outflows / (Inflows) of Resources	Year Ending June 30	Deferred Outflows / (Inflows) of Resources
	2020		2019
2021	\$ 536,040	2020	\$ 634,026
2022	(50,981)	2021	369,765
2023	60,954	2022	(188,378)
2024	25,916	2023	(59,097)
2025	-	2024	-
Thereafter	-	Thereafter	-
Total	\$ 571,929	Total	\$ 756,316

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 8 – Other Postemployment Benefits (“OPEB”)

General Information about the OPEB Plan

Plan Description

The Authority provides certain health insurance benefits, in accordance with a memorandum of understanding with its retired employees. Employees, who are at least 50 years of age and have 10 years continuous service with the Authority, become eligible for benefits if they reach normal retirement age while working for the Authority. The benefits for various bargaining groups are as follows:

Teamsters (Communications Operators):

- 10 years of service – will get \$200/mo. from retirement date till age 65
- 15 years of service – will get \$300/mo. from retirement date till age 65
- 20 years of service – will get \$500/mo. from retirement date till age 65

Those who retired prior to July 1, 2008, shall continue to receive \$582 per month, until age 65 as long as the Authority remains in the Public Employees’ Medical & Hospital Care Act (PEMHCA); if no longer in PEMHCA, they will receive above depending on years of service. This includes the minimum contribution required under Government Code Section 22892(b) of PEMHCA, \$139 and \$136 per month for 2020 and 2019 calendar year, respectively.

Teamsters (Communications Technicians):

- 10 years of service – will get \$200/mo. from retirement date till age 65
- 15 years of service – will get \$300/mo. from retirement date till age 65
- 20 years of service – will get \$500/mo. from retirement date till age 65

Those who retire prior to July 1, 2008, shall continue to receive \$960 per month, until age 65 as long as the Authority remains in PEMHCA; if no longer in PEMHCA, they will receive above depending on years of service. This includes the minimum contribution required under Government Code Section 22892(b) of PEMHCA, \$139 and \$136 per month for 2020 and 2019 calendar year, respectively.

CWA (Communications Supervisors):

- 15 years of service – will get \$250/mo. from retirement date till age 65
- 20 years of service – will get \$450/mo. from retirement date till age 65

Those who retire from the Authority before July 1, 2014 receive \$750 per month, until age 65 as long as the Authority remains in PEMHCA, or the above if no longer in PEMHCA. This includes the minimum contribution required under Government Code Section 22892(b) of PEMHCA, \$139 and \$136 per month for 2020 and 2019 calendar year, respectively.

Management & Confidential

Management and confidential employees receive a benefit of \$40 times the number of years of service as a monthly benefit from their retirement date until the age of 65 (with minimum 10 years of service with the Authority). Those who retire before July 1, 2019 with a minimum 10 years of service shall receive \$960 per month until age 65 as long as the Authority remains in PEMHCA, or the above if no longer in PEMHCA. This includes the minimum contribution required under Government Code Section 22892(b) of PEMHCA, \$139 and \$136 per month for 2020 and 2019 calendar year, respectively.

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 8 – Other Postemployment Benefits (“OPEB”) (Continued)

General Information about the OPEB Plan (Continued)

Plan Description (Continued)

All Bargaining Groups

The Authority currently contracts with CalPERS for employee group insurance health benefits. If the Authority should terminate its contract with CalPERS, all employees hired prior to April 1, 1986, who are ineligible to participate in Medicare and retire from a classification covered by the memorandum of understanding of each bargaining unit, are receiving retirement benefits from CalPERS and have a minimum of twenty (20) years of full-time employment, shall be entitled to enroll in an Authority-selected health benefit plan. The benefits provided in the health plan selected by the Authority shall equal or exceed the benefits the employee would have received had he/she been eligible to participate in Medicare. The Authority agrees to pay the cost of coverage for the plan in which the employee is enrolled. If the employee resides outside the State of California at the time of eligibility, the Authority agrees to pay the employee the cash equivalent of the cost of coverage for the plan in which the employee would have been enrolled had he/she lived in California. This benefit commences upon the employee reaching the age of 65, at which time he/she would have otherwise been eligible to participate in Medicare. The benefit shall cease if and when the employee becomes eligible to participate in Medicare or an equivalent Government health benefit program.

