

A G E N D A
REGULAR MEETING OF THE BOARD OF DIRECTORS,
THE EXECUTIVE COMMITTEE, AND THE USER COMMITTEE
TUESDAY, MARCH 17, 2026, 2:00 PM
SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY
SECOND FLOOR CONFERENCE ROOM
4440 W. BROADWAY, HAWTHORNE, CA

A. **CALL TO ORDER**

B. **ROLL CALL**

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

C. **PUBLIC DISCUSSION**

Members of the public will be given the opportunity to directly address the Board of Directors, the Executive Committee, and User Committee on any matter within the subject matter jurisdiction of the Authority, including items on the agenda.

D. **BOARD OF DIRECTORS CONSENT CALENDAR**

1. Minutes from January 20, 2026
APPROVE
2. Cash and Investments Report for December 31, 2025
RECEIVE AND FILE
3. Resolution Delegating Investment Authority to the Treasurer over Authority Funds and the Authority's Section 115 Trust
APPROVE AND ADOPT RESOLUTION
4. Resolution Establishing a Recruitment Incentive and Referral Bonus Policy and Repealing Resolution No. 351
APPROVE AND ADOPT A RESOLUTION ESTABLISHING A RECRUITMENT INCENTIVE AND REFERRAL BONUS POLICY

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

F. **BOARD OF DIRECTORS GENERAL BUSINESS**

1. Fiscal Year 2026-2027 Five-Year Capital Improvement Plan
APPROVE AND ADOPT RESOLUTION
2. Resolution Adopting the Budget for Fiscal Year 2026-2027
APPROVE AND ADOPT RESOLUTION

G. **EXECUTIVE COMMITTEE CONSENT CALENDAR**

1. Minutes from February 17, 2026
APPROVE
2. Minutes from March 3, 2026
APPROVE
3. Check Register – February 2026
RECEIVE AND FILE
4. Cash and Investments Report for December 31, 2025
RECEIVE AND FILE
5. Fiscal Year 2024-2025 Annual Financial Report

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

RECEIVE AND FILE

6. Agreement with GetRes911 to Provide Professional Placement Services for Temporary Communications Operators

APPROVE AND AUTHORIZE INTERIM EXECUTIVE DIRECTOR TO EXECUTE ON BEHALF OF AUTHORITY

H. **ITEMS REMOVED FROM CONSENT CALENDAR**

I. **EXECUTIVE COMMITTEE GENERAL BUSINESS**

1. Agreement with Mercury Associates, Inc for an Organizational Assessment of the Technical Services Division
APPROVE AND AUTHORIZE INTERIM EXECUTIVE DIRECTOR TO EXECUTE ON BEHALF OF THE AUTHORITY
2. Executive Director's Update on CAD
RECEIVE AND FILE
3. Executive Director's Update on Staffing
RECEIVE AND FILE
4. Executive Director's Update on Technical Services
RECEIVE AND FILE
5. Presentation of 2025 Communications Center Statistics
RECEIVE AND FILE

J. **USER COMMITTEE CONSENT CALENDAR**

1. Minutes from February 17, 2026
APPROVE

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

L. **BOARD OF DIRECTORS, EXECUTIVE AND USER COMMITTEES' COMMENTS**

M. **EXECUTIVE COMMITTEE CLOSED SESSION AGENDA**

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

N. **ADJOURNMENT**

Posting Date/Time: March 14, 2026/2:00PM

Signature:



Mike Saffell, Interim Executive Director

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

D-1

**MINUTES OF THE REGULAR OF THE BOARD OF
DIRECTORS, THE EXECUTIVE COMMITTEE AND THE
USER COMMITTEE**

JANUARY 20, 2026

A. CALL TO ORDER

The Board of Directors, Executive Committee and User Committee convened in a regular joint session at 2:07 PM on Tuesday, January 20, 2026, in the second-floor conference room of the South Bay Regional Public Communications Authority at 4440 West Broadway, Hawthorne, CA.

B. ROLL CALL

Present: Councilmember Rodney Tanaka, City of Gardena
Mayor David Lesser, City of Manhattan Beach
Mayor Pro Tem Alex Monteiro, City of Hawthorne
City Manager Vontray Norris, City of Hawthorne
City Manager Talyn Mirzakhani, City of Manhattan Beach
City Manager Clint Osorio, City of Gardena
Chief Todd Fox, Gardena Police Department
Chief Eric Lane, Hawthorne Police Department
Chief Jesse Alexander, Manhattan Beach Fire Department
Chief Rachel Johnson, Manhattan Beach Police Department

Absent:

Also Present: Interim Executive Director, Mike Saffell
Operations Manager, Shannon Kauffman
Administrative Services Manager, Megan Cunningham
Finance Manager, Vanessa Alfaro
Executive Assistant, Cristina Manley
General Counsel RWG, Jennifer Petrusis
Liebert Cassidy Whitmore, Laura Kalty
Chief Saul Rodriguez, El Segundo Police Department
Chief Landon Phillips, Hermosa Police Department
Jon Lewis, Bob & Murray Associates
Battalion Chief Casey Snow, El Segundo Fire Department
Chief Jason Sims, Culver City Police Department

C. PUBLIC DISCUSSION

None.

D. BOARD OF DIRECTORS CONSENT CALENDAR

1. Minutes from July 15, 2025

APPROVE

2. Updated Publicly Available Pay Schedule

RECEIVE AND FILE

MOTION: Councilmember Tanaka moved to approve the Board of Directors Consent Calendar items 1-2. The motion was seconded by Mayor Lesser and passed by a vote of 3-0.

E. ITEMS REMOVED FROM THE CONSENT CALENDAR

None.

F.

BOARD OF DIRECTORS GENERAL BUSINESS

1. Fiscal Year 2025-2026 Mid-Year Budget Report
RECEIVE AND FILE

Finance Manager Alfaro presented Mid-Year Budget Performance Report for fiscal year 2026 are on track with the adopted budget.

- Assessment revenue is at 85% from member cities and 75% from contract cities.
- Revenues total \$11.2 million, about 74% of expected revenues.
- Expenses total \$7.5 million, about 43% of budgeted amounts, and expenses.
- Salary and benefits account for 45.5% of budgeted amounts, and expenses for supplies, services, and equipment account for 45.6%
- Capital improvement projects represent nearly 31% of the CIP budget.

Staff recommends the Board of Directors, receive and file fiscal year 2025-2026 Mid-Year Budget Performance Report.

City Manager Osorio inquired on the amount of the CIP trending 31%, will be carried over to the next fiscal year. Finance Manager Alfaro explained that the goal is to complete most CIP projects, including those carried over from the prior year.

G.

EXECUTIVE COMMITTEE CONSENT CALENDAR

1. Minutes for December 16, 2025
APPROVE

MOTION: City Manager Norris moved to approve the Executive Committee Consent Calendar item 1. The motion was seconded by City Manager Osorio and passed by a vote of 2 –0 with one abstain.

2. Check Register – December 2025
RECEIVE AND FILE

3. Professional Services Agreement with Commline to Provide Public Safety Radio System Support Services for South Bay Regional Bay Regional Public Communications Authority

APPROVE AND AUTHORIZE EXECUTIVE DIRECTOR TO EXECUTE ON BEHALF OF AUTHORITY

MOTION: City Manager Norris moved to approve the Executive Committee Consent Calendar item 2-3. The motion was seconded by City Manager Osorio and passed by a vote of 3-0.

H.

ITEMS REMOVED FROM THE CONSENT CALENDAR

G1 – Minutes for December 16, 2025

City Manager Mirzakhian abstained from the vote on the minutes for December 16, 2025, due to her absence.

I.

EXECUTIVE COMMITTEE GENERAL BUSINESS CALENDAR

1. Prepared Software

PROVIDE INPUT AND DIRECTION TO THE EXECUTIVE DIRECTOR REGARDING THE IMPLEMENTATION OF ARTIFICIAL INTELLIGENCE SOLUTIONS FOR DISPATCH SERVICES

Interim Executive Director Saffell discussed retention challenges and an AI tool for

the dispatch center. Operations Manager Shannon Kauffman has been working with Evan Hughes from Prepared with the goal to gather input and concerns regarding accuracy, completeness of records, discoverability, human connections, skill atrophy, etc. Evan Hughes demonstrated the Prepared AI product to the group.

Prepared is a browser-based software solution that has been running on a trial basis for about three months.

- Real Time Transcription – there is an approximately a half-second delay
- Map View – a request for the live location can be sent to callers who don't have good location information.
- A generative AI note taker runs in real time.
- Real-time access for PSAPs, real-time crime centers, and drone responder units.
- Historical Incidents – shows previous calls based on geographic location (up to 500ft) or phone numbers.
- Provides location history without searching through CAD.
- Media – audio can be downloaded directly from Prepared without having ask the PSAP.
- Protocols – quality assurance is performed on 100% of calls. Live guidance is available, prompting call takers with questions based on the situation.
- Translation Transcription Module – platform supports 22 languages. System automatically detects languages.
- Transcription of Radio Traffic – transcribes all radio frequencies.
- Non-Emergency Triage – handles lower priority or less necessary calls.
- LAPD use of the AI system – the goal is to reduce the burden on call takers and dispatchers, preventing burnout and allowing them to focus on 911 calls.
- AI capabilities and languages – callers can request to speak to a call taker and will be transferred.
- The system aims to reduce the number of calls that dispatchers handle.
- Centers using Prepared software have not seen a reduction in staffing, as most are already understaffed.
- Software can assist dispatchers by transcribing calls live and summarizing information.
- Cybersecurity concerns are addressed through CJIS, HIPAA, and SOC2 Type 2 compliance.
- AI Implementation – Fire command staff can upload questions they want asked on every call to the system.
- California has 12 agencies using the system, ranging from small agencies to LAPD. Inglewood Police Department has purchased the system; this solution can be customized and can be implemented right away.

Interim Executive Director Saffell addressed concerns with staffing, and an overworked workforce are problems the software can assist with. The AI based software can assist with less experienced staff and help maintain performance expectations, in turn assisting with retention and staffing issues

2. Executive Director's Update Versaterm CAD Project RECEIVE AND FILE

Operations Manager Kauffman provided on a CAD update. Milestones 1-4 are complete, and milestones 5 and 6 are in progress. Milestones 5 and 6 involve building the production environment, which is anticipated to be done by then end of the month. The go-live date is still anticipated for July 13th. Communication on

the project has been improved by meeting with fire and police representatives. Meetings will be held to gather feedback and address questions. Monthly project meetings will be held for both fire and police.

Functional Testing – involves accepting everything in the system, including the database, commands, and the interfaces. The CAD consultant oversees the acceptance on the project. City Manager Mirzakhania requested the desire to address requests from the Fire Task Force, even if it means compromising the schedule. Operations Manager Kauffman confirmed that there's extra weeks have been built in for things like adding nature codes and AVL functionality.

3. Executive Director's Update on Technical Services

RECEIVE AND FILE

Administrative Services Manager Cunningham provided an update on Technical Services. The number of vehicles obtained by the cities but not yet delivered increased from 22 to 34. Culver City Fire added another 2025 Ranger and an Explorer to their vehicles at a facility. The number of full builds completed increased from 53 to 56. The build time for a typical police car is about 80 hours.

Mayor Lesser asked about the capacity to execute the vehicle builds and if more resources are needed. Administrative Services Manager Cunningham explained software is being considered to provide full transparency regarding the status of work. There are four bays so they can only work on four vehicles at a time. A full build takes 80 hours per vehicle. There is a need to determine a mechanism to handle overflow if the workload becomes too much.

From July 1st to December 16th, there were 53 full builds, with three more completed since then. There is a difference between the total hours to build a car and the time it takes to start the build after the vehicle arrives. Delays are sometimes caused by parts availability, which has increased from 6-8 weeks to 8-12 weeks. Staff recognized that there needs to be better communication regarding the ordering of parts and inventory management.

Mayor Pro Tem Monteiro inquired about vehicle build issues. Interim Executive Director Saffell explained the use of an outside provider to help with overflow is being evaluated. The goal is to get through the last nine vehicles and ensure accurate information from decision-makers. There is a need to ensure that parts are ordered and received promptly to avoid delays. City Manager Mirzakhania addressed areas of concern with vehicle builds and ways to improve installation follow-up with the cities. Interim Executive Director Saffell stated that an organizational assessment of the unit will be conducted to improve efficiency, focusing on the flow between staffing, billing, wait time, and facility capacity to store parts.

4. Executive Director's Update on Staffing

RECEIVE AND FILE

Administrative Services Manager Cunningham provided a staffing update. The department went from 11 part-time employees to 10, and from 25 full-time operators to 24. One employee left due to the complexity and stress of the dispatcher position. There have been 398 applications received, 98 tests were scheduled, 83 tests taken, and 18 passed. Thirteen applicants are in the background process and two are in training. Social media, particularly Instagram, has been effective in recruitment.

Interim Executive Director Saffell explained that there has been a significant

push to streamline the hiring process. A recruitment team has been reignited to promote a positive image of RCC. Training is being provided to the recruitment team on how to effectively recruit.

J. **ITEMS REMOVED FROM CONSENT CALENDAR**

None.

K. **USER COMMITTEE CONSENT CALENDAR**

1. Minutes from December 16, 2025

APPROVE

MOTION: Chief Fox moved to approve the User Committee Consent Calendar item 1. The motion was seconded by Chief Johnson and passed by a vote of 4 – 0.

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

None.

M. **BOARD OF DIRECTORS, EXECUTIVE AND USER COMMITTEES' COMMENTS**

Mayor Lesser and Councilmember Tanaka expressed appreciation for the leadership and fresh approach to recruiting.

Interim Executive Director Saffell offered to host leadership academies and sit-alongs in the communications center.

N. **EXECUTIVE COMMITTEE CLOSED SESSION**

The Executive Committee entered closed session at 3:36PM and returned at 4:36PM with no reportable action taken,

1. CONFERENCE WITH LABOR NEGOTIATOR

Pursuant to Government Code Section 54957.6

Agency Designated Representatives: Executive Director and Liebert, Cassidy Whitmore

Employee Organization: The California Teamsters Public, Professional and Medical Employees Union Local 911

2. PUBLIC EMPLOYMENT APPOINTMENT

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

Title: Executive Director

3. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

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

Title: Executive Director

O. **ADJOURNMENT**

The meeting was adjourned at 4:36PM.

D-2



Staff Report

South Bay Regional Public Communications Authority

MEETING DATE: March 17, 2026

ITEM NUMBER: D-2

TO: Board of Directors

COPY TO: Tim Lilligren, Treasurer

FROM: Vanessa Alfaro, Finance & Performance Audit Manager

SUBJECT: Cash & Investments Report/December 31, 2025

ATTACHMENTS:

1. Cash & Investments Report for December 31, 2025
2. LAIF Month End Statement for December 31, 2025
3. PMIA Performance Report as of December 31, 2025

RECOMMENDATION

Staff recommends that the Board of Directors receive and file the Cash & Investments Report for December 31, 2025.

BACKGROUND

Section 53646 (a) (2) of the Government Code, states that the treasurer or chief fiscal officer may render a quarterly report (regarding the local agency's cash and investments) to the chief executive officer, the internal auditor, and the legislative body of the local agency. The quarterly report shall be so submitted within 30 days following the end of the quarter covered by the report. The legislative body of a local agency may elect to require the report specified in subdivision (b) to be made on a monthly basis instead of quarterly.

At the November 21, 2006 meeting, the Executive Committee elected to receive the Cash & Investments Report on a quarterly basis. The Board of Directors receives the Cash & Investments Report annually.

DISCUSSION

Staff has completed the bank reconciliation for December 31, 2025. Attached is the Cash & Investments Report for the period. All idle cash of the Authority is invested 100% with the State's Local Agency Investment Fund (LAIF). This complies with the Statement of Investment Policy. In calendar year 2025, the effective yield averaged 4.2%.

FISCAL IMPACT

None.