Employees Covered by the Benefit Term

The following employees were covered by the benefit terms at June 30, 2019 and June 30, 2017, valuation dates:

	<u>2019</u>	<u>2017</u>
Active employees	65	57
Inactive employees or beneficiaries currently receiving benefits	13	12
Inactive employees entitled to, but not yet receiving benefits	<u>6</u>	<u>1</u>
Total	<u>84</u>	<u>70</u>

Contributions

The contribution requirements of plan members and the Authority is established and may be amended by the Authority’s Management or the Board of Directors. For the years ended June 30, 2020 and 2019, the average contribution rate was not applicable. Employees are not required to contribute to the plan. The Authority made contributions on pay-as-you-go basis.

Net OPEB Liability

The Authority’s 2020 and 2019 net OPEB liabilities were measured as of June 30, 2019 and 2018, respectively, and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by an actuarial valuation as of June 30, 2019.

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 8 – Other Postemployment Benefits (“OPEB”) (Continued)

General Information about the OPEB Plan (Continued)

Actuarial Assumptions

Total OPEB liability in the June 30, 2019 and 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date	June 30, 2019																
Contribution Policy	No Pre-funding																
Discount Rate	3.50% at June 30, 2019 (Bond Buyer 20-year index) 3.87% at June 30, 2018 (Bond Buyer 20-year index)																
Expected Long-term Rate of Return on investment	N/A																
General Inflation	2.75% per annum																
Mortality, Retirement, Disability, Termination	CalPERS 1997-2015 Experience Study																
Mortality Improvement	Mortality projected fully generation with Scale MP-17 for post-retirement mortality																
Salary increases	Aggregate 3% annually																
Medical Trend	Merit - CalPERS 1997-2015 Experience Study Non Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076 and later years Medicare - 6.3% for 2021, decreasing to an ultimate rate of 4.0% in 2076 and later years																
PEHHCA Minimum Increase	4.25% annually																
Participation at Retirement	Actives: Based on the supplemental benefit amount																
	<table><tr><th>Suppl Benefit</th><th>Participation</th><th>Suppl Benefit</th><th>Participation</th></tr><tr><td>\$0-\$99</td><td>50.0%</td><td>\$300-\$499</td><td>85.0%</td></tr><tr><td>\$100-\$199</td><td>75.0%</td><td>\$500+</td><td>90.0%</td></tr><tr><td>\$200-\$299</td><td>80.0%</td><td></td><td></td></tr></table>	Suppl Benefit	Participation	Suppl Benefit	Participation	\$0-\$99	50.0%	\$300-\$499	85.0%	\$100-\$199	75.0%	\$500+	90.0%	\$200-\$299	80.0%		
Suppl Benefit	Participation	Suppl Benefit	Participation														
\$0-\$99	50.0%	\$300-\$499	85.0%														
\$100-\$199	75.0%	\$500+	90.0%														
\$200-\$299	80.0%																
Spouse Coverage	Retirees: Based on current coverage Actives: current election if covered, 20% if waived Retirees: current election																

Discount Rate

The discount rates of 3.50% and 3.87% were used during measurement periods June 30, 2019 and 2018, respectively. The Authority used the Bond Buyer 20-Bond GO index along with the assumed long-term inflation assumption to set the discount rate.

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 8 – Other Postemployment Benefits (“OPEB”) (Continued)

Net OPEB Liability (Continued)

Change in Total OPEB Liability

2020			
Increase (Decrease)			
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2018 (measurement date)	\$ 2,805,233	\$ -	\$ 2,805,233
Changes Recognized for the Measurement Period:			
Service Cost	138,260	-	138,260
Interest on the total OPEB liability	111,541	-	111,541
Change of benefit terms	5,100	-	5,100
Difference between expected and actual experience	(304,572)	-	(304,572)
Changes in assumptions	117,179	-	117,179
Contribution from the employer	-	122,891	(122,891)
Net investment income	-	-	-
Administrative expenses	-	(232)	232
Benefit payments	(122,659)	(122,659)	-
Net changes during measurement 2018-2019	(55,151)	-	(55,151)
Balance at June 30, 2019 (measurement date)	\$ 2,750,082	\$ -	\$ 2,750,082
2019			
Increase (Decrease)			
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2017 (measurement date)	\$ 2,810,101	\$ -	\$ 2,810,101
Changes Recognized for the Measurement Period:			
Service Cost	143,129	-	143,129
Interest on the total OPEB liability	103,266	-	103,266
Change of benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Changes in assumptions	(113,847)	-	(113,847)
Contribution from the employer	-	137,416	(137,416)
Net investment income	-	-	-
Administrative expenses	-	-	-
Benefit payments	(137,416)	(137,416)	-
Net changes during measurement 2017-2018	(4,868)	-	(4,868)
Balance at June 30, 2018 (measurement date)	\$ 2,805,233	\$ -	\$ 2,805,233

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 8 – Other Postemployment Benefits (“OPEB”) (Continued)

Net OPEB Liability (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Authority, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for the measurement periods ended June 30, 2019 and June 30, 2018:

Measurement Date	Plan's Total OPEB Liability		
	Discount Rate -1% (2.50%)	Current Discount Rate (3.50%)	Discount Rate +1% (4.50%)
June 30, 2019	\$ 3,151,988	\$ 2,750,082	\$ 2,420,597
Measurement Date	Discount Rate -1% (2.87%)	Current Discount Rate (3.87%)	Discount Rate +1% (4.87%)
	June 30, 2018	\$ 3,230,612	\$ 2,805,233
			\$ 2,461,515

Sensitivity of the Total OPEB Liability to Changes in Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Authority, as well as what the total OPEB liability would be if it were calculated using a health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates, for the measurement periods ended June 30, 2019 and June 30, 2018:

Measurement Date	Plan's Total OPEB Liability		
	Healthcare Cost Trend Rate -1%	Current Healthcare Cost Trend Rate	Healthcare Cost Trend Rate +1%
June 30, 2019	\$ 2,380,764	\$ 2,750,082	\$ 3,228,848
June 30, 2018	\$ 2,405,530	\$ 2,805,233	\$ 3,323,970

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the years ended June 30, 2020 and June 30, 2019, the Authority recognize OPEB expense in the amounts of \$199,481 and \$210,898, respectively. At June 30, 2020 and 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2020		2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after measurement date	\$ 83,145	\$ -	\$ 122,891	\$ -
Changes in assumptions	106,526	(315,515)	-	(354,132)
Differences between expected and actual experience	-	(276,884)	-	-
Total	\$ 189,671	\$ (592,399)	\$ 122,891	\$ (354,132)

The Expected Average remaining service Lifetime (“EARS”) is calculated by dividing the total future service years by total number of covered participants in the plan. The EARS for the plan at the beginning of measurement period June 30, 2019 and June 30, 2018 are 11.1 and 10.9 years, which were obtained by dividing the total services years of 863 by 78 covered participants and 753 by 69 covered participants, respectively.

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 8 – Other Postemployment Benefits (“OPEB”) (Continued)

Other amounts reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Deferred outflows of resources related to OPEB resulting from Authority’s contributions subsequent to the measurement date in the amounts of \$83,145 and \$122,891 will be recognized as a reduction of the net OPEB liability in the years ending June 30, 2021 and 2020, respectively.

Year Ending June 30,	Deferred Outflows/ (Inflows) of Resources 2020	Year Ending June 30,	Deferred Outflows/ (Inflows) of Resources 2019
2021	\$ (55,652)	2020	\$ (38,617)
2022	(55,652)	2021	(38,617)
2023	(55,652)	2022	(38,617)
2024	(55,652)	2023	(38,617)
2025	(55,652)	2024	(38,617)
Thereafter	(207,613)	Thereafter	(161,047)
Total	<u>\$ (485,873)</u>	Total	<u>\$ (354,132)</u>

Note 9 – Conduit Debt

The Authority issued three series of bonds to finance the costs of acquisition, construction, installation, and equipping of main facility with emergency communications equipment (the “Project”) in January 2001 on behalf of the cities of Gardena, Hawthorne, and Manhattan Beach. The 2001 Revenue Bonds Series A in the amount of \$3,060,000 (Gardena), the 2001 Variable Rate Demand Revenue Bonds Series B in the amount of \$4,300,000 (Hawthorne), and the 2001 Variable Rate Demand Revenue Bonds Series C in the amount of \$2,180,000 (Manhattan Beach), are payable from the revenues derived primarily from project financing and operating by the Cities of Gardena, Hawthorne, and Manhattan Beach, respectively.

In 2007, the Authority issued the 2007 Refunding Revenue Bonds, Series A in the amount of \$2,800,000 to fully refund the 2001 Revenue Bond Series A on behalf of the City of Gardena. The outstanding balances of the 2007 Refunding Revenue Bonds Series A were \$1,540,000 and \$1,645,000 as of June 30, 2020 and 2019, respectively. The 2001 Revenue Bonds, Series B, were fully refunded by the City of Hawthorne’s private placement in 2016. The 2001 Revenue Bonds, Series C, were paid off by the City of Manhattan Beach.