D-2

Attachment 1



Cash and Investments Report As of December 31, 2025

Funding Source	Bank Balance	Deposits in Transit	Outstanding Checks	Book Balance

Active Accounts

Bank of the West/BMO Bank (General/Payroll)	\$ 1,341,748.57	\$ 12,125.24	\$ 171,672.40	\$ 1,182,201.41

Investments

LAIF	\$ 12,522,531.51		\$ -	\$ 12,522,531.51
Total Investments	\$ 12,522,531.51	\$ -	\$ -	\$ 12,522,531.51

Other Cash on Hand

Petty Cash	\$ -	\$ -	\$ -	\$ 500.00
				\$ 500.00

Total Cash & Investments

\$ 13,705,232.92

Breakdown of cash by fund:

Fund 10 (Enterprise Fund)	\$ 13,705,232.92
Fund 30 (Enterprise Fund)	-
Fund 20 (Grant Fund)	-
Total	<u>\$ 13,705,232.92</u>

D-2

Attachment 2

California State Treasurer
Fiona Ma, CPA



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

January 13, 2026

[LAIF Home](#)
[PMIA Average Monthly Yields](#)

SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS
AUTHORITY
TREASURER
4440 WEST BROADWAY
HAWTHORNE, CA 90250

[Tran Type Definitions](#)

Account Number: 15-19-001

December 2025 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
12/1/2025	11/26/2025	RW	1787369	1747996	VANESSA ALFARO	-185,000.00
12/4/2025	12/3/2025	RW	1787525	1748154	VANESSA ALFARO	-150,000.00
12/24/2025	12/23/2025	RD	1788334	1748985	VANESSA ALFARO	200,000.00

Account Summary

Total Deposit:	200,000.00	Beginning Balance:	12,657,531.51
Total Withdrawal:	-335,000.00	Ending Balance:	12,522,531.51

D-2

Attachment 3



PMIA/LAIF Performance Report as of 03/04/26



Quarterly Performance Quarter Ended 12/31/25

LAIF Apportionment Rate ⁽²⁾ :	4.20
LAIF Earnings Ratio ⁽²⁾ :	0.00011512010685708
LAIF Administrative Cost ^{(1)*} :	0.27
LAIF Fair Value Factor ⁽¹⁾ :	1.002181483
PMIA Daily ⁽¹⁾ :	3.97
PMIA Quarter to Date ⁽¹⁾ :	4.09
PMIA Average Life ⁽¹⁾ :	244

PMIA Average Monthly Effective Yields⁽¹⁾

February	3.871
January	3.931
December	4.025
November	4.096
October	4.150
September	4.212

Pooled Money Investment Account Monthly Portfolio Composition ⁽¹⁾ 1/31/26 \$170.9 billion

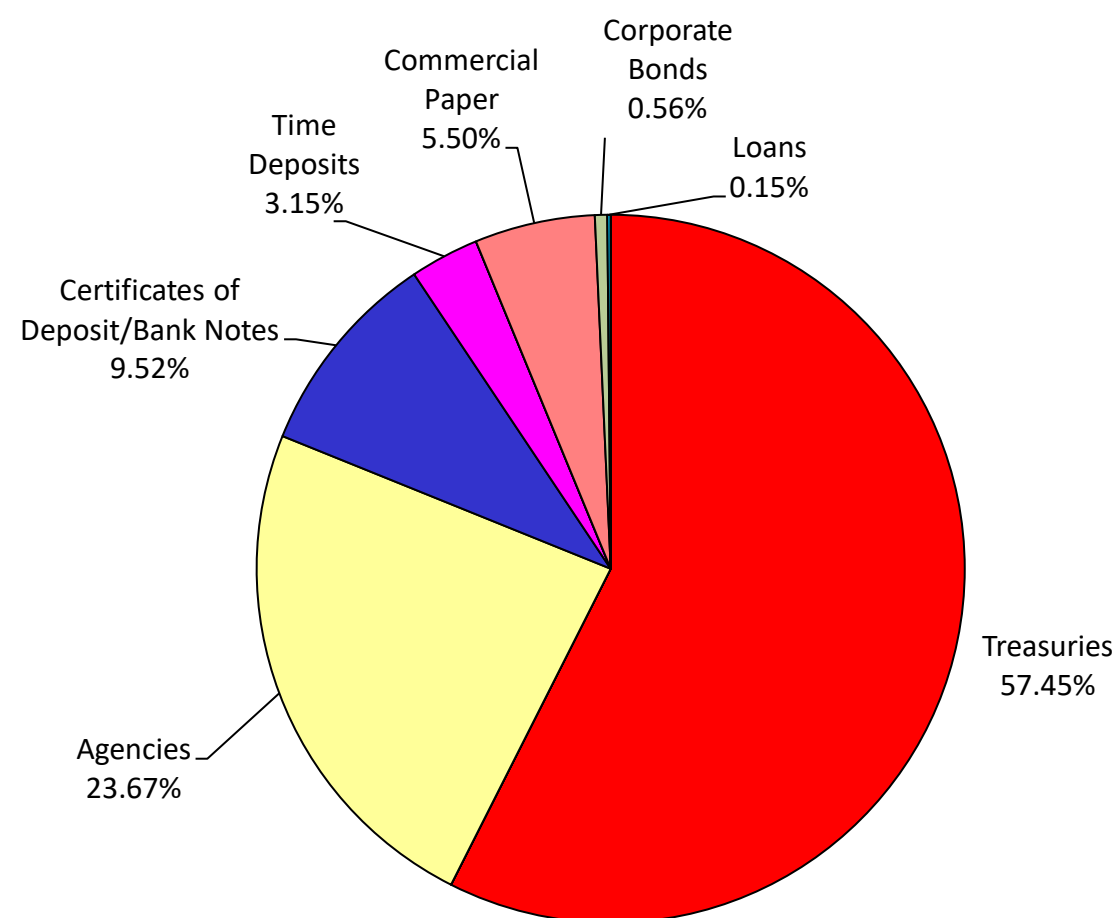


Chart does not include \$882,000.00 in mortgages, which equates to 0.001%. Percentages may not total 100% due to rounding.

Daily rates are now available here. [View PMIA Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1).

*The percentage of administrative cost equals the total administrative cost divided by the quarterly interest earnings. The law provides that administrative costs are not to exceed 5% of quarterly EARNINGS of the fund. However, if the 13-week Daily Treasury Bill Rate on the last day of the fiscal year is below 1%, then administrative costs shall not exceed 8% of quarterly EARNINGS of the fund for the subsequent fiscal year.

Source:

⁽¹⁾ State of California, Office of the Treasurer

⁽²⁾ State of California, Office of the Controller

D-3



Staff Report

South Bay Regional Public Communications Authority

MEETING DATE: March 17, 2026

ITEM NUMBER: D-3

TO: Board of Directors

FROM: Mike Saffell, Interim Executive Director
Vanessa Alfaro, Finance & Performance Audit Manager

SUBJECT: RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY DELEGATING INVESTMENT AUTHORITY TO THE TREASURER OVER AUTHORITY FUNDS AND THE AUTHORITY'S SECTION 115 TRUST

ATTACHMENTS: 1. Resolution

RECOMMENDATION

Staff recommends that the Board of Directors approve and adopt the Resolution delegating investment authority to the Treasurer over Authority funds and Section 115 Trust funds.

BACKGROUND

Government Code Section 6509.5 authorizes the Authority to invest any money in its treasury pursuant to Government Code Section 6505.5 that is not required for the immediate necessities of the Authority, as the Authority determines is advisable, in the same manner and upon the same conditions as permitted to local agencies pursuant to Sections 53601 et seq. of the Government Code.

Government Code Section 53607 authorizes the Board of Directors to delegate to the Authority's Treasurer the authority to invest or reinvest the funds of the Authority for a one-year period. Government Code Section 53621 authorizes the Board of Directors to delegate to the Treasurer the Board's authority to invest or reinvest funds intended for the payment of employee retiree health benefits.

DISCUSSION

Annually, the Board of Directors has delegated investment authority to the Authority's Treasurer. Adopting this resolution makes the annual delegation of investment authority to the Authority's Treasurer and reconfirms the Board's delegation of investment authority over the Section 115 Trust for the payment of employee retiree health benefits.

There are no proposed changes to the Authority's Investment Policy which was adopted March 15, 2022.

LEGAL REVIEW

The proposed Resolution was reviewed by and developed in conjunction with the Authority's General Counsel.

FISCAL IMPACT

There is no direct fiscal impact to the Authority resulting from the adoption of this Resolution delegating investment authority.

D-3

Attachment 1

RESOLUTION NO. ____

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SOUTH BAY REGIONAL PUBLIC
COMMUNICATIONS AUTHORITY DELEGATING
INVESTMENT AUTHORITY TO THE TREASURER**

WHEREAS, Government Code Section 6509.5 authorizes the Authority to invest any money in its treasury pursuant to Government Code Section 6505.5 that is not required for the immediate necessities of the Authority, as the Authority determines is advisable, in the same manner and upon the same conditions as permitted to local agencies pursuant to Sections 53601 et seq. of the Government Code; and

WHEREAS, Government Code Section 53607 authorizes the Board of Directors to delegate to the Authority's Treasurer (the "Treasurer") the Board's authority to invest or reinvest funds of the Authority, and to sell and exchange securities so purchased for a one-year period; and

WHEREAS, Government Code Section 53621 authorizes the Board of Directors to delegate to a designated Authority officer the Board's authority to invest or to reinvest funds intended for the payment of employee retiree health benefits, and pursuant to Resolution No. 334, adopted by the Board of Directors on September 8, 2020, the Board of Directors previously has delegated to the Treasurer such investment authority with respect to the Authority's funds intended for the payment of employee retiree health benefits held, pursuant to an agreement with the California Public Employees' Retirement System (CalPERS), in the California Employers' Retiree Benefit Trust (CERBT), an irrevocable trust established by CalPERS in compliance with Internal Revenue Code Section 115 to manage other post-employment benefits (OPEB) funds for public agencies;

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

Section 1. Pursuant to Government Code Section 53607 and as provided in the attached Amended Investment Policy (Exhibit A), which was adopted by Resolution 346 the Board of Directors hereby delegates for one year to the Treasurer the authority to invest and reinvest funds of the Authority, including without limitation the authority to sell and exchange securities, but excluding any deferred compensation or pension plans (which are managed under separate authorization) and subject to Section 2 below which sets forth the Board's separate delegation of authority with respect to the investment of funds in the CERBT, a Section 115 trust established by the Authority for the payment of employee retiree health benefits (the "Section 115 Trust").

Section 2. Pursuant to Government Code Section 53621, the Board of Directors hereby approves, ratifies, and confirms its delegation to the Treasurer of the Board's authority to invest or to reinvest funds deposited into the Section 115 Trust for the payment of employee retiree health benefits by the Treasurer's selection of the investment strategy for the Authority's Section 115 Trust, as set forth in Resolution No. 334 and as further provided in the attached Amended Investment Policy.

Section 3. This Resolution shall be effective immediately upon its adoption.

WE HEREBY CERTIFY that the foregoing is a true and correct copy of the resolution adopted by the Board of Directors of the South Bay Regional Public Communications Authority in a meeting held on the 17th day of March, 2026 by the following vote:

Ayes:

Noes:

Absent:

Abstain:

Rodney Tanaka, Councilmember
Chairman, Board of Directors

Mike Saffell, Interim Executive Director
Secretary, Board of Directors

Exhibit A

South Bay Regional Public Communications Authority Amended Statement of Investment Policy (effective as of March 15, 2022)

SECTION 1: PURPOSE

The purpose of these investment policy guidelines is to identify various policies and procedures that enhance opportunities for a prudent and systematic investment process to maximize the use of idle cash in the Authority's treasury. The initial step toward a prudent investment policy is to organize and formalize investment-related activities. Related activities, which comprise good cash management, include accurate cash projection; the expeditious collection of revenue; the control of disbursements; cost-effective banking relationships and, if necessary, short-term borrowing programs pursuant to any applicable state law authority to coordinate working cash requirements; and investment opportunity. In concert with these requirements are the many facets of an appropriate and secure short-term investment program.

SECTION 2: SCOPE

The intent of this policy is to cover all short-term operating funds and investment activities of the Authority, except as otherwise described in subsections A, B, and C below.

A. Proceeds of Debt Issues. California Government Code Sections 53601 and 5922(d) authorize proceeds of bonds, certificates of participation, notes, and other debt issues to be invested in accordance with the documentation and statutes governing such debt. These statutory sections recognize the unique needs and objectives of such proceeds.

B. Deferred Compensation Plans. In addition to the types of investments authorized in California Government Code Sections 53601 and 53602, California Government Code Section 53609 authorizes deferred compensation funds (i.e., public pension or retirement funds) held by a public agency to be invested in a broad range of other investments, as follows: corporate stocks, bonds, and securities, mutual funds, savings and loan accounts, credit union accounts, life insurance policies, annuities, mortgages, deeds of trust, or other security interests in real or personal property. So long as the deferred compensation or pension plans of the Authority are managed by MissionSquare Retirement or the California Public Employees' Retirement System (CalPERS) under contract with the Authority, this policy does not apply to the deferred compensation or pension plans.

C. Section 115 Retiree Health Benefits Trust. California Government Code Section 53620 et seq. authorizes the Authority to invest funds designated for the payment of employee retiree health benefits in any form or type of investment deemed prudent by the Board of Directors, or by a designated officer to whom the Board of Directors has delegated investment authority with respect to funds intended for the payment of employee retiree health benefits, subject to certain statutory duties specified in Section 3.G. below. Accordingly, Section 6 (Investment Instruments) of this policy does not apply to restrict

the investments for any Section 115 Trust established by the Authority for the payment of the costs of retiree health benefits.

SECTION 3: OBJECTIVES

A. Safety of principal is the foremost objective of the Authority, followed by liquidity, and yield. Each investment transaction shall seek to first ensure that capital losses are avoided, whether they are from securities, defaults, or erosion of market value.

B. Investment decisions should not incur unreasonable credit or market risks in order to obtain current investment income. "Credit risk," defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in only very safe securities and by diversifying the investment portfolio so that the failure of any one issuer would not unduly harm the Authority's cash flow.

"Market risk," defined as the risk of market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by structuring the portfolio so that securities mature at the same time that major cash outflows occur, thus eliminating the need to sell securities prior to their maturity. Market Risk shall also be mitigated by prohibiting the taking of short positions (selling securities that the Authority does not own). The Authority explicitly recognizes that in a diversified portfolio, occasional measured losses are inevitable and must be considered within the context of overall investment return.

C. The Authority's investment portfolio shall remain sufficiently liquid to enable the Authority to meet all operating requirements, which might be reasonably anticipated.

D. The investment portfolio shall be managed to attain a market average rate of return throughout budgetary and economic cycles, taking into account the Authority's investment risk constraints, cash flow requirements, and State and local laws, ordinances, or resolutions that restrict the placement of short-term funds.

E. The Authority shall not make investments for the purpose of trading or speculation as the dominant criterion.

F. The Authority shall adhere to the guidance provided by the "prudent investor standard" established by California Government Code Section 53600.3 and made applicable to the Authority by Section 6509 of the California Government Code, which deems those persons investing public funds to be trustees and fiduciaries, and obligates a trustee and fiduciary of public funds to ensure that investments shall be made with the care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the local agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the local agency. This standard shall be applied in the context of managing an overall portfolio.

G. As provided by California Government Code Section 53622, funds deposited into any Section 115 trust established by the Authority for the payment of employee retiree health benefits shall only be held for the purpose of providing benefits to participants in the retiree health benefit plan and defraying reasonable expenses of

administering that plan. As further provided by Section 53622, when making investments of such funds, the Board of Directors or, so long as the delegation of authority in Section 4.B. below is in full force and effect, the Treasurer shall discharge its duties with respect to the investment of the funds as follows:

1. Solely in the interest of, and for the exclusive purposes of providing benefits to, participants in the retiree health benefit plan, minimizing employer contributions thereto, and defraying reasonable expenses of administering the plan.
2. With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.
3. Shall diversify the investments of the funds so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly prudent not to do so.

SECTION 4: DELEGATION OF INVESTMENT AUTHORITY

A. Delegation of Investment Authority to Treasurer - Surplus Funds. Except for the Authority's Section 457 deferred compensation plan (which is managed by Mission Square Retirement), the Authority's pension plan (which is managed by CalPERS), and any Section 115 trust established by the Authority for the payment of employee retiree health benefits (which is governing by Section 4.B below), the Board of Directors hereby delegates its authority to invest or reinvest all Authority funds, or to sell or exchange securities so purchased, to the Treasurer for a one-year period pursuant to California Government Code Section 53607. Such delegation may be annually renewed by the City Council pursuant to Government Code Section 53607. So long as such delegated investment authority is in effect, the Treasurer may appoint one or more Deputy Treasurers as the Treasurer deems necessary and convenient for the prompt and faithful discharge of its duties to invest and reinvest the funds of the Authority.

B. Delegation of Investment Authority to Treasurer - Section 115 Retiree Health Benefits Trust. Pursuant to its Resolution No. 334, the Board of Directors has established with CalPERS an irrevocable trust in compliance with Internal Revenue Code Section 115 (the "Section 115 Trust") to fund the payment of employee retiree health benefits and delegated to the Treasurer the authority to select the investment strategy for the Authority's assets held in the Section 115 Trust. Pursuant to California Government Code Section 53621, the Board of Directors hereby approves, ratifies, and confirms the delegation to the Treasurer of the Board's authority to invest or reinvest funds deposited into the Authority's Section 115 Trust for the payment of employee retiree health benefits by the Treasurer's selection of the investment strategy for the Authority's Section 115 Trust and subject to the statutory duties specified above in Section 3.G.

SECTION 5: REPORTING

A. Monthly Transactions Reports. So long as the Board of Directors' annual delegation of investment authority to the Treasurer pursuant to Section 4.A above and

California Government Code Section 53607 is effective, the Treasurer shall provide a monthly report of all investment transactions of the Authority's funds to the Board of Directors.

B. Quarterly Investment Reports. The Authority's Finance & Performance Audit Manager shall prepare a quarterly investment report and submit it to the Executive Committee of the Authority on quarterly basis and to the Board of Directors of the Authority annually. Schedules of the quarterly report shall itemize the quarter's investment activities' effect on portfolio value, both individually and by investment category. The quarterly investment report shall include the type of investment, issuer, date of maturity, and par and dollar amount invested on all securities, investments, and moneys held by the Authority; provided, for investments that have been placed in LAIF, the County Treasury Pool, or in FDIC-insured accounts, the most recent statements received by the Authority from these institutions may be provided in lieu of the foregoing information.

C. Statement of Investment Policy. From time to time as necessary or desirable, the Finance & Performance Audit Manager shall submit for consideration and approval by the Board of Directors proposed changes to the Investment Policy of the Authority. The Finance & Performance Audit Manager, along with the Executive Director, shall make all filings as required by the State of California.

SECTION 6: INVESTMENT INSTRUMENTS

A. Authorized Investments. Authorized investments for the Authority are listed below and are subject to the restrictions and guidelines set forth in this policy. In any event, eligible instruments must be specifically authorized by California State laws, and to no greater an extent than authorized by those laws. Where this policy specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase.

Subject to the foregoing and the additional investment criteria specified below and in subsection C, investments may be made in the following instruments:

1. U.S. Treasuries. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

2. U.S. Federal Agencies. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

3. Non-negotiable Certificates of Deposit (CDs). Non-negotiable Certificates of Deposit or Time Deposits placed with state or federally chartered commercial banks and/or savings and loan associations. Amounts placed in non-negotiable CDs shall be insured by the Federal Deposit Insurance Corporation or, to the extent the amount exceeds the insured maximum, shall be collateralized per California law and as specified in subsection C.3 below.

4. Negotiable Certificates of Deposit (CDs). Negotiable Certificates of Deposits issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the California Financial Code), a state or federal credit union, or by a state-licensed branch of a foreign bank.

As provided in California Government Code Section 53601, investments in negotiable CDs are not subject to the collateralization requirements of California Government Code Section 53630 et seq. but may not exceed, as applicable, the shareholder's equity of the depository bank, the total of the net worth of the depository savings association (unless the deposit does not exceed \$500,000 and is federally-insured or collateralized per State law), or the total of the unimpaired capital and surplus of the credit union (unless the deposit does not exceed \$500,000 and is federally-insured or collateralized per State law).

5. Local Agency Investment Fund (LAIF). The State of California Local Agency Investment Fund (i.e., state investment pool) established by California Government Code Section 16429.1 in the custody of the State Treasurer.

6. Los Angeles County Treasury Pool. The Los Angeles County Treasury Pool (i.e. county investment pool) established pursuant to California Government Code Section 27130 et seq.

B. Prohibited Investments. Investments which the Authority specifically prohibits:

- Bond Funds
- Money Market Mutual Funds
- Reverse Repurchase Agreements
- Derivatives when possibility of returning no yield such as inverse floaters, range notes or non-Treasury interest-only strips

C. Additional Authority Investment Guidelines. Additional Authority investment guidelines are as follows:

1. Maximum Maturity. No investment shall be purchased which matures more than three years from the date of purchase without the prior approval of the Board of Directors.

2. Portfolio Concentration Limits. Of the total investment portfolio, no more of than the respective percentages specified below may be invested in the applicable categories of authorized investments, as follows:

U.S. Treasuries	No limit
U.S. Federal Agencies	33-1/3% maximum for each agency; 60% maximum overall
Non-Negotiable CDs	20% maximum
Negotiable CDs	20% maximum
LAIF	No limit
County Treasury Pool	50% maximum

3. Portfolio Diversification. Subject to Section 9 (Risk Tolerance), to reduce overall portfolio risk while attempting to attain market value rates of return consistent with the primary objectives of safety and availability of funds, investments shall be diversified across types of investments, maturities of those investments, and institutions in which those investments are made.

4. Collateralization of Deposits of Public Funds. Deposits of public funds shall be made only in qualified public depositories as established by State law (California Government Code Section 53630 et seq.). Deposits shall be insured by the Federal Deposit Insurance Corporation or, to the extent the amount exceeds the insured maximum, shall be collateralized in accordance with State law (California Government Code Section 53630 et seq.).

SECTION 7: RELATIONSHIPS WITH FINANCIAL INSTITUTIONS

A. The Authority may only purchase authorized investments, not purchased directly from the issuer, from either an institution licensed by the State as a broker/dealer, from a national or state chartered bank, from a federal or state savings institution, from a brokerage firm designated as a primary government dealer by the Federal Reserve Bank, or a member of a federally regulated securities exchange. For clarification purposes, investments in LAIF or the County Treasury Pool are considered to be purchased directly from the issuer.

B. All financial institutions with which the Authority conducts investment activities must agree in writing to undertake reasonable efforts to prevent illegal and/or imprudent transactions involving Authority funds. Should it come to the attention of the Treasurer and/or the Finance & Performance Audit Manager that the Authority's funds have been involved in illegal and/or imprudent transactions, the Treasurer and/or the Finance & Performance Audit Manager shall report this information to the Executive Committee and the Board of Directors of the Authority along with options for dealing with the situation.

C. Primary government securities dealers who report to the New York Federal Reserve are preferred for conducting transactions of all eligible securities other than non-negotiable certificates of deposit.

SECTION 8: INTERNAL CONTROLS

A. Internal Controls. Internal controls shall be as follows:

1. Written confirmations or statements of account from the parties involved shall evidence all investments, maturities and sales.

2. Each certificate, security or safekeeping receipt shall be compared to a purchase order or log sheet to verify that the securities received are the same as those purchased.

3. Someone shall review all evidence of investment transactions (e.g., certificates, securities, safekeeping receipts, broker/dealer confirmations, statements, etc.) other than the person(s) responsible for making the investments.

B. Custody and safekeeping policies. Pursuant to California Government Code Section 53608, the Board of Directors hereby delegates to the Treasurer the authority to deposit securities and other investments of the Authority for custody and safekeeping of securities. Safekeeping policies for the custody of securities and other investments of the Authority shall be as follows:

1. Negotiable certificates and securities shall be held by a third-party custodian/safekeeping account in a manner that establishes the Authority's right of ownership. Eligible third-party custodians shall meet the requirements of California Government Code Section 53608 and include the following: a federal or state association (as defined in Section 5102 of the California Financial Code), a trust company or a state or national bank located within the State of California, or the Federal Reserve Bank of San Francisco or any branch thereof within the State of California.

2. Non-negotiable certificates of deposit may be stored in the Treasurer's vault.

3. A broker/dealer shall never hold Authority investments.

SECTION 9: RISK TOLERANCE

The Authority recognizes that investment risks can result from issuer defaults, market price changes, or various technical complications leading to temporary illiquidity. In general, portfolio diversification is employed as a way to control risk, unless under the circumstances and guided by the "prudent investor standard" described in Section 3.F, it is reasonably prudent not to do so. Investment managers are expected to display prudence in the selection of securities as a way to minimize default risk.

No individual investment transaction shall be undertaken which jeopardizes the total capital position of the overall portfolio. The Treasurer and/or the Finance & Performance Audit Manager shall periodically establish guidelines and strategies to control risks of default, market price changes, and illiquidity. All investment reports shall specifically address whether current investment results have been affected by any of the foregoing risks, and shall explain what actions investment officials have taken to control or correct for such risks.

SECTION 10: INDEMNIFICATION OF INVESTMENT OFFICIALS

Any investment officer exercising his or her authority with due diligence and prudence, and in accordance with the Authority's Investment Policy, shall not be held personally liable for any individual investment losses or for total portfolio losses.

D-4



Staff Report

South Bay Regional Public Communications Authority

MEETING DATE: March 17, 2026

ITEM: D - 4

TO: Board of Directors

FROM: Mike Saffell, Interim Executive Director

SUBJECT: A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY ADOPTING AN AMENDED RECRUITMENT INCENTIVE AND REFERRAL BONUS POLICY AND RESCINDING RESOLUTION 351

ATTACHMENTS: 1. Resolution
2. Resolution No. 351 - Redlined

RECOMMENDATION

Staff recommends that the Board of Directors adopt a Resolution approving the amended Recruitment Incentive and Referral Bonus Policy. The purpose of the policy is to support recruitment efforts by attracting highly qualified candidates for hard-to-fill positions.

BACKGROUND

Public Safety Answering Points (PSAP), such as the Authority, have faced chronic staffing shortages nationwide for more than a decade. The Association for Public-Safety Communications Officials (APCO) International, the largest organization of public safety communications professionals in the world, published reports in 2005, and 2009, and a study in 2018 to examine understaffing and turnover in PSAPs. Nationally, over 77% of large PSAPs, and 38% of medium PSAPs are consistently below authorized staffing levels annually.¹

DISCUSSION

In September 2022, the Authority adopted a Resolution and Recruitment Incentive and Referral Bonus Policy in response to critical staffing shortages within the Communications Center. These staffing challenges continue to impact operations. The proposed amendment to the policy allows the second incentive or referral payment to be issued upon an employee's completion of probation or after fifteen (15) months of continuous service. This change is intended to support employee retention. The following are highlights of the policy:

¹ Staffing and Retention in Public Safety Answering Points (PSAPs): A Supplemental Study, July 2018
George Mason University Center for Social Science Research, ©Copyright 2018 APCO International

AMOUNT OF RECRUITMENT INCENTIVE OR SIGNING BONUS PAYMENT

<u>Employee referral bonus:</u>	<i>Total</i>	<i>1st / 2nd Payments</i>
• Hourly full-time positions:	\$3,500.00	\$1,000 / \$2,500
• Management positions:	\$3,500.00	\$1,000 / \$2,500
<u>Signing bonus:</u>		
• Hourly full-time positions:	\$5,000.00	\$1,000 / \$4,000
• Hourly full-time positions (lateral transfer):	\$7,500.00	\$2,500 / \$5,000
• Management positions:	\$5,000.00	\$1,000 / \$4,000

The bonus policy applies only to positions that have been designated hard-to-fill by the Executive Director. This designation may be based on a variety of factors, including past and anticipated recruiting challenges for the position, turnover rates, and the critical need to fill the position. Signing bonuses are tiered to give greater incentive to lateral transfers. This is a standard practice. All bonuses have milestones for staggered payments with the first payment triggered upon hiring and the remainder of the payment upon the employee's completion of fifteen (15) months of service.

FISCAL IMPACT

None. No additional budget appropriation is needed as any bonus payments would be offset by salary savings created by the vacancies being recruited.

D-4

Attachment 1

RESOLUTION NO. _____

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS
AUTHORITY ADOPTING A RECRUITMENT INCENTIVE
AND REFERRAL BONUS POLICY AND REPEALING
RESOLUTION NO. 351 AND THE PREVIOUS
RECRUITMENT INCENTIVE AND REFERRAL BONUS
POLICY**

WHEREAS, pursuant to Article IV of the Bylaws of the South Bay Regional Public Communications Authority, the Board of Directors shall make all policy decisions and determinations for the Authority;

WHEREAS, the Board of Directors desires to continue the Authority's program to attract highly qualified candidates for hard-to-fill positions.

WHEREAS, the Board of Directors desires to modify the previously adopted Recruitment Incentive and Referral Bonus Policy, which it adopted on September 29, 2022, through Resolution 351, and which it now desires to repeal.

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

SECTION 1. The Board of Directors adopts the modified Recruitment Incentive and Referral Bonus Policy attached hereto as Exhibit A.

SECTION 2. This Policy provides an opportunity for a referral bonus to employees who successfully recruit candidates for designated hard-to-fill positions pursuant to the eligibility and qualification requirements as more fully set forth in the Policy.

SECTION 3. This Policy provides a signing bonus for employees hired into designated hard-to-fill positions as more fully set forth in the Policy.

SECTION 4. This Policy may be discontinued at any time at the sole discretion of the Executive Director.

BE IT FURTHER RESOLVED, that Resolution 351 adopted on September 29, 2022 is hereby repealed.

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 17th day of March, 2026, by the following vote.

AYES:

NOES:

ABSENT:

ABSTAIN:

Rodney G. Tanaka, Chair
Board of Directors

Mike Saffell, Interim Executive Director
and Secretary
Board of Directors

Exhibit A

SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY

MEMORANDUM

DATE: March 17, 2026

TO: ALL PERSONNEL

SUBJECT: RECRUITMENT INCENTIVE AND REFERRAL BONUS
POLICY

PURPOSE:

To establish a program to attract highly qualified candidates for hard-to-fill positions.

POLICY:

The Recruitment Incentive and Referral Bonus Policy provides:

- An employee referral bonus to employees who successfully recruit candidates for designated hard-to-fill positions
- A signing bonus for employees hired into designated hard-to-fill positions
- This policy may be discontinued at any time at the sole discretion of the Executive Director.

ELIGIBILITY TO RECEIVE BONUS:

- All Authority employees are eligible to receive a referral bonus when a position has been designated hard-to-fill by the Executive Director and published in a job opening list. The Executive Director is not eligible to receive this bonus. An employee is not eligible to receive the bonus for a

candidate they recruit if said recruitment occurred while on paid status representing or under the direction of the Authority.

- Applicants hired into designated hard-to-fill positions are eligible for a signing bonus.

DESIGNATION OF POSITIONS ELIGIBLE FOR BONUS

- The designation of hard-to-fill positions will be made by the Executive Director. The designation may be based on a variety of factors, including past and anticipated recruiting challenges for the position, turnover rates, and the critical need to fill the position.
- Notice that a particular position is to be included in this program will be made through a department-wide email and job announcement posting for the recruitment.
- The designation of a position as hard-to-fill will be considered each time the position is open. The fact that a position is designated as hard-to-fill during one recruitment does not mean that it will have that designation during any future recruitment.
- Any disputes regarding this program will be subject to the discretion and final decision-making authority of the Executive Director. The bonus program is not subject to the grievance process.

AMOUNT OF RECRUITMENT INCENTIVE OR SIGNING BONUS PAYMENT

<u>Employee referral bonus:</u>	<i>Total</i>	<i>1st / 2nd Payments</i>
• Hourly full-time positions:	\$3,500.00	\$1,000 / \$2,500
• Management positions:	\$3,500.00	\$1,000 / \$2,500

Signing bonus:

- Hourly full-time positions: \$5,000.00 \$1,000 / \$4,000
- Hourly full-time positions (lateral transfer): \$7,500.00 \$2,500 / \$5,000
- Management positions: \$5,000.00 \$1,000 / \$4,000

EMPLOYEE REFERRAL BONUS:

- Employee referrals qualify under this program only when they are made during the recruitment incentive period for positions designated as hard-to-fill by the Executive Director.
- The first \$1,000 of the payment of the employee referral bonus will be made through payroll (with all applicable tax withholdings) to eligible employees the first full pay period following the date of hire of the referred employee. The 2nd payment will be made the first full pay period following the completion of the referred employee's probation or completion of the referred employee's 15-month.
- The referring employee must complete and submit a "Request for Employee Referral Bonus" form and submit it to the Executive Director on or about the date of the candidate's submission of an employment application.
- The referral name of the Authority employee must be documented on the Authority Employment Application by the recruited employee at the time the application was submitted for employment.
- Only one employee may qualify for the referral bonus for each recruited employee.
- The referral bonus may not be shared between the referring employee and recruited employee (nor between or among any other employees), and any agreement to do so is a violation of this policy, subject to discipline up to and including termination of both employees.
- There is no cap on the number of referrals an employee can make. All referral bonus incentives will be paid accordingly.

- There is no guarantee that every candidate who is referred will be hired. No matter how far a candidate advances in the recruitment process, the referral bonus will be paid only if the person is hired.
- An employee must be employed by the Authority at the time that any referral bonus is scheduled to be awarded.
- The hiring process will be fair and merit-based, with no greater or lesser consideration given to candidates whose selection would make another employee eligible for a referral bonus.
- There is no referral bonus available for candidates who are currently working for the Authority in any capacity, including temporary employees, interns, volunteers, and time limited project or contract employees. The referral bonus program cannot be applied retroactively.

PROCESS FOR RECEIVING SIGNING BONUS PAYMENT:

- A signing bonus agreement will be provided to the employee upon the employee's acceptance of employment with the Authority.