The bonds were not reflected as the Authority’s long-term debt because the debt is solely payable from and secured by specific revenue sources described in the official statement. Neither the faith and credit of the Authority, nor the taxing power of the State of California or any political subdivision thereof, is pledged for payment of these bonds. Accordingly, since this debt does not constitute an obligation of the Authority, it is not included in the accompanying basic financial statements.

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020 and 2019

Note 10 – Risk Management

The Authority is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority is insured for all risks of loss through insurance companies. The following is a summary of the insurance policies carried by the Authority as of June 30, 2020:

Insurance Risk	Coverage per Incident	Coverage in Aggregate	Deductible
Commercial general liability	\$ 3,000,000	\$ 3,000,000	\$ 15,000
Automobile	1,000,000	-	-
Earthquake	5,000,000	-	-
Professional liability	3,000,000	-	-
Umbrella excess liability	7,000,000	7,000,000	-
Workers' compensation	1,000,000	-	-
Property	25,000,000	-	10,000
Cyber liability	2,000,000	10,000,000	50,000
Deadly weapons protection	500,000	-	-
Crime	1,000,000	-	2,500

Note 11 – Commitments and Contingencies

Litigation

In the ordinary course of operations, the Authority is subject to claims and litigation from outside parties. In the opinion of the Authority's management, there is no pending litigation which is likely to have a material adverse effect on the financial position of the Authority.

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REQUIRED SUPPLEMENTARY INFORMATION

South Bay Regional Public Communications Authority
Required Supplementary Information (Unaudited)
Schedule of the Authority's Proportionate Share of the Net Pension Liability and Related Ratios
For the Years Ended June 30, 2020 and 2019

Last Ten Fiscal Years

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Measurement date	June 30, 2014 ¹	June 30, 2015	June 30, 2016	June 30, 2017
Authority's proportion of the net pension liability	0.059500%	0.059500%	0.064949%	0.067677%
Authority's proportionate share of the net pension liability	\$ 4,084,007	\$ 4,084,007	\$ 5,620,134	\$ 6,711,657
Authority's covered payroll	\$ 4,485,167	\$ 4,665,871	\$ 4,773,439	\$ 5,184,067
Authority's proportionate share of the net pension liability as a percentage of covered payroll	91.06%	87.53%	117.74%	129.47%
Plan's fiduciary net position as a percentage of the plan's total pension liability	79.82%	78.40%	74.06%	73.31%

¹ Historical information is presented only for measurement periods for which GASB No. 68 is available for periods after GASB 68 implementation in 2013-14.

South Bay Regional Public Communications Authority
Required Supplementary Information (Unaudited)
Schedule of the Authority's Proportionate Share of the Net Pension Liability and Related Ratios (Continued)
For the Years Ended June 30, 2020 and 2019

Last Ten Fiscal Years

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Measurement date	<u>June 30, 2018</u>	<u>June 30, 2019</u>
Authority's proportion of the net pension liability	<u>0.068180%</u>	<u>0.071590%</u>
Authority's proportionate share of the net pension liability	<u>\$ 6,570,432</u>	<u>\$ 7,335,396</u>
Authority's covered payroll	<u>\$ 5,270,919</u>	<u>\$ 5,408,034</u>
Authority's proportionate share of the net pension liability as a percentage of covered payroll	<u>124.65%</u>	<u>135.64%</u>
Plan's fiduciary net position as a percentage of the plan's total pension liability	<u>75.26%</u>	<u>75.26%</u>

South Bay Regional Public Communications Authority
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions
For the Years Ended June 30, 2020 and 2019

Last Ten Fiscal Years

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Fiscal Year	2013-14 ¹	2014-15	2015-16	2016-17	2017-18
Actuarially determined contribution	\$ 480,107	\$ 507,694	\$ 553,317	\$ 634,790	\$ 692,687
Contribution in relation to the actuarially determined contribution	(480,107)	(507,694)	(553,317)	(634,790)	(692,687)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	\$ 4,485,167	\$ 4,665,871	\$ 4,773,439	\$ 5,184,067	\$ 5,270,919
Contributions as a percentage of covered payroll	10.70%	10.88%	11.59%	12.25%	13.14%

¹ Historical information is presented only for measurement periods for which GASB No. 68 is available for periods after GASB 68 implementation in 2013-14.