Payment will be made by payroll check minus federal and state taxes. For non-lateral transfer hires, the first \$1,000 of the payment, and for lateral transfers the first \$2,500 of the payment, will be made the first full pay period following the employee's successful completion of the first phase of their on-the-job training. The 2nd payment will be made the first full pay period following the completion of the employee's probation or completion of the referred employee's 15-month.

D-4

Attachment 2

RESOLUTION NO. _____

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS
AUTHORITY ADOPTING A RECRUITMENT INCENTIVE
AND REFERRAL BONUS POLICY AND REPEALING
RESOLUTION NO. 351 AND THE PREVIOUS
RECRUITMENT INCENTIVE AND REFERRAL BONUS
POLICY**

WHEREAS, pursuant to Article IV of the Bylaws of the South Bay Regional Public Communications Authority, the Board of Directors shall make all policy decisions and determinations for the Authority;

WHEREAS, the Board of Directors desires to continue the Authority's program to attract highly qualified candidates for hard-to-fill positions.

WHEREAS, the Board of Directors desires to modify the previously adopted Recruitment Incentive and Referral Bonus Policy, which it adopted on September 29, 2022, through Resolution 351, and which it now desires to repeal.

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

SECTION 1. The Board of Directors adopts the modified Recruitment Incentive and Referral Bonus Policy attached hereto as Exhibit A.

SECTION 2. This Policy provides an opportunity for a referral bonus to employees who successfully recruit candidates for designated hard-to-fill positions pursuant to the eligibility and qualification requirements as more fully set forth in the Policy.

SECTION 3. This Policy provides a signing bonus for employees hired into designated hard-to-fill positions as more fully set forth in the Policy.

SECTION 4. This Policy may be discontinued at any time at the sole discretion of the Executive Director.

BE IT FURTHER RESOLVED, that Resolution 351 adopted on September 29, 2022 is hereby repealed.

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 17th day of March, 2026, by the following vote.

AYES:

NOES:

ABSENT:

ABSTAIN:

Rodney G. Tanaka, Chair
Board of Directors

~~M. Ross Klun~~ Mike Saffell, Interim
Executive Director and Secretary
Board of Directors

Exhibit A

SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY

MEMORANDUM

DATE: March 17, 2026

TO: ALL PERSONNEL

SUBJECT: RECRUITMENT INCENTIVE AND REFERRAL BONUS
POLICY

PURPOSE:

To establish a program to attract highly qualified candidates for hard-to-fill positions.

POLICY:

The Recruitment Incentive and Referral Bonus Policy provides:

- An employee referral bonus to employees who successfully recruit candidates for designated hard-to-fill positions
- A signing bonus for employees hired into designated hard-to-fill positions
- This policy ~~will be in place for nine months following the adoption of Resolution No. 351, and may be discontinued at any time earlier than that~~ at the sole discretion of the Executive Director.

ELIGIBILITY TO RECEIVE BONUS:

- All Authority employees are eligible to receive a referral bonus when a position has been designated hard-to-fill by the Executive Director and published in a job opening list. The Executive Director is not eligible to receive this bonus. An employee is not eligible to receive the bonus for a

candidate they recruit if said recruitment occurred while on paid status representing or under the direction of the Authority.

- Applicants hired into designated hard-to-fill positions are eligible for a signing bonus.

DESIGNATION OF POSITIONS ELIGIBLE FOR BONUS

- The designation of hard-to-fill positions will be made by the Executive Director. The designation may be based on a variety of factors, including past and anticipated recruiting challenges for the position, turnover rates, and the critical need to fill the position.
- Notice that a particular position is to be included in this program will be made through a department-wide email and job announcement posting for the recruitment.
- The designation of a position as hard-to-fill will be considered each time the position is open. The fact that a position is designated as hard-to-fill during one recruitment does not mean that it will have that designation during any future recruitment.
- Any disputes regarding this program will be subject to the discretion and final decision-making authority of the Executive Director. The bonus program is not subject to the grievance process.

AMOUNT OF RECRUITMENT INCENTIVE OR SIGNING BONUS PAYMENT

<u>Employee referral bonus:</u>	<i>Total</i>	<i>1st / 2nd Payments</i>
• Hourly full-time positions:	\$3,500.00	\$1,000 / \$2,500
• Management positions:	\$3,500.00	\$1,000 / \$2,500

Signing bonus:

- Hourly full-time positions: \$5,000.00 \$1,000 / \$4,000
- Hourly full-time positions (lateral transfer): \$7,500.00 \$2,500 / \$5,000
- Management positions: \$5,000.00 \$1,000 / \$4,000

EMPLOYEE REFERRAL BONUS:

- Employee referrals qualify under this program only when they are made during the recruitment incentive period for positions designated as hard-to-fill by the Executive Director.
- The first \$1,000 of the payment of the employee referral bonus will be made through payroll (with all applicable tax withholdings) to eligible employees the first full pay period following the date of hire of the referred employee. The 2nd payment will be made the first full pay period following the completion of the referred employee's probation or completion of the referred employee's 15-month.
- The referring employee must complete and submit a "Request for Employee Referral Bonus" form and submit it to the Executive Director on or about the date of the candidate's submission of an employment application.
- The referral name of the Authority employee must be documented on the Authority Employment Application by the recruited employee at the time the application was submitted for employment.
- Only one employee may qualify for the referral bonus for each recruited employee.
- The referral bonus may not be shared between the referring employee and recruited employee (nor between or among any other employees), and any agreement to do so is a violation of this policy, subject to discipline up to and including termination of both employees.
- There is no cap on the number of referrals an employee can make. All referral bonus incentives will be paid accordingly.

- There is no guarantee that every candidate who is referred will be hired. No matter how far a candidate advances in the recruitment process, the referral bonus will be paid only if the person is hired.
- An employee must be employed by the Authority at the time that any referral bonus is scheduled to be awarded.
- The hiring process will be fair and merit-based, with no greater or lesser consideration given to candidates whose selection would make another employee eligible for a referral bonus.
- There is no referral bonus available for candidates who are currently working for the Authority in any capacity, including temporary employees, interns, volunteers, and time limited project or contract employees. The referral bonus program cannot be applied retroactively.

PROCESS FOR RECEIVING SIGNING BONUS PAYMENT:

- A signing bonus agreement will be provided to the employee upon the employee's acceptance of employment with the Authority.

Payment will be made by payroll check minus federal and state taxes. For non-lateral transfer hires, the first \$1,000 of the payment, and for lateral transfers the first \$2,500 of the payment, will be made the first full pay period following the employee's successful completion of the first phase of their on-the-job training. The 2nd payment will be made the first full pay period following the completion of the ~~referred~~ employee's probation or completion of the referred employee's 15-month.

F-1



Staff Report

South Bay Regional Public Communications Authority

MEETING DATE: March 17, 2026

ITEM NUMBER: F-1

TO: Board of Directors

FROM: Mike Saffell, Interim Executive Director
Vanessa Alfaro, Finance & Performance Audit Manager

SUBJECT: Fiscal Year 2026-2027 Proposed Five-Year Capital Improvement Plan

ATTACHMENTS: 1. Resolution
2. Exhibit A - Proposed Five-Year Capital Improvement Plan

RECOMMENDATION

Staff recommends that the Board of Directors approve the resolution adopting the Five-Year Capital Improvement Plan for Fiscal Year 2026-2027.

BACKGROUND

Staff was directed to establish a Five-Year Capital Improvement Plan (CIP) to ensure sufficient resources exist to fund the Authority's capital asset needs and to help stabilize future increases in assessments.

In August 2024, the Board of Directors approved a resolution amending the Budgetary Policy to include Section 7 on Capital Improvement Planning and adopted the initial Five-Year CIP effective FY24-25.

Section 7 of the Budgetary Policy (Resolution No. 366) requires that the Five-Year CIP be integrated with the Authority's annual budget process and incorporates the first year of the CIP as part of the annually adopted budget. Additionally, the policy established criteria for capital asset purchases, includes funding principles, and provides guidelines for prioritization of projects.

DISCUSSION

The Five-Year CIP will be reviewed and revised each year by continuing to identify capital improvement projects within its five year plan and by re-prioritizing existing capital improvements as needed. Therefore, staff has prepared the attached Five-Year CIP for FY26-27 through FY30-31, which includes re-prioritization of projects adopted last year

and new projects added to the last year of the rolling five-year plan. Overall, the proposed Five-Year CIP focuses on improving infrastructure in the areas of IT, telecommunications, and facilities. Projects were identified as part of a collaborative effort among staff and stakeholders, which included a comprehensive facilities assessment conducted by a third-party and partnering with Hawthorne's IT department and other vendors to evaluate and identify needs and areas for improvement.

Funding for FY2026-2027 of the proposed Five-Year CIP totals \$943,400, and this amount would be adopted and appropriated from the Enterprise Fund undesignated fund balance at the time of adoption of the FY2026-2027 Recommended Budget.

Capital Improvement Projects Summary - Year 1	FY26-27 Projected
Desktop System Replacements - Admin	30,000
Core Replacement	60,000
Primary Firewall Replacement	70,000
Eden System Replacement (New ERP System)	183,400
Dispatch Floor Firewall Installation	45,000
Information Technology Total	\$ 388,400
Antenna System	400,000
Battery Backup (Repeater)	70,000
Radios Total	\$ 470,000
Chilled Water Pumps	25,000
Air-handling Unit (AH-1)	60,000
Facilities Total	85,000
Vehicle Needs Total	\$ -
Grand Total	\$ 943,400

The complete Five-Year CIP includes 25 individual projects totaling \$2,945,400 to be funded by the Authority's Enterprise Fund undesignated fund balance. However, a project in FY31 of \$1 million dollars for the radio conventional system will likely only be undertaken if grant funding becomes available.

South Bay Regional Public Communications Agency Five Year Capital Improvement Plan							
	FY25-26 Adopted	FY26-27 Projected	FY27-28 Projected	FY28-29 Projected	FY29-30 Projected	FY30-31 Adopted	Five-Year Total
<i>Proposed Capital Improvements:</i>							
Information Technology	\$ 25,000	\$ 388,400	\$ 90,000	\$ 220,000	\$ 256,000	\$ -	\$ 954,400
Radios	450,000	470,000	-	-	-	1,000,000	1,470,000
Facilities	279,000	85,000	180,000	56,000	-	-	321,000
New Computer Aided Dispatch system	2,000,000	-	-	-	-	-	-
Vehicle Needs	-	-	100,000	-	100,000	-	200,000
Total CIP Costs:	\$ 2,754,000	\$ 943,400	\$ 370,000	\$ 276,000	\$ 356,000	\$ 1,000,000	\$ 2,945,400

The Proposed Five-Year CIP was presented to the Executive Committee in February 2026 and was approved for recommendation to the Board of Directors.

FISCAL IMPACT

The Five-Year CIP effective for FY26-27 totals nearly \$3 million dollars and the Authority's undesignated available fund balance as of June 30, 2026 is projected to be approximately \$7.3 million dollars. Therefore, sufficient funds are available in the Enterprise Fund to fund the CIP projects for the next five years. The appropriation of \$943,400 from the Enterprise Fund will cover CIP costs for the first year of the Five-Year CIP.

F-1

Attachment 1

RESOLUTION NO. _____

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS
AUTHORITY ADOPTING THE FIVE-YEAR CAPITAL
IMPROVEMENT PLAN EFFECTIVE FISCAL YEAR 2026-
2027 AND FINDING THE ACTION EXEMPT FROM THE
CALIFORNIA ENVIRONMENTAL QUALITY ACT**

WHEREAS, the Board of Directors of the South Bay Regional Public Communications Authority desires to adopt a five-year Capital Improvement Plan in accordance with the Capital Improvement Program set forth in the Authority's Budgetary Policy to ensure sufficient resources exist to fund the Authority's capital asset needs and to help stabilize future increases in assessments;

WHEREAS, pursuant to Article IV(G) of the Bylaws, the Board of Directors shall make all policy decisions and determinations for the Authority; and

WHEREAS, the first year of the five-year Capital Improvement Plan includes \$943,400 in capital purchases, which will require an appropriation from the Enterprise Fund balance and becomes part of the annually adopted operating budget for fiscal year 2026-2027;

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

SECTION 1. The Board of Directors approves and adopts the five-year Capital Improvement Plan, a copy of which is attached hereto as Exhibit A, which shall be effective in fiscal year 2026-2027.

SECTION 2. In order to fund the first year of the five-year Capital Improvement Plan, the Board of Directors intends to approve an appropriation of funds amounting to \$943,400 from the Enterprise Fund balance as part of the FY26-27 annual budget.

SECTION 3. The Board of Directors hereby finds that it can be seen with certainty that there is no possibility that the approval of this Capital Improvement Plan may have a significant effect on the environment. The Capital Improvement Plan is a prioritizing and funding allocation program and cannot and does not have the potential to cause a significant effect on the environment. Accordingly, the approval of this Capital Improvement Plan is therefore exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of Title 14 of the California Code of Regulations. In addition, the items contemplated by the Capital Improvement Plan include activities such as replacement of computer and communications equipment, plumbing and HVAC improvements, landscaping improvements, and other items that either do not constitute a project under CEQA or are exempt from CEQA, including pursuant to Sections 15301 and 15304 of Title 14 of the California Code of Regulations. In the event that further environmental review is required for any activities set forth in the Capital Improvement Plan, such review will be conducted at the time the

physical improvements prioritized in the Capital Improvement Plan are considered at a future unspecified date.

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 17th day of March 2026, by the following vote.

AYES:

NOES:

ABSENT:

ABSTAIN:

Rodney Tanaka, Councilmember
Chairperson of the Board of Directors

Mike Saffell, Interim Executive Director
Secretary of the Board of Directors

F-1

Attachment 2

SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY



Proposed Capital Improvement Plan FY 2026-2027 through FY 2030-31

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Introduction

March 17, 2026

Members of the Board of Directors:

In August 2024, the Board of Directors approved a resolution amending the Budgetary Policy to include Section 7 on Capital Improvement Planning (CIP) and adopted the initial Five-Year CIP effective FY24-25 with an appropriation of \$595,000 from the Enterprise Fund undesignated fund balance. Section 7 of the Budgetary Policy (Resolution No. 366) requires that the Five-Year CIP be integrated with the Authority's annual budget process and incorporates the first year of the CIP as part of the annually adopted budget. Additionally, the policy established criteria for capital asset purchases, includes funding principles, and provides guidelines for prioritization of projects.

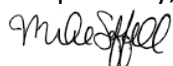
Staff has prepared the attached Five-Year CIP for FY27-FY31. The Five-Year CIP will be reviewed and revised each year by continuing to identify capital improvement projects within its five year plan and by re-prioritizing existing capital improvements as needed. Overall, the proposed Five-Year CIP focuses on improving infrastructure in the areas of IT, telecommunications, and facilities. Projects were identified as part of a collaborative effort among staff and stakeholders, which included a comprehensive facilities assessment conducted by a third-party and partnering with Hawthorne's IT department and other vendors to evaluate and identify needs and areas for improvement in order to continue providing high quality services to the communities we serve.

Funding for FY26-27 of the proposed Five-Year CIP totals \$943,400, and this amount will be adopted and appropriated from the Enterprise Fund undesignated fund balance at the time of adoption of the FY26-27 Recommended Budget.

The complete Five-Year CIP includes 25 individual projects totaling \$2,945,400 to be funded by the Authority's Enterprise Fund undesignated fund balance; though some projects may only be undertaken if grant funding becomes available.

Staff respectfully submits the Fiscal Year 2026-2027 Proposed Five-Year Capital Improvement Plan.

Respectfully,



Mike Saffell, Interim Executive Director

South Bay Regional Public Communications Agency
Five Year Capital Improvement Plan

	FY25-26 Adopted	FY26-27 Projected	FY27-28 Projected	FY28-29 Projected	FY29-30 Projected	FY30-31 Adopted	Five-Year Total
Beginning Fund Balance	\$ 11,404,739	\$ 8,862,674	\$ 7,883,940	\$ 7,836,120	\$ 7,969,259	\$ 7,999,195	
Pension/OPEB Funding	\$ 526,964	\$ 776,514	\$ 416,719	\$ 329,760	\$ 352,964	\$ 356,734	
Obligated Reserves:							
Operating & Capital Reserve	\$ 1,536,569	\$ 1,667,176	\$ 1,740,404	\$ 1,819,058	\$ 1,903,682	\$ 1,982,517	
Total Obligated Reserves:	\$ 1,536,569	\$ 1,667,176	\$ 1,740,404	\$ 1,819,058	\$ 1,903,682	\$ 1,982,517	
Unobligated Fund Balance	\$ 9,341,207	\$ 6,418,984	\$ 5,726,817	\$ 5,687,302	\$ 5,712,613	\$ 5,659,944	
Proposed Capital Improvements:							
Information Technology	\$ 25,000	\$ 388,400	\$ 90,000	\$ 220,000	\$ 256,000	\$ -	\$ 954,400
Radios	450,000	470,000	-	-	-	1,000,000	1,470,000
Facilities	279,000	85,000	180,000	56,000	-	-	321,000
New Computer Aided Dispatch system	2,000,000	-	-	-	-	-	-
Vehicle Needs	-	-	100,000	-	100,000	-	200,000
Total CIP Costs:	\$ 2,754,000	\$ 943,400	\$ 370,000	\$ 276,000	\$ 356,000	\$ 1,000,000	\$ 2,945,400
Unobligated Fund Balance After Capital:	\$ 6,587,207	\$ 5,475,584	\$ 5,356,817	\$ 5,411,302	\$ 5,356,613	\$ 4,659,944	
Revenues over Expenses at End of Year	\$ 738,899	\$ 741,180	\$ 738,899	\$ 738,899	\$ 738,900	\$ 738,898	
Ending Unobligated Fund Balance:	\$ 7,326,106	\$ 6,216,764	\$ 6,095,717	\$ 6,150,200	\$ 6,095,513	\$ 5,398,842	
Percentage Unobligated Fund Balance:	51%	40%	37%	35%	34%	28%	

Capital Improvement Projects Summary - Year 1		FY26-27 Projected
Desktop System Replacements - Admin		30,000
Core Replacement		60,000
Primary Firewall Replacement		70,000
Eden System Replacement (New ERP System)		183,400
Dispatch Floor Firewall Installation		45,000
Information Technology Total	\$	388,400
Antenna System		400,000
Battery Backup (Repeater)		70,000
Radios Total	\$	470,000
Chilled Water Pumps		25,000
Air-handling Unit (AH-1)		60,000
Facilities Total		85,000
Vehicle Needs Total	\$	-
Grand Total	\$	943,400

SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY

Capital Budget Worksheet

YEAR 1

SECTION 1							
Project Name:	DESKTOP SYSTEM REPLACEMENTS - ADMINISTRATIVE				Project Number:	27-01-IT	
					Priority Number:	6	
Category:	One-Time Capital				Type:	Non-Recurring	
Project Manager	Project Cost Summary:	Allocated	Year 1	Year 2	Year 3	Year 4	Year 5
		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
		\$0	\$30,000	\$0	\$0	\$0	\$0
Project Estimates:	Project Start Date:	7/1/2026	Project End Date:	6/30/2027	In last year's 5 Year Plan?	Y	

SECTION 2		PROJECT DESCRIPTION
Project Description/Justification:		
Replacing administration computer desktop workstations that are out of warranty and at the end of their life cycle is crucial to maintain operational efficiency and security of the authority. Outdated systems are prone to hardware failures and are incompatible with the latest software updates, posing significant risks to productivity and data integrity. Additionally, unsupported machines lack the necessary security patches, making them vulnerable to cyber threats. By upgrading to new, warranty-covered desktops, the administration ensures reliable performance, enhanced security, and continued support, thereby safeguarding critical data and business continuity.		
Notes:		

SECTION 3		PROJECT COSTS					
Activity	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Prelim Design/Plans							\$0
Engineering/Arch Svcs							\$0
Land/ROW Acquisition							\$0
Construction							\$0
Heavy Equip/Apparatus							\$0
Light Equip/Furniture							\$0
Hardware/Software		\$30,000					\$30,000
Total Capital Costs	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$30,000
Salaries & Benefits							\$0
Profess/Contract Svcs							\$0
Materials & Supplies							\$0
Maint/Fuel/Util/Other							\$0
Revenues (New/Add.)							\$0
Net Oper. Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0
Net Project Costs	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 30,000

SECTION 4		FINANCING					
Funding Source	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Enterprise Fund - Unrestricted Fund Balance		\$30,000					\$30,000
							\$0
							\$0
Total	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 30,000

SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY

Capital Budget Worksheet

YEAR 1

SECTION 1							
Project Name:	CORE REPLACEMENT				Project Number:	27-02-IT	
					Priority Number:	6	
Category:	One-Time Capital				Type:	Non-Recurring	
Project Manager	Project Cost Summary:	Allocated	Year 1	Year 2	Year 3	Year 4	Year 5
		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
		\$0	\$60,000	\$0	\$0	\$0	\$0
Project Estimates:	Project Start Date:	7/1/2026	Project End Date:	6/30/2027	In last year's 5 Year Plan?	Y	

SECTION 2	PROJECT DESCRIPTION
Project Description/Justification:	
Replacement of the Authority's network core device is crucial for ensuring optimal performance, security, and longevity of the Authority's network infrastructure. The current network core device, reaching the end of its life useful life, requires replacement to maintain high standards of service. A new, modern network core enhances system resiliency, providing improved redundancy and reliability to efficiently manage peak loads and emergency situations. Additionally, updated network cores offer advanced cybersecurity features, protecting against evolving threats and ensuring compliance with industry standards. This upgrade is vital for delivering uninterrupted, secure, and efficient emergency services, ultimately enhancing public safety.	
Notes:	

SECTION 3	PROJECT COSTS						
Activity	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Prelim Design/Plans							\$0
Engineering/Arch Svcs							\$0
Land/ROW Acquisition							\$0
Construction							\$0
Heavy Equip/Apparatus							\$0
Light Equip/Furniture							\$0
Hardware/Software		\$60,000					\$60,000
Total Capital Costs	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$60,000
Salaries & Benefits							\$0
Profess/Contract Svcs							\$0
Materials & Supplies							\$0
Maint/Fuel/Util/Other							\$0
Revenues (New/Add.)							\$0
Net Oper. Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0
Net Project Costs	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ 60,000

SECTION 4	FINANCING						
Funding Source	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Enterprise Fund - Unrestricted Fund Balance		\$60,000					\$60,000
							\$0
							\$0
Total	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ 60,000

SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY

Capital Budget Worksheet

YEAR 1

SECTION 1							
Project Name:	PRIMARY FIREWALL REPLACEMENT				Project Number:	27-03-IT	
					Priority Number:	6	
Category:	One-Time Capital				Type:	Non-Recurring	
Project Manager	Project Cost Summary:	Allocated	Year 1	Year 2	Year 3	Year 4	Year 5
		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
		\$0	\$70,000	\$0	\$0	\$0	\$0
Project Estimates:	Project Start Date:	7/1/2026	Project End Date:	6/30/2027	In last year's 5 Year Plan?	Y	

SECTION 2	PROJECT DESCRIPTION
Project Description/Justification:	
Replacing the Authority's primary network firewalls, which are approaching over five years old by 2026, is essential to maintain robust cybersecurity and optimal network performance. As firewalls age, their ability to effectively counteract evolving cyber threats diminishes, posing potential security risks. Upgrading to modern firewalls ensures the latest security features and updates are in place, protecting sensitive data and systems from advanced threats. Additionally, newer firewalls offer improved performance, greater reliability, and enhanced management capabilities, ensuring the network remains resilient and efficient. This proactive replacement is crucial for safeguarding the Authority's digital infrastructure and ensuring continued compliance with industry security standards.	
Notes:	

SECTION 3	PROJECT COSTS						
Activity	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Prelim Design/Plans							\$0
Engineering/Arch Svcs							\$0
Land/ROW Acquisition							\$0
Construction							\$0
Heavy Equip/Apparatus							\$0
Light Equip/Furniture							\$0
Hardware/Software		\$70,000					\$70,000
Total Capital Costs	\$ -	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$70,000
Salaries & Benefits							\$0
Profess/Contract Svcs							\$0
Materials & Supplies							\$0
Maint/Fuel/Util/Other							\$0
Revenues (New/Add.)							\$0
Net Oper. Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0
Net Project Costs	\$ -	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ 70,000

SECTION 4	FINANCING						
Funding Source	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Enterprise Fund - Unrestricted Fund Balance		\$70,000					\$70,000
							\$0
							\$0
Total	\$ -	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ 70,000

SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY

Capital Budget Worksheet

YEAR 1

SECTION 1							
Project Name:	REPLACEMENT OF ERP SYSTEM				Project Number:	27-04-IT	
					Priority Number:	6	
Category:	One-Time Capital				Type:	Non-Recurring	
Project Manager	Project Cost Summary:	Allocated	Year 1	Year 2	Year 3	Year 4	Year 5
		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
		\$0	\$183,400	\$0	\$0	\$0	\$0
Project Estimates:	Project Start Date:	7/1/2026	Project End Date:	6/30/2027	In last year's 5 Year Plan?	Y	

SECTION 2		PROJECT DESCRIPTION
Project Description/Justification:		
The Authority's current Enterprise Resource Planning (ERP) System for finance and payroll operations, Tyler Eden, is scheduled to "sunset" in March 2027. The technology currently utilized within the Eden product will be incompatible with other systems used by the Authority, ultimately making it difficult to enhance Eden's functionality. Therefore, the Authority will need to implement a new ERP system before the end of FY27. The project costs provided are based on estimates provided by Tyler Technologies to migrate the Authority to a newer system.		
Notes:		

SECTION 3		PROJECT COSTS					
Activity	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Prelim Design/Plans							\$0
Engineering/Arch Svcs							\$0
Land/ROW Acquisition							\$0
Construction							\$0
Heavy Equip/Apparatus							\$0
Light Equip/Furniture							\$0
Hardware/Software		\$183,400	\$0				\$183,400
Total Capital Costs	\$ -	\$ 183,400	\$ -	\$ -	\$ -	\$ -	\$183,400
Salaries & Benefits							\$0
Profess/Contract Svcs							\$0
Materials & Supplies							\$0
Maint/Fuel/Util/Other							\$0
Revenues (New/Add.)							\$0
Net Oper. Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0
Net Project Costs	\$ -	\$ 183,400	\$ -	\$ -	\$ -	\$ -	\$ 183,400

SECTION 4		FINANCING					
Funding Source	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Enterprise Fund - Unrestricted Fund Balance		\$183,400	\$0				\$183,400
							\$0
							\$0
Total	\$ -	\$ 183,400	\$ -	\$ -	\$ -	\$ -	\$ 183,400

SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY

Capital Budget Worksheet

YEAR 1

SECTION 1								
Project Name:		DISPATCH FLOOR FIREWALL INSTALLATION				Project Number:		27-05-IT
Category:		One-Time Capital				Priority Number:		6
Project Manager						Type:		Non-Recurring
Project Cost Summary:		Allocated	Year 1	Year 2	Year 3	Year 4	Year 5	
		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	
		\$0	\$45,000	\$0	\$0	\$0	\$0	
Project Estimates:		Project Start Date:	7/1/2026	Project End Date:	6/30/2027	In last year's 5 Year Plan?	Y	

SECTION 2	PROJECT DESCRIPTION
Project Description/Justification:	
Implementation of an additional layer of dedicated firewalls to protect the dispatch computers from cyber threats. Given the sensitive nature of the data and operations handled by dispatch systems, a dedicated firewall provides robust security by monitoring and controlling incoming and outgoing network traffic. This added layer of defense helps prevent unauthorized access, malware, and other cyber attacks, ensuring the integrity and availability of emergency response services. By isolating and protecting dispatch computers with a dedicated firewall, the Authority can enhance its cybersecurity posture, ensuring reliable and secure operations that are vital for public safety.	
Notes:	

SECTION 3	PROJECT COSTS						
Activity	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Prelim Design/Plans							\$0
Engineering/Arch Svcs							\$0
Land/ROW Acquisition							\$0
Construction							\$0
Heavy Equip/Apparatus							\$0
Light Equip/Furniture							\$0
Hardware/Software		\$45,000					\$45,000
Total Capital Costs	\$ -	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$45,000
Salaries & Benefits							\$0
Profess/Contract Svcs							\$0
Materials & Supplies							\$0
Maint/Fuel/Util/Other							\$0
Revenues (New/Add.)							\$0
Net Oper. Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0
Net Project Costs	\$ -	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ 45,000

SECTION 4	FINANCING						
Funding Source	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Enterprise Fund - Unrestricted Fund Balance		\$45,000					\$45,000
							\$0
							\$0
Total	\$ -	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ 45,000

SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY

Capital Budget Worksheet

YEAR 1

SECTION 1							
Project Name:		ANTENNA SYSTEM			Project Number:		27-01-RA
Category:		One-Time Capital			Priority Number:		5
Project Manager					Type:		Non-Recurring
Project Cost Summary:		Allocated	Year 1	Year 2	Year 3	Year 4	Year 5
		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
		\$0	\$400,000	\$0	\$0	\$0	\$0
Project Estimates:		Project Start Date:	7/1/2026	Project End Date:	6/30/2027	In last year's 5 Year Plan?	Y

SECTION 2	PROJECT DESCRIPTION
Project Description/Justification:	
Replacement of the legacy RF antenna/coax lines for both Conventional Analog Systems and Console/Dispatch equipment is needed. The current lines were installed between 2007-2009 and have an expected useful life of 12-15 years.	
Notes:	

SECTION 3	PROJECT COSTS						
Activity	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Prelim Design/Plans							\$0
Engineering/Arch Svcs							\$0
Land/ROW Acquisition							\$0
Construction							\$0
Heavy Equip/Apparatus		\$400,000					\$400,000
Light Equip/Furniture							\$0
Hardware/Software							\$0
Total Capital Costs	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$400,000
Salaries & Benefits							\$0
Profess/Contract Svcs							\$0
Materials & Supplies							\$0
Maint/Fuel/Util/Other							\$0
Revenues (New/Add.)							\$0
Net Oper. Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0
Net Project Costs	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000

SECTION 4	FINANCING						
Funding Source	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Enterprise Fund - Unrestricted Fund Balance		\$400,000					\$400,000
							\$0
							\$0
Total	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000

SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY

Capital Budget Worksheet

YEAR 1

SECTION 1							
Project Name:	BATTERY BACK UP (REPEATER)				Project Number:	27-02-RA	
					Priority Number:	6	
Category:	One-Time Capital				Type:	Non-Recurring	
Project Manager	Project Cost Summary:	Allocated	Year 1	Year 2	Year 3	Year 4	Year 5
		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
		\$0	\$70,000	\$0	\$0	\$0	\$0
Project Estimates:	Project Start Date:	7/1/2026	Project End Date:	6/30/2027	In last year's 5 Year Plan?		