Notes to the Schedule:

Change in Benefit Terms: There were no changes to benefit terms.

Change of Assumptions: In 2019, there were no changes. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense. In 2014, amounts reported were based on the 7.5 percent discount rate

South Bay Regional Public Communications Authority
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions (Continued)
For the Years Ended June 30, 2020 and 2019

Last Ten Fiscal Years

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Fiscal Year	<u>2018-19</u>	<u>2019-20</u>
Actuarially determined contribution	\$ 807,058	\$ 957,115
Contribution in relation to the actuarially determined contribution	<u>(807,095)</u>	<u>(957,115)</u>
Contribution deficiency (excess)	<u>\$ (37)</u>	<u>\$ -</u>
Authority's covered payroll	<u>\$ 5,408,034</u>	<u>\$ 5,838,063</u>
Contributions as a percentage of covered payroll	<u>14.92%</u>	<u>16.39%</u>

Notes to the Schedule:

Change in Benefit Terms: There were no changes to benefit terms.

Change of Assumptions: In 2019, there were no changes. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense. In 2014, amounts reported were based on the 7.5 percent discount rate

South Bay Regional Public Communications Authority
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios
For the Years Ended June 30, 2020 and 2019

Measurement Period	2016-2017¹	2017-2018	2018-2019
Total OPEB Liability			
Service Cost	\$ 163,778	\$ 143,129	\$ 138,260
Interest on the total OPEB liability	88,136	103,266	111,541
Changes in benefit terms	-	-	5,100
Difference between expected and actual experience	-	-	(304,572)
Changes in assumptions	(307,074)	(113,847)	117,179
Contribution from the employer	-	-	-
Benefit payments	(126,836)	(137,416)	(122,659)
Net changes in total OPEB liability	(181,996)	(4,868)	(55,151)
Total OPEB liability, beginning	2,992,097	2,810,101	2,805,233
Total OPEB liability, ending (a)	\$ 2,810,101	\$ 2,805,233	\$ 2,750,082
Plan fiduciary net position:			
Employer contribution	\$ 126,836	\$ 137,416	\$ 122,891
Employee contributions	-	-	-
Net investment income	-	-	-
Administrative expenses	-	-	(232)
Benefit payments	(126,836)	(137,416)	(122,659)
Other	-	-	-
Net changes in fiduciary net position	-	-	-
Plan fiduciary net position, beginning	-	-	-
Plan fiduciary net position, ending (b)	\$ -	\$ -	\$ -
Plan net OPEB liability - ending (a) - (b)	\$ 2,810,101	\$ 2,805,233	\$ 2,750,082
Plan's fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered payroll	\$ 5,996,321	\$ 7,010,558	\$ 6,722,179
Plan Net OPEB liability as a percentage of covered payroll	46.86%	40.01%	40.91%

¹Historical information is presented only for measurement periods for which GASB 75 is available for periods after GASB 75 implementation in 2016-2017.

South Bay Regional Public Communications Authority
Required Supplementary Information (Unaudited)
Schedule of Contributions – Other Postemployment Benefits
For the Years Ended June 30, 2020 and 2019

Last Ten Fiscal Years

Other Postemployment Benefits ("OPEB")

Fiscal year	2016-17 ¹	2017-18	2018-19	2019-20
Actuarially determined contribution	\$ 126,836	\$ 140,536	\$ 122,891	\$ 83,145
Contribution in relation to the actuarially determined contribution	(126,836)	(140,536)	(122,891)	(83,145)
Contribution deficiency / (excess)	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll ²	\$ 5,996,321	\$ 7,010,558	\$ 6,722,179	\$ 6,907,039
Contributions as a percentage of covered payroll	2.12%	2.00%	1.83%	1.20%

¹ Historical information is presented only for measurement periods for which GASB 75 is available for periods after GASB75 implementation in 2016-17.

² Payroll was assumed to increase by the 2.75 percentage payroll growth assumption from 2018-19 to 2019-20.