SECTION 2	PROJECT DESCRIPTION
Project Description/Justification:	
Battery Back-up for Conventional RF and Microwave Equipment- Replacement The current conventional radio communications equipment has an existing back up battery system that was installed in 2014 when converted to an IP based conventional radio system (Tait Infrastructure). This project would fund the replacement of batteries at the 9 sites which have an estimated life expectancy of 10 years. The current battery system was installed in 2009. The current back up time for the radio system is under 15 min, which they should hold up to 4 hours. If an outage is to occur, the equipment would have to revert to back up battery prior to the generator to kick in.	
Notes:	

SECTION 3	PROJECT COSTS						
Activity	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Prelim Design/Plans							\$0
Engineering/Arch Svcs							\$0
Land/ROW Acquisition							\$0
Construction							\$0
Heavy Equip/Apparatus							\$0
Light Equip/Furniture							\$0
Hardware/Software		\$70,000	\$0				\$70,000
Total Capital Costs	\$ -	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$70,000
Salaries & Benefits							\$0
Profess/Contract Svcs							\$0
Materials & Supplies							\$0
Maint/Fuel/Util/Other							\$0
Revenues (New/Add.)							\$0
Net Oper. Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0
Net Project Costs	\$ -	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ 70,000

SECTION 4	FINANCING						
Funding Source	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Enterprise Fund - Unrestricted Fund Balance		\$70,000					\$70,000
							\$0
							\$0
Total	\$ -	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ 70,000

SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY

Capital Budget Worksheet

YEAR 1

SECTION 1							
Project Name:	CHILLED WATER PUMPS				Project Number:	27-01-FA	
					Priority Number:	5	
Category:	One-Time Capital				Type:	Non-Recurring	
Project Manager	Project Cost Summary:	Allocated	Year 1	Year 2	Year 3	Year 4	Year 5
		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
		\$0	\$25,000	\$0	\$0	\$0	\$0
Project Estimates:	Project Start Date:	7/1/2026	Project End Date:	6/30/2027	In last year's 5 Year Plan?	Y	

SECTION 2	PROJECT DESCRIPTION
Project Description/Justification:	
The building is cooled by a 60-ton Carrier rotary scroll high efficiency air-cooled chiller (CH-1) with R-410A refrigerant. Chilled water is circulated by two (2) 5-HP base-mounted end-suction water pumps (CWP-1 and CWP-2) manufactured by Bell & Gossett via piping to the air-handling units throughout the building. A 33.6-gallon expansion tank bolted to the concrete slab allows for expansion and contraction of the heating water. The chiller, chilled water pumps, and the expansion tank are located within the equipment area of the service yard at the southeast corner of the site. Chilled water pumps CWP-1 and CWP-2 appear to be the original units installed in 2001. These units have surpassed their useful life of 25 years and lifecycle replacement is required. It is recommended that these pumps be removed and replaced with new vertical inline centrifugal pumps to match the sizes of the existing pumps.	
Notes:	

SECTION 3	PROJECT COSTS						
Activity	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Prelim Design/Plans							\$0
Engineering/Arch Svcs							\$0
Land/ROW Acquisition							\$0
Construction							\$0
Heavy Equip/Apparatus							\$0
Light Equip/Furniture							\$0
Hardware/Software							\$0
Total Capital Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0
Salaries & Benefits							\$0
Profess/Contract Svcs		\$25,000					\$25,000
Materials & Supplies							\$0
Maint/Fuel/Util/Other							\$0
Revenues (New/Add.)							\$0
Net Oper. Costs	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$25,000
Net Project Costs	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -

SECTION 4	FINANCING						
Funding Source	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Enterprise Fund - Unrestricted Fund Balance		\$25,000					\$25,000
							\$0
							\$0
Total	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000

SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY

Capital Budget Worksheet
YEAR 1

Capital Budget Worksheet
YEAR 1

SECTION 1								
Project Name:		AIR-HANDLING UNIT (AH-1)				Project Number:		27-02-FA
						Priority Number:		5
Category:		One-Time Capital				Type:		Non-Recurring
Project Manager		Project Cost Summary:	Allocated	Year 1	Year 2	Year 3	Year 4	Year 5
			FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
			\$0	\$60,000	\$0	\$0	\$0	\$0
Project Estimates:		Project Start Date:	7/1/2026	Project End Date:	6/30/2027	In last year's 5 Year Plan?	Y	

SECTION 2	PROJECT DESCRIPTION
Project Description/Justification: UPS Room Air Handling Unit: AH-1, a 2,000-cfm chilled water fan coil air conditioner (Carrier Model 42BH-20), is located above the entry door to Rm. 103 and serves this room that houses critical electrical, U.P.S. and C.P.U. equipment for the building. The AH-1 unit appears to be the original unit installed in 2001. Based on age and useful life of 25 years, the AH-1 requires lifecycle replacement within this period.	
Notes:	

SECTION 3	PROJECT COSTS						
Activity	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Prelim Design/Plans							\$0
Engineering/Arch Svcs							\$0
Land/ROW Acquisition							\$0
Construction							\$0
Heavy Equip/Apparatus							\$0
Light Equip/Furniture							\$0
Hardware/Software							\$0
Total Capital Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0
Salaries & Benefits							\$0
Profess/Contract Svcs		\$60,000					\$60,000
Materials & Supplies							\$0
Maint/Fuel/Util/Other							\$0
Revenues (New/Add.)							\$0
Net Oper. Costs	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$60,000
Net Project Costs	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -

SECTION 4	FINANCING						
Funding Source	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Enterprise Fund - Unrestricted Fund Balance		\$60,000					\$60,000
							\$0
							\$0
Total	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ 60,000

Capital Improvement Projects Summary - Year 2		FY27-28 Projected
Network Edge Switch Replacement		45,000
Desktop System Replacement - Dispatch		45,000
Information Technology Total	\$	90,000
Radios Total	\$	-
Manhattan Beach Communication Station Equipment		
Shelter Building Air Conditioning Units		25,000
Preaction System		55,000
Emergency Generator Above Ground Tank and Day Tank		100,000
Facilities Total		180,000
Fleet Replacement		100,000
Vehicle Needs Total	\$	100,000
Grand Total	\$	370,000

SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY

Capital Budget Worksheet

YEAR 2

SECTION 1							
Project Name:	NETWORK EDGE SWITCH REPLACEMENT				Project Number:	28-01-IT	
					Priority Number:	6	
Category:	One-Time Capital				Type:	Non-Recurring	
Project Manager	Project Cost Summary:	Allocated	Year 1	Year 2	Year 3	Year 4	Year 5
		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
		\$0	\$0	\$45,000	\$0	\$0	\$0
Project Estimates:	Project Start Date:	7/1/2027	Project End Date:	6/30/2028	In last year's 5 Year Plan?	Y	

SECTION 2		PROJECT DESCRIPTION
Project Description/Justification:		
Edge networking switch equipment refers to devices positioned at the periphery of a network, connecting end-user devices like computers, printers, and security cameras to the broader network infrastructure. These switches manage local data traffic, ensuring efficient communication between devices and the central network. The need to replace aging edge networking gear at the Authority is crucial due to outdated equipment potentially causing performance bottlenecks, security vulnerabilities, and reliability issues.		
Notes:		

SECTION 3		PROJECT COSTS					
Activity	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Prelim Design/Plans							\$0
Engineering/Arch Svcs							\$0
Land/ROW Acquisition							\$0
Construction							\$0
Heavy Equip/Apparatus							\$0
Light Equip/Furniture							\$0
Hardware/Software			\$45,000				\$45,000
Total Capital Costs	\$ -	\$ -	\$ 45,000	\$ -	\$ -	\$ -	\$45,000
Salaries & Benefits							\$0
Profess/Contract Svcs							\$0
Materials & Supplies							\$0
Maint/Fuel/Util/Other							\$0
Revenues (New/Add.)							\$0
Net Oper. Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0
Net Project Costs	\$ -	\$ -	\$ 45,000	\$ -	\$ -	\$ -	\$ 45,000

SECTION 4		FINANCING					
Funding Source	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Enterprise Fund - Unrestricted Fund Balance			\$45,000				\$45,000
							\$0
							\$0
Total	\$ -	\$ -	\$ 45,000	\$ -	\$ -	\$ -	\$ 45,000

SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY

Capital Budget Worksheet

YEAR 2

SECTION 1							
Project Name:	DESKTOP SYSTEM REPLACEMENT - DISPATCH				Project Number:	28-02-IT	
					Priority Number:	6	
Category:	One-Time Capital				Type:	Non-Recurring	
Project Manager	Project Cost Summary:	Allocated	Year 1	Year 2	Year 3	Year 4	Year 5
		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
		\$0	\$0	\$45,000	\$0	\$0	\$0
Project Estimates:	Project Start Date:	7/1/2027	Project End Date:	6/30/2028	In last year's 5 Year Plan?	Y	

SECTION 2	PROJECT DESCRIPTION
Project Description/Justification:	
Replacing the Authority's dispatch center desktop workstations as they reach the end of their warranty and lifecycle in 2027 is critical to maintaining operational efficiency and security. Aging workstations pose risks such as hardware failures, decreased performance, and vulnerability to security breaches due to outdated software and lack of support. Upgrading to new desktops ensures reliable performance, compatibility with current software updates, and enhanced cybersecurity measures. This initiative supports uninterrupted emergency response operations, improves productivity, and ensures compliance with modern IT standards, ultimately enhancing the Authority's ability to deliver effective services and protect public safety.	
Notes:	

SECTION 3	PROJECT COSTS						
Activity	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Prelim Design/Plans							\$0
Engineering/Arch Svcs							\$0
Land/ROW Acquisition							\$0
Construction							\$0
Heavy Equip/Apparatus							\$0
Light Equip/Furniture			\$45,000				\$45,000
Hardware/Software							\$0
Total Capital Costs	\$ -	\$ -	\$ 45,000	\$ -	\$ -	\$ -	\$45,000
Salaries & Benefits							\$0
Profess/Contract Svcs							\$0
Materials & Supplies							\$0
Maint/Fuel/Util/Other							\$0
Revenues (New/Add.)							\$0
Net Oper. Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0
Net Project Costs	\$ -	\$ -	\$ 45,000	\$ -	\$ -	\$ -	\$ 45,000

SECTION 4	FINANCING						
Funding Source	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Enterprise Fund - Unrestricted Fund Balance			\$45,000				\$45,000
							\$0
							\$0
Total	\$ -	\$ -	\$ 45,000	\$ -	\$ -	\$ -	\$ 45,000

SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY

Capital Budget Worksheet

YEAR 2

SECTION 1							
Project Name:	Manhattan Beach Communication Station Equipment Shelter			Project Number:	28-04-FA		
	Building Air Conditioning Units			Priority Number:	5		
Category:	One-Time Capital			Type:	Non-Recurring		
Project Manager	Project Cost Summary:	Allocated	Year 1	Year 2	Year 3	Year 4	Year 5
		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
		\$0	\$0	\$25,000	\$0	\$0	\$0
Project Estimates:	Project Start Date:	7/1/2027	Project End Date:	6/30/2028	In last year's 5 Year Plan?	Y	

SECTION 2		PROJECT DESCRIPTION
Project Description/Justification:		
Manhattan Beach – Communications Shed 3516 Grandview Avenue, Manhattan Beach, CA This offsite communication building is cooled by two (2) exterior, wall mounted Bard Manufacturing Co. air-conditioning units (Serial No. 140A072289877-02, Model No. WA242-A05XPD053) with R22 refrigerant. These units are controlled by a Bard Series MC3000 lead/lag controller to provide 24/7 cooling to the equipment within the building. These are fully redundant air conditioning units, and based on the manufacture date and an EUL of 20 years, lifecycle replacement is needed.		
Notes:		

SECTION 3	PROJECT COSTS						
Activity	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Prelim Design/Plans							\$0
Engineering/Arch Svcs							\$0
Land/ROW Acquisition							\$0
Construction							\$0
Heavy Equip/Apparatus							\$0
Light Equip/Furniture							\$0
Hardware/Software							\$0
Total Capital Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0
Salaries & Benefits							\$0
Profess/Contract Svcs			\$25,000				\$25,000
Materials & Supplies							\$0
Maint/Fuel/Util/Other							\$0
Revenues (New/Add.)							\$0
Net Oper. Costs	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$25,000
Net Project Costs	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -

SECTION 4	FINANCING						
Funding Source	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Enterprise Fund - Unrestricted Fund Balance			\$25,000				\$25,000
							\$0
							\$0
Total	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000

SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY

Capital Budget Worksheet

YEAR 2

SECTION 1							
Project Name:	Preaction System				Project Number:	28-05-FA	
					Priority Number:	5	
Category:	One-Time Capital				Type:	Non-Recurring	
Project Manager	Project Cost Summary:	Allocated	Year 1	Year 2	Year 3	Year 4	Year 5
		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
		\$0	\$0	\$55,000	\$0	\$0	\$0
Project Estimates:	Project Start Date:	7/1/2027	Project End Date:	6/30/2028	In last year's 5 Year Plan?	Y	

SECTION 2	PROJECT DESCRIPTION
Project Description/Justification:	
A double interlocked, pre-action system located within a cabinet in the NW corner of garage service bays provides fire protection to the communications center, training room on the second floor, and the computer room on the first floor. Based on age, the preaction system has surpassed their EUL of 15 years and require lifecycle replacement.	
Notes:	

SECTION 3	PROJECT COSTS						
Activity	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Prelim Design/Plans							\$0
Engineering/Arch Svcs							\$0
Land/ROW Acquisition							\$0
Construction							\$0
Heavy Equip/Apparatus							\$0
Light Equip/Furniture							\$0
Hardware/Software							\$0
Total Capital Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0
Salaries & Benefits							\$0
Profess/Contract Svcs			\$55,000				\$55,000
Materials & Supplies							\$0
Maint/Fuel/Util/Other							\$0
Revenues (New/Add.)							\$0
Net Oper. Costs	\$ -	\$ -	\$ 55,000	\$ -	\$ -	\$ -	\$55,000
Net Project Costs	\$ -	\$ -	\$ 55,000	\$ -	\$ -	\$ -	\$ -

SECTION 4	FINANCING						
Funding Source	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Enterprise Fund - Unrestricted Fund Balance			\$55,000				\$55,000
							\$0
							\$0
Total	\$ -	\$ -	\$ 55,000	\$ -	\$ -	\$ -	\$ 55,000

SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY

Capital Budget Worksheet

YEAR 2

SECTION 1							
Project Name:	EMERGENCY GENERATOR ABOVE GROUND TANK AND DAY TANK				Project Number:	28-06-FA	
					Priority Number:	5	
Category:	One-Time Capital				Type:	Non-Recurring	
Project Manager	Project Cost Summary:	Allocated	Year 1	Year 2	Year 3	Year 4	Year 5
		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
		\$0	\$0	\$100,000	\$0	\$0	\$0
Project Estimates:	Project Start Date:	7/1/2027	Project End Date:	6/30/2028	In last year's 5 Year Plan?	Y	

SECTION 2	PROJECT DESCRIPTION
Project Description/Justification:	
Emergency Generator Fueling System: The diesel generator fueling system consists of a 6,000-gallon above ground tank, a day tank and a Veeder Root TLS 300/350 monitoring system mounted inside the generator enclosure. The EUL of the 6,000-gallon fuel tank and day tank is 25 years, and the Veeder Root TLS 300/350 monitoring system is no longer being manufactured due to obsolete components and increased costs for older technologies. As such, lifecycle replacement is needed.	
Notes:	

SECTION 3	PROJECT COSTS						
Activity	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Prelim Design/Plans							\$0
Engineering/Arch Svcs							\$0
Land/ROW Acquisition							\$0
Construction							\$0
Heavy Equip/Apparatus							\$0
Light Equip/Furniture							\$0
Hardware/Software							\$0
Total Capital Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0
Salaries & Benefits							\$0
Profess/Contract Svcs			\$100,000				\$100,000
Materials & Supplies							\$0
Maint/Fuel/Util/Other							\$0
Revenues (New/Add.)							\$0
Net Oper. Costs	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$100,000
Net Project Costs	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -

SECTION 4	FINANCING						
Funding Source	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Enterprise Fund - Unrestricted Fund Balance			\$100,000				\$100,000
							\$0
							\$0
Total	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000

SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY

Capital Budget Worksheet

YEAR 2

SECTION 1							
Project Name:	VEHICLE REPLACEMENT				Project Number:	28-01-VE	
					Priority Number:	5	
Category:	One-Time Capital				Type:	Non-Recurring	
Project Manager	Project Cost Summary:	Allocated	Year 1	Year 2	Year 3	Year 4	Year 5
		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
		\$0	\$0	\$100,000	\$0	\$0	\$0
Project Estimates:	Project Start Date:	7/1/2027	Project End Date:	6/30/2028	In last year's 5 Year Plan?	Y	

SECTION 2		PROJECT DESCRIPTION
Project Description/Justification:		
The Authority's vehicle fleet consists of two vehicles dedicated to our Technical Services Division (TSD) and one vehicle dedicated for official SBRPCA business use. The TSD vehicles (Ford E250 van and Ford F250 truck) are in good shape but were acquired in 2004 and will require replacement due to their age. The third vehicle (Ford Explorer) was acquired in 2016 and will also need replacement.		
Notes:		

SECTION 3		PROJECT COSTS					
Activity	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Prelim Design/Plans							\$0
Engineering/Arch Svcs							\$0
Land/ROW Acquisition							\$0
Construction							\$0
Heavy Equip/Apparatus			\$100,000				\$100,000
Light Equip/Furniture							\$0
Hardware/Software							\$0
Total Capital Costs	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$100,000
Salaries & Benefits							\$0
Profess/Contract Svcs							\$0
Materials & Supplies							\$0
Maint/Fuel/Util/Other							\$0
Revenues (New/Add.)							\$0
Net Oper. Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0
Net Project Costs	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000

SECTION 4		FINANCING					
Funding Source	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Enterprise Fund - Unrestricted Fund Balance			\$100,000				\$100,000
							\$0
							\$0
Total	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000

Capital Improvement Projects Summary - Year 3		FY28-29 Projected
Building Camera Replacement		35,000
Building Camera Server Replacement		50,000
Storage Array Replacement		100,000
Server Replacement		35,000
Information Technology Total	\$	220,000
Radios Total	\$	-
Carpet - Life Cycle Replacement		31,000
Carpet tile - Life Cycle Replacement		25,000
Facilities Total		56,000
Vehicle Needs Total	\$	-
Grand Total	\$	276,000

SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY

Capital Budget Worksheet

YEAR 3

SECTION 1							
Project Name:	BUILDING CAMERA REPLACEMENT				Project Number:	29-01-IT	
					Priority Number:	6	
Category:	One-Time Capital				Type:	Non-Recurring	
Project Manager	Project Cost Summary:	Allocated	Year 1	Year 2	Year 3	Year 4	Year 5
		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
		\$0	\$0	\$0	\$35,000	\$0	\$0
Project Estimates:	Project Start Date:	7/1/2028	Project End Date:	6/30/2029	In last year's 5 Year Plan?	Y	

SECTION 2	PROJECT DESCRIPTION
Project Description/Justification:	
The Authority's security cameras are now over five years old, with some exceeding seven years old so lifecycle replacement is necessary to ensure effective facility protection and overmatch. These older cameras have difficulty meeting minimum standards for image quality and can potentially compromise security operations. By replacing these aging cameras with newer models, the Authority can improve monitoring capabilities with features such as higher resolution, better low-light performance, and advanced analytics. This replacement project is essential for maintaining robust security measures, enhancing incident response capabilities, and safeguarding the Authority's facility.	
Notes:	

SECTION 3	PROJECT COSTS						
Activity	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Prelim Design/Plans							\$0
Engineering/Arch Svcs							\$0
Land/ROW Acquisition							\$0
Construction							\$0
Heavy Equip/Apparatus							\$0
Light Equip/Furniture				\$35,000			\$35,000
Hardware/Software							\$0
Total Capital Costs	\$ -	\$ -	\$ -	\$ 35,000	\$ -	\$ -	\$35,000
Salaries & Benefits							\$0
Profess/Contract Svcs							\$0
Materials & Supplies							\$0
Maint/Fuel/Util/Other							\$0
Revenues (New/Add.)							\$0
Net Oper. Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0
Net Project Costs	\$ -	\$ -	\$ -	\$ 35,000	\$ -	\$ -	\$ 35,000

SECTION 4	FINANCING						
Funding Source	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Enterprise Fund - Unrestricted Fund Balance				\$35,000			\$35,000
							\$0
							\$0
Total	\$ -	\$ -	\$ -	\$ 35,000	\$ -	\$ -	\$ 35,000

SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY

Capital Budget Worksheet

YEAR 3

SECTION 1								
Project Name:		BUILDING CAMERA SERVER REPLACEMENT				Project Number:		29-02-IT
						Priority Number:		6
Category:		One-Time Capital				Type:		Non-Recurring
Project Manager		Project Cost Summary:	Allocated	Year 1	Year 2	Year 3	Year 4	Year 5
			FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
			\$0	\$0	\$0	\$50,000	\$0	\$0
Project Estimates:		Project Start Date:	7/1/2028	Project End Date:	6/30/2029	In last year's 5 Year Plan?	Y	

SECTION 2		PROJECT DESCRIPTION
Project Description/Justification:		
Replacing the Authority's aging security camera recording server is crucial to enhance storage capacity, performance, and system resilience. The current server, nearing the end of its lifecycle, may struggle to handle increasing data loads and maintain reliable operation. Upgrading to a new server will provide ample storage for extended retention periods, improve processing power for faster video retrieval and analysis, and ensure robust resilience to prevent downtime and data loss. This upgrade is essential for maintaining effective surveillance operations, supporting comprehensive security monitoring, and enhancing the Authority's overall security posture.		
Notes:		

SECTION 3	PROJECT COSTS						
Activity	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Prelim Design/Plans							\$0
Engineering/Arch Svcs							\$0
Land/ROW Acquisition							\$0
Construction							\$0
Heavy Equip/Apparatus							\$0
Light Equip/Furniture				\$50,000			\$50,000
Hardware/Software							\$0
Total Capital Costs	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$50,000
Salaries & Benefits							\$0
Profess/Contract Svcs							\$0
Materials & Supplies							\$0
Maint/Fuel/Util/Other							\$0
Revenues (New/Add.)							\$0
Net Oper. Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0
Net Project Costs	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ 50,000

SECTION 4	FINANCING						
Funding Source	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Enterprise Fund - Unrestricted Fund Balance				\$50,000			\$50,000
							\$0
							\$0
Total	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ 50,000

SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY

Capital Budget Worksheet

YEAR 3

SECTION 1							
Project Name:	STORAGE ARRAY REPLACEMENT				Project Number:	29-03-IT	
					Priority Number:	6	
Category:	One-Time Capital				Type:	Non-Recurring	
Project Manager	Project Cost Summary:	Allocated	Year 1	Year 2	Year 3	Year 4	Year 5
		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
		\$0	\$0	\$0	\$100,000	\$0	\$0
Project Estimates:	Project Start Date:	7/1/2028	Project End Date:	6/30/2029	In last year's 5 Year Plan?	Y	

SECTION 2		PROJECT DESCRIPTION	
Project Description/Justification:			
Replacing the Authority's data storage array is essential to ensure data integrity, performance, and security. As storage arrays age, they become prone to failures, inefficiencies, and are unable to receive crucial security updates, putting sensitive information at risk. Upgrading to a modern storage array will provide enhanced capacity, faster data access, and robust security features, ensuring reliable data storage and compliance with evolving data protection standards. This replacement is critical for maintaining efficient operations, safeguarding data, and supporting the Authority's long-term technological and operational needs. This replacement time will be at the maximum life expectancy of the existing devices.			
Notes:			

SECTION 3		PROJECT COSTS					
Activity	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Prelim Design/Plans							\$0
Engineering/Arch Svcs							\$0
Land/ROW Acquisition							\$0
Construction							\$0
Heavy Equip/Apparatus							\$0
Light Equip/Furniture							\$0
Hardware/Software				\$100,000			\$100,000
Total Capital Costs	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$100,000
Salaries & Benefits							\$0
Profess/Contract Svcs							\$0
Materials & Supplies							\$0
Maint/Fuel/Util/Other							\$0
Revenues (New/Add.)							\$0
Net Oper. Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0
Net Project Costs	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ 100,000

SECTION 4		FINANCING					
Funding Source	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Enterprise Fund - Unrestricted Fund Balance				\$100,000			\$100,000
							\$0
							\$0
Total	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ 100,000

SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY

Capital Budget Worksheet

YEAR 3

SECTION 1							
Project Name:		SERVER REPLACEMENT			Project Number:		29-04-IT
Category:		One-Time Capital			Priority Number:		6
Project Manager					Type:		Non-Recurring
Project Cost Summary:		Allocated	Year 1	Year 2	Year 3	Year 4	Year 5
		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
		\$0	\$0	\$0	\$35,000	\$0	
Project Estimates:		Project Start Date:	7/1/2028	Project End Date:	6/30/2029	In last year's 5 Year Plan?	Y

SECTION 2	PROJECT DESCRIPTION
Project Description/Justification:	
Replacing the Authority's servers is crucial to maintaining reliable, secure, and efficient operations. As servers age, they face increased risks of hardware failures, performance degradation, and security vulnerabilities due to the lack of updates and support. Upgrading to new servers will ensure enhanced processing power, improved system reliability, and access to the latest security features, which are essential for safeguarding sensitive data and supporting critical applications. This replacement time will be at the maximum life expectancy of the existing devices.	
Notes:	

SECTION 3	PROJECT COSTS						
Activity	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Prelim Design/Plans							\$0
Engineering/Arch Svcs							\$0
Land/ROW Acquisition							\$0
Construction							\$0
Heavy Equip/Apparatus							\$0
Light Equip/Furniture							\$0
Hardware/Software				\$35,000			\$35,000
Total Capital Costs	\$ -	\$ -	\$ -	\$ 35,000	\$ -	\$ -	\$35,000
Salaries & Benefits							\$0
Profess/Contract Svcs							\$0
Materials & Supplies							\$0
Maint/Fuel/Util/Other							\$0
Revenues (New/Add.)							\$0
Net Oper. Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0
Net Project Costs	\$ -	\$ -	\$ -	\$ 35,000	\$ -	\$ -	\$ 35,000

SECTION 4	FINANCING						
Funding Source	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Enterprise Fund - Unrestricted Fund Balance				\$35,000			\$35,000
							\$0
							\$0
Total	\$ -	\$ -	\$ -	\$ 35,000	\$ -	\$ -	\$ 35,000

SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY

Capital Budget Worksheet

YEAR 3

SECTION 1							
Project Name:		CARPET REPLACEMENT			Project Number:		29-06-FA
Category:		One-Time Capital			Priority Number:		6
Project Manager					Type:		Non-Recurring
Project Cost Summary:		Allocated	Year 1	Year 2	Year 3	Year 4	Year 5
		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
		\$0	\$0	\$0	\$31,000	\$0	\$0
Project Estimates:		Project Start Date:	7/1/2028	Project End Date:	6/30/2029	In last year's 5 Year Plan?	Y

SECTION 2	PROJECT DESCRIPTION
Project Description/Justification:	
Carpeting is used in the office areas. The carpet is in good condition; however, it is reaching the end of its useful life and will need to be replaced.	
Notes:	

SECTION 3	PROJECT COSTS						
Activity	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Prelim Design/Plans							\$0
Engineering/Arch Svcs							\$0
Land/ROW Acquisition							\$0
Construction							\$0
Heavy Equip/Apparatus							\$0
Light Equip/Furniture							\$0
Hardware/Software							\$0
Total Capital Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0
Salaries & Benefits							\$0
Profess/Contract Svcs				\$31,000			\$31,000
Materials & Supplies							\$0
Maint/Fuel/Util/Other							\$0
Revenues (New/Add.)							\$0
Net Oper. Costs	\$ -	\$ -	\$ -	\$ 31,000	\$ -	\$ -	\$31,000
Net Project Costs	\$ -	\$ -	\$ -	\$ 31,000	\$ -	\$ -	\$ -

SECTION 4	FINANCING						
Funding Source	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Enterprise Fund - Unrestricted Fund Balance				\$31,000			\$31,000
							\$0
							\$0
Total	\$ -	\$ -	\$ -	\$ 31,000	\$ -	\$ -	\$ 31,000

SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY

Capital Budget Worksheet YEAR 3

Capital Budget Worksheet YEAR 3

SECTION 1								
Project Name:		CARPET TILE/FLOORING REPLACEMENT				Project Number:		29-07-FA
						Priority Number:		6
Category:		One-Time Capital				Type:		Non-Recurring
Project Manager		Project Cost Summary:	Allocated	Year 1	Year 2	Year 3	Year 4	Year 5
			FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
			\$0	\$0	\$0	\$25,000	\$0	\$0
Project Estimates:		Project Start Date:	7/1/2028	Project End Date:	6/30/2029	In last year's 5 Year Plan?	Y	

SECTION 2	PROJECT DESCRIPTION
Project Description/Justification:	
Flooring throughout the Authority's headquarters is in good condition; however, it is reaching the end of its useful life and will need to be replaced.	
Notes:	

SECTION 3	PROJECT COSTS						
Activity	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Prelim Design/Plans							\$0
Engineering/Arch Svcs							\$0
Land/ROW Acquisition							\$0
Construction							\$0
Heavy Equip/Apparatus							\$0
Light Equip/Furniture							\$0
Hardware/Software							\$0
Total Capital Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0
Salaries & Benefits							\$0
Profess/Contract Svcs				\$25,000			\$25,000
Materials & Supplies							\$0
Maint/Fuel/Util/Other							\$0
Revenues (New/Add.)							\$0
Net Oper. Costs	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$25,000
Net Project Costs	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -

SECTION 4	FINANCING						
Funding Source	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Enterprise Fund - Unrestricted Fund Balance				\$25,000			\$25,000
							\$0
							\$0
Total	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ 25,000

Capital Improvement Projects Summary - Year 4		FY29-30 Projected
Hiperwall Replacement		106,000
Replacement of NEC Displays and Computers		150,000
Information Technology Total	\$	256,000
Radios Total	\$	-
Facilities Total		-
Fleet Replacement		100,000
Vehicle Needs Total	\$	100,000
Grand Total	\$	356,000

SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY

Capital Budget Worksheet

YEAR 4

SECTION 1							
Project Name:	HIPERWALL REPLACEMENT				Project Number:	30-01-IT	
Category:	One-Time Capital				Priority Number:	6	
Project Manager	Project Cost Summary:	Allocated	Year 1	Year 2	Year 3	Year 4	Year 5
		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
		\$0	\$0	\$0	\$0	\$106,000	\$0
Project Estimates:	Project Start Date:	7/1/2029	Project End Date:	6/30/2030	In last year's 5 Year Plan?	Y	

SECTION 2	PROJECT DESCRIPTION
Project Description/Justification:	
The Hiperwall software system, installed in 2017, is a critical tool for displaying broadcast TV, CCTV camera feeds, CAD information, and other user-defined video content across the dispatch center. However, frequent system failures and the need for constant IT intervention have negatively impacted operational effectiveness, situational awareness, and communication workflows. Replacing the Hiperwall system with a more reliable and modern solution will enhance real-time information sharing, improve dispatcher efficiency, and boost operator morale by providing a more stable and user-friendly platform.	
Notes:	

SECTION 3	PROJECT COSTS						
Activity	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Prelim Design/Plans							\$0
Engineering/Arch Svcs							\$0
Land/ROW Acquisition							\$0
Construction							\$0
Heavy Equip/Apparatus							\$0
Light Equip/Furniture							\$0
Hardware/Software					\$106,000		\$106,000
Total Capital Costs	\$ -	\$ -	\$ -	\$ -	\$ 106,000	\$ -	\$106,000
Salaries & Benefits							\$0
Profess/Contract Svcs							\$0
Materials & Supplies							\$0
Maint/Fuel/Util/Other							\$0
Revenues (New/Add.)							\$0
Net Oper. Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0
Net Project Costs	\$ -	\$ -	\$ -	\$ -	\$ 106,000	\$ -	\$ 106,000

SECTION 4	FINANCING						
Funding Source	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Enterprise Fund - Unrestricted Fund Balance					\$106,000		\$106,000
							\$0
							\$0
Total	\$ -	\$ -	\$ -	\$ -	\$ 106,000	\$ -	\$ 106,000

SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY

Capital Budget Worksheet

YEAR 4

SECTION 1							
Project Name:	REPLACEMENT OF NEC DISPLAYS AND COMPUTERS				Project Number:	30-02-IT	
					Priority Number:	6	
Category:	One-Time Capital				Type:	Non-Recurring	
Project Manager	Project Cost Summary:	Allocated	Year 1	Year 2	Year 3	Year 4	Year 5
		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
		\$0	\$0	\$0	\$0	\$150,000	
Project Estimates:	Project Start Date:	7/1/2029	Project End Date:	6/30/2030	In last year's 5 Year Plan?	Y	

SECTION 2		PROJECT DESCRIPTION
Project Description/Justification:		
Installed in 2017, the dispatch center's display screens and video processing hardware are reaching end-of-life and end-of-support, making it increasingly difficult to maintain reliability and compatibility with modern video standards. Upgrading this equipment will enhance visual clarity, improve processing efficiency, and support seamless integration with new systems. These improvements will reinforce situational awareness, streamline information sharing, and strengthen operational effectiveness, ultimately improving dispatcher performance in managing critical communications.		
Notes:		

SECTION 3	PROJECT COSTS						
Activity	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Prelim Design/Plans							\$0
Engineering/Arch Svcs							\$0
Land/ROW Acquisition							\$0
Construction							\$0
Heavy Equip/Apparatus							\$0
Light Equip/Furniture							\$0
Hardware/Software					\$150,000		\$150,000
Total Capital Costs	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$150,000
Salaries & Benefits							\$0
Profess/Contract Svcs							\$0
Materials & Supplies							\$0
Maint/Fuel/Util/Other							\$0
Revenues (New/Add.)							\$0
Net Oper. Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0
Net Project Costs	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$ 150,000

SECTION 4	FINANCING						
Funding Source	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Enterprise Fund - Unrestricted Fund Balance					\$150,000		\$150,000
							\$0
							\$0
Total	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$ 150,000

SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY

Capital Budget Worksheet

YEAR 4

SECTION 1								
Project Name:		VEHICLE REPLACEMENT			Project Number:		30-01-VE	
					Priority Number:		6	
Category:		One-Time Capital			Type:		Non-Recurring	
Project Manager		Project Cost Summary:	Allocated	Year 1	Year 2	Year 3	Year 4	
			FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
			\$0	\$0	\$0	\$0	\$100,000	\$0
Project Estimates:		Project Start Date:	7/1/2029	Project End Date:	6/30/2030	In last year's 5 Year Plan?	Y	

SECTION 2		PROJECT DESCRIPTION
Project Description/Justification:		
The Authority's vehicle fleet consists of two vehicles dedicated to our Technical Services Division (TSD) and one vehicle dedicated for official SBRPCA business use. The TSD vehicles (Ford E250 van and Ford F250 truck) are in good shape but were acquired in 2004 and will require replacement due to their age. The third vehicle (Ford Explorer) was acquired in 2016 and will also need replacement.		
Notes:		

SECTION 3	PROJECT COSTS						
Activity	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Prelim Design/Plans							\$0
Engineering/Arch Svcs							\$0
Land/ROW Acquisition							\$0
Construction							\$0
Heavy Equip/Apparatus					\$100,000		\$100,000
Light Equip/Furniture							\$0
Hardware/Software							\$0
Total Capital Costs	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$100,000
Salaries & Benefits							\$0
Profess/Contract Svcs							\$0
Materials & Supplies							\$0
Maint/Fuel/Util/Other							\$0
Revenues (New/Add.)							\$0
Net Oper. Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0
Net Project Costs	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ 100,000