Notes to Schedule:

Valuation date:	June 30, 2019
Methods and assumptions used to determine contribution rates:	
Contribution Policy:	No pre-funding
Inflation:	2.75% per year
Investment return/discount rate:	3.50% at June 30, 2019 (Bond Buyer 20-year index) 3.87% at June 30, 2018 (Bond Buyer 20-year index)
Medical Trend	Non Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076 and later years Medicare - 6.3% for 2021, decreasing to an ultimate rate of 4.0% in 2076 and later years
Payroll increase:	Aggregate 3% annually with merit - CalPERS 1997-2015 Experience Study
Mortality:	CalPERS 1997-2015 Experience Study

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Independent Auditors' Report

To the Board of Directors
of the South Bay Regional Public Communications Authority
Hawthorne, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the South Bay Regional Public Communications Authority, California (the "Authority") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprises the Authority's basic financial statements, and have issued our report thereon dated December 22, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Authority's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Board of Directors
of the South Bay Regional Public Communications Authority
Hawthorne, California
Page 2

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "The PwC Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California
December 22, 2020

G-1

EXECUTIVE COMMITTEE AND THE USER COMMITTEE

A. CALL TO ORDER

The Executive and User Committees convened in a regular joint session at 2:01PM on December 15, 2020.

B. ROLL CALL

Present: City Manager Bruce Moe, City of Manhattan Beach
City Manager Erick Lee, City of Hawthorne
City Manager Clint Osorio, City of Gardena
Chief Wolfgang Knabe, Manhattan Beach Fire Department
Chief Mike Saffell, Gardena Police Department
Chief Derrick Abell, Manhattan Beach Police Department

Absent: Chief Mike Ishii, Hawthorne Police Department

Also Present: Shannon Kauffman, Acting Executive Director
John Krok, Administrative Services Manager
Vanessa Alfaro, Finance & Performance Audit Manager
Jennifer Petrusis, Richards Watson Gershon
Laura Kalty, Liebert Cassidy Whitmore
Stephanie Swofford, Manhattan Beach Human Resources
Lisa Jenkins, Manhattan Beach Human Resources

C. PUBLIC DISCUSSION

None.

D. EXECUTIVE COMMITTEE CONSENT CALENDAR

MOTION: City Manager Moe moved to approve the Consent Calendar, Items 1-4. The motion was seconded by City Manager Osorio and passed by unanimous voice vote.

1. Minutes from November 9, 2020
APPROVE
2. Minutes from November 12, 2020
APPROVE
3. Minutes from November 17, 2020
APPROVE
4. Check Register - November 2020
RECEIVE AND FILE

E. ITEMS TO REMOVE FROM CONSENT CALENDAR

None.

F. USER COMMITTEE GENERAL BUSINESS

1. Minutes from November 12, 2020
APPROVE

MOTION: Chief Knabe moved to approve the minutes from November 12, 2020. The motion was seconded by Chief Abell and approved by voice vote.

2. Minutes from November 17, 2020

APPROVE

MOTION: Chief Abell moved to approve the minutes from November 17, 2020. The motion was seconded by Chief Knabe and approved by voice vote.

G. ACTING EXECUTIVE DIRECTOR'S REPORT

Acting Executive Director Kauffman provided updates on Continuity of Operations during COVID-19 Pandemic, Recruitment, Mark43 CAD, and City of Palos Verdes Estates Phase 2.

H. EXECUTIVE AND USER COMMITTEES' COMMENTS

None.

I. EXECUTIVE COMMITTEE CLOSED SESSION AGENDA

The Executive Committee entered into closed session at 2:07PM to discuss the following items.

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

Agency Designated Representative: Acting Executive Director and Liebert, Cassidy, Whitmore
Employee Organization: The California Teamsters Public, Professional and Medical Employees Union Local 911
2. CONFERENCE WITH LABOR NEGOTIATOR
Pursuant to Government Code Section 54957.6

Agency Designated Representative: Acting Executive Director and Liebert, Cassidy, Whitmore
Employee Organization: The Communication Workers of America
3. PUBLIC EMPLOYMENT
Pursuant to Government Code Section 54957(b)(1)
Title: Executive Director

The Executive Committee returned from closed session at 2:41PM with no actions taken.

J. ADJOURNMENT

The meeting adjourned at 2:41PM.

H



Staff Report

South Bay Regional Public Communications Authority

MEETING DATE: January 19, 2021

ITEM: H

TO: Board of Directors, Executive Committee, and User Committee

FROM: Shannon Kauffman, Acting Executive Director 

SUBJECT: ACTING EXECUTIVE DIRECTOR'S REPORT

ATTACHMENTS: None

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

- **Continuity of Operations During COVID-19 Pandemic**
- **Recruitment of Communications Operators**
- **Mark 43 CAD Update**