SECTION 4	FINANCING						
Funding Source	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Enterprise Fund - Unrestricted Fund Balance					\$100,000		\$100,000
							\$0
							\$0
Total	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ 100,000

Capital Improvement Projects Summary - Year 5		FY30-31 Projected
Information Technology Total		\$ -
Conventional System		1,000,000
Radios Total		\$ 1,000,000
Facilities Total		-
Vehicle Needs Total		\$ -
Grand Total		\$ 1,000,000

SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY

Capital Budget Worksheet

YEAR 5

SECTION 1							
Project Name:	CONVENTIONAL SYSTEM				Project Number:	31-01-RA	
					Priority Number:	6	
Category:	One-Time Capital				Type:	Non-Recurring	
Project Manager	Project Cost Summary:	Allocated	Year 1	Year 2	Year 3	Year 4	Year 5
		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
		\$0	\$0	\$0	\$0	\$0	\$1,000,000
Project Estimates:	Project Start Date:	7/1/2030	Project End Date:	6/30/2031	In last year's 5 Year Plan?	Y	

SECTION 2		PROJECT DESCRIPTION
Project Description/Justification:		
Upgrade of the current Tait TB9100 (no longer manufactured/parts unavailable) The current Conventional system consists of a (7) Site – 6 channel conventional/IP voted radio system, and was first installed in 2008, then upgraded to IP in 2014. This system is stand alone, and serves as a redundancy to the current Trunk Radio system (INSB). The system provides coverage for each individual city (Police), if networking or ICI System is being serviced/or a catastrophic failure.		
Notes:		

SECTION 3		PROJECT COSTS					
Activity	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Prelim Design/Plans							\$0
Engineering/Arch Svcs							\$0
Land/ROW Acquisition							\$0
Construction							\$0
Heavy Equip/Apparatus						\$1,000,000	\$1,000,000
Light Equip/Furniture							\$0
Hardware/Software							\$0
Total Capital Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$1,000,000
Salaries & Benefits							\$0
Profess/Contract Svcs							\$0
Materials & Supplies							\$0
Maint/Fuel/Util/Other							\$0
Revenues (New/Add.)							\$0
Net Oper. Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0
Net Project Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000

SECTION 4		FINANCING					
Funding Source	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Grant Fund						\$1,000,000	\$1,000,000
							\$0
							\$0
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000

F-2



Staff Report

South Bay Regional Public Communications Authority

MEETING DATE: March 17, 2026

ITEM NUMBER: F-2

TO: Board of Directors

FROM: Mike Saffell, Interim Executive Director
Vanessa Alfaro, Finance & Performance Audit Manager

SUBJECT: Fiscal Year 2026-2027 Recommended Budget

ATTACHMENTS: 1. Fiscal Year 2026-2027 Recommended Budget
2. FY2026-27 Budget Resolution
3. Exhibit A - Fiscal Year 2026-2027 Assessment Schedule

RECOMMENDATION

Staff recommends that the Board of Directors approve the resolution adopting the recommended budget for Fiscal Year 2026-2027 and the corresponding assessment schedule.

BACKGROUND

The Executive Committee reviewed and discussed the preliminary budget at its regular meeting on February 17, 2026 and recommends approval of the budget.

DISCUSSION

The Authority derives its revenue from four main sources:

1. Member City Assessments
2. Contract City Assessments
3. Reimbursements from Member and Contract Agencies and Other Revenues
4. Investment Earnings

Member City Assessments

Assessments for member cities are based on the Cost Allocation Policy adopted by the Board of Directors in Fiscal Year 2019-20 and updated in September 2022. This policy ties assessments as closely as possible to the services provided to its member and contract cities. A summary of the Fiscal Year 2026-2027 assessments for member cities is as follows:

Assessments - Member Cities				
Member City	FY25-26 Adopted	FY26-27 Proposed	\$ Increase (Decrease)	% Change
Gardena	\$ 2,524,078	\$ 2,665,852	\$ 141,774	5.62%
Hawthorne	3,030,749	3,243,749	213,000	7.03%
Manhattan Beach	1,994,114	2,151,247	157,133	7.88%
Total	\$ 7,548,941	\$ 8,060,848	\$ 511,907	6.78%

Contract City Assessments

The assessments for all contract cities are based on the Cost Allocation Policy. The agreements with contract cities of Culver City, El Segundo, and Hermosa Beach expire on June 30, 2027, June 30, 2030, and June 30, 2030 respectively. A summary of the Fiscal Year 2026-2027 assessments for contract cities is as follows:

Assessments - Contract Cities				
Contract City	FY25-26 Adopted	FY26-27 Proposed	\$ Increase (Decrease)	% Change
Culver City	\$ 3,084,820	\$ 3,249,497	\$ 164,677	5.34%
El Segundo	2,209,980	2,362,976	152,996	6.92%
Hermosa Beach	901,858	959,021	57,163	6.34%
Total	\$ 6,196,658	\$ 6,571,494	\$ 374,836	6.05%

A note regarding Technical Services Division Workload Support Charges

Effective FY23-24, the Board of Directors amended the Cost Allocation Policy to include Technical Services Division Workload Support Charges in the annual assessment by using a rolling three-year average of labor hours associated with vehicle installation and repair work orders. Previously, Workload Support Charges were billed quarterly and derived by each agency's percentage of labor hours associated with work orders for the quarter being billed.

Reimbursements from Member and Contract Agencies and Other Revenues

The Authority's Technical Services Division performs hundreds of vehicle installation, maintenance, and repair service work orders. The Authority is reimbursed by the agency requesting the service for the direct costs of supplies and equipment associated with completing the work.

Investment Earnings

All idle cash of the Authority is invested 100% with the State's Local Agency Investment Fund (LAIF). This complies with the Authority's Statement of Investment Policy.

Revenue Summary

Total revenues are estimated to increase by 6.76% or \$1,020,047 to \$16,106,865 compared to the revenue projections in the Fiscal Year 2025-2026 Adopted Budget.

Expense Summary

The recommended expenditure budget is \$15,365,685, which represents an increase of \$1,017,766 or 7.09% in expenses compared to the Fiscal Year 2025-2026 Adopted Budget. The increase includes reimbursable items offset by an equal increase in Other Revenues.

The following table summarizes proposed changes in revenue and expense categories for FY26-27 compared to the FY25-26 Adopted Budget.

REVENUE SUMMARY BY CATEGORY – ENTERPRISE FUND (FUND 10)				
	FY25-26 Adopted	FY26-27 Proposed	\$ Increase (Decrease)	% Change
Assessments				
Member Cities	\$7,548,941	\$8,060,848	\$511,907	6.78%
Contract Cities	6,196,658	6,571,494	374,836	6.05%
Subtotal Assessments	\$13,745,599	\$14,632,342	\$886,743	6.45%
Non-Assessment Revenue	\$1,341,219	\$1,474,523	\$133,304	9.94%
Grand Total	\$15,086,818	\$16,106,865	\$1,020,047	6.76%
EXPENSE SUMMARY BY CATEGORY – ENTERPRISE FUND (FUND 10)				
	FY25-26 Adopted	FY26-27 Proposed	\$ Increase (Decrease)	% Change
Operating Budget	\$14,097,919	\$15,115,685	\$1,017,766	7.22%
Capital Outlay	250,000	250,000	-	0.00%
Total	\$14,347,919	\$15,365,685	\$1,017,766	7.09%
Salaries & Benefits	\$10,745,045	\$11,073,513	\$328,468	3.06%
Supplies/Svcs/Equip	3,352,874	4,042,172	689,298	20.56%
Capital Outlay	250,000	250,000	-	0.00%
Total	\$14,347,919	\$15,365,685	\$1,017,766	7.09%
Revenues Over (Under) Expenses	\$738,899	\$741,180		

Changes from Prior Year

The following are the ten most significant increases or decreases in budgeted accounts:

- IT Computer Contract Services/CAD (\$336,786 Increase): Includes a 50% phase-in of the new annually recurring CAD fee of \$662,972.
- Recruitment Costs (\$113,305 Increase): Due to staffing levels, recruitment efforts have significantly increased.
- PERS Contribution-UAL (\$109,041 Increase): Increase corresponds to the Authority's unfunded pension liability.
- Software Maintenance Services (\$62,485 Increase): Increase corresponds to software upgrades and new software for planned projects.
- Salaries (Full-Time) (\$60,281 Increase): Includes known changes and estimates for MOU Cost of Living Adjustments (COLAs).

- Parts - Billing (\$55,411 Increase): Increase due to higher trend in vehicle outfitting requests.
- Salaries (Part-Time) (\$50,953 Increase): Includes part-time help for the Technical Services division due to higher trend in vehicle outfitting requests.
- Overtime (\$42,500 Increase): Increase due to higher trend in vehicle outfitting requests.
- Temporary Staffing (\$35,000 Increase): Increase reflects need for additional administrative support.
- Consulting Services (\$25,000 Increase): Increase for general Authority consulting needs.

Work Plan Objectives for Fiscal Year 2026-2027:

Staff believes the recommended budget will provide the necessary funds to accomplish the Authority's objectives for the coming year, which include:

1. Recruitment and Retention

- Achieve budgeted staffing levels for Communications Operators and Supervisors. Identify new opportunities to make recruitment as effective as possible. Enhance the wellness program to improve retention.

2. Succession Planning

- Ensure that all leadership positions at the Authority are occupied. Develop candidates to fill key roles at all levels. Forecast vacancies, recruit, and prepare selected succession choices to fill open positions.

3. Service Delivery

- Examine opportunities for expanded services and technology for police departments. Engage with fire departments to identify areas for improved service delivery and future needs. Monitor and respond to inquiries from new cities for dispatch services.

4. 5 Year Capital Improvement Plan

- Continue to execute projects identified in the newly developed and adopted five-year CIP plan.

Attachment #1 (Fiscal Year 2026-2027 Recommended Budget) details staff's proposed use of budgeted funds along with descriptions of the Authority's programs, associated work plan objectives, and performance measure data.

This recommended budget continues to fund the Authority's goal of providing an outstanding level of service to the communities it serves.

FISCAL IMPACT

As proposed, revenues are anticipated to exceed expenses by \$741,180 and available fund balance after reserve allocations is projected to be approximately \$6.2 million for fiscal year ending June 30, 2027 as indicated below:

Estimated Cash Available (Fund 10) as of June 30, 2026	\$8,862,674
FY 2026-27 Revenues	16,106,865
FY 2026-27 Expenditures	(15,365,685)
Revenues Over Expenditures	741,180
Pension and OPEB Funding/Other	(776,514)
Five-Year CIP Funding	(943,400)
Estimated Cash Available (Fund 10) as of June 30, 2027	7,883,940
Operating and Capital Reserve	(1,667,176)
Available Balance after Reserve Allocation	\$6,216,764

Allocation of Estimated Cash Available after Reserve Allocation	
Member	June 30, 2027
City of Gardena	\$1,994,338
City of Hawthorne	2,801,896
City of Manhattan Beach	1,420,531
Total	\$6,216,764

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Attachment 1

SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY



**Fiscal Year 2026-2027
Recommended Budget**

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AUTHORITY OFFICIALS

Board of Directors

Rodney Tanaka
Councilmember
City of Gardena

Alex Monteiro
Mayor Pro Tem
City of Hawthorne

David Lesser
Mayor
City of Manhattan Beach

Executive Committee

Clint Osorio
City Manager
City of Gardena

Vontray Norris
City Manager
City of Hawthorne

Talyn Mirzakhianian
City Manager
City of Manhattan Beach

User Committee

Todd Fox
Chief of Police
City of Gardena

Eric Lane
Chief of Police
City of Hawthorne

Rachel Johnson
Chief of Police
City of Manhattan Beach

Jesse Alexander
Fire Chief
City of Manhattan Beach

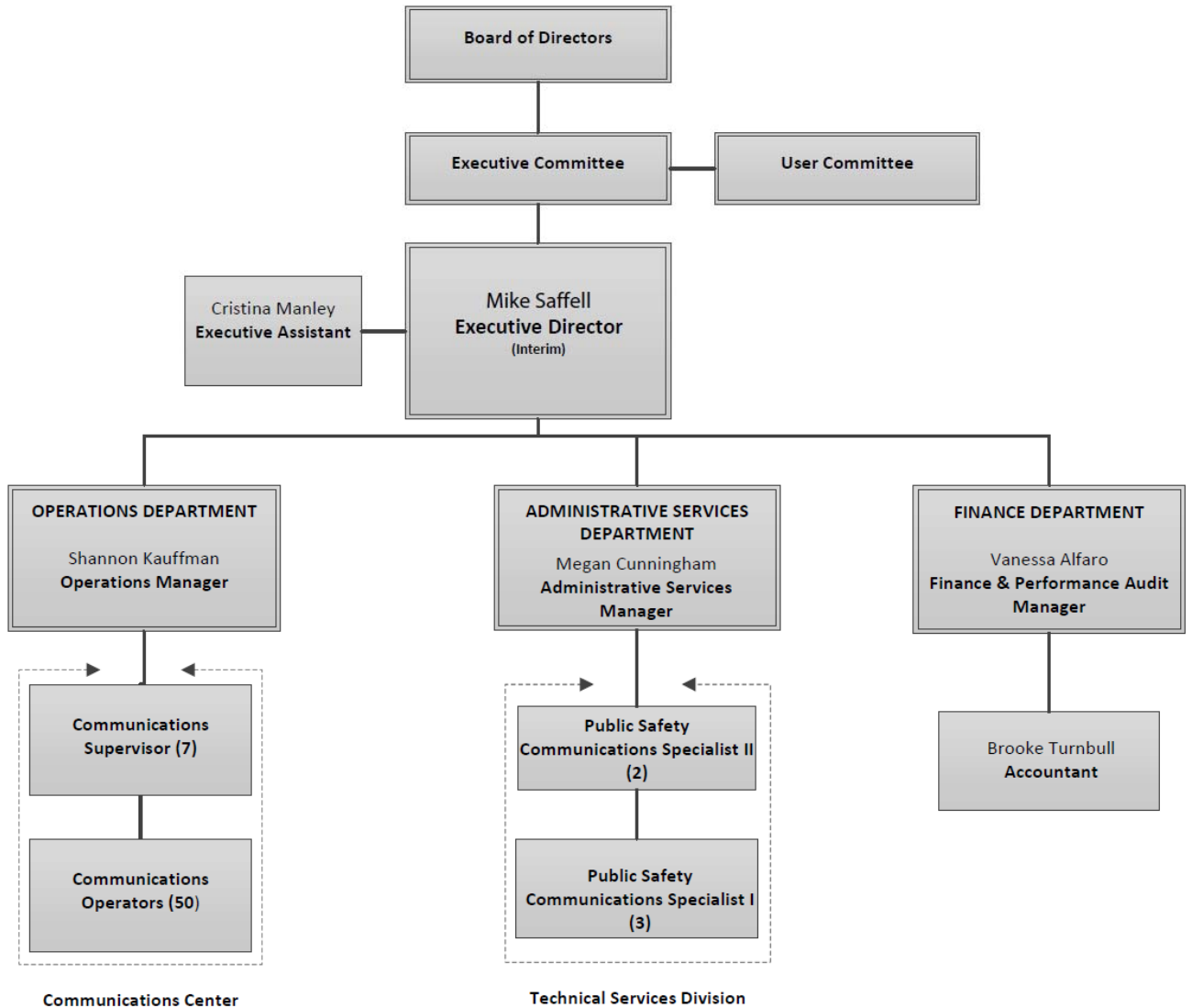
SBRPCA Staff

Mike Saffell, *Interim Executive Director*
Shannon Kauffman, *Operations Manager*
Megan Cunningham, *Administrative Services Manager*
Vanessa Alfaro, *Finance & Performance Audit Manager*
Brooke Turnbull, *Accountant*
Cristina Manley, *Executive Assistant*



Organization Chart

Fiscal Year 2026-2027



VISION

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

MISSION

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

VALUES

TEAMWORK

We collaborate with one another and with our fire and police departments to manage incidents in the field and ensure the safety of the first responders and the public.

PROFESSIONALISM

With our actions and our demeanor, we provide the highest levels of service to our communities.

EMPATHY

A tangible display of empathy to callers shows respect to the people we serve and can help diffuse stressful situations for police officers and firefighters.

INNOVATION

We embrace continuous improvement as the cornerstone of continued service excellence and sustained fiscal viability.



Budget Message

March 17, 2026

Members of the Board of Directors:

Staff respectfully submits the Fiscal Year 2026-2027 Recommended Budget. In developing this budget, staff was mindful of the financial impact to the Member Cities, while maintaining the Authority's goal of continuing to provide an outstanding level of service to the communities served.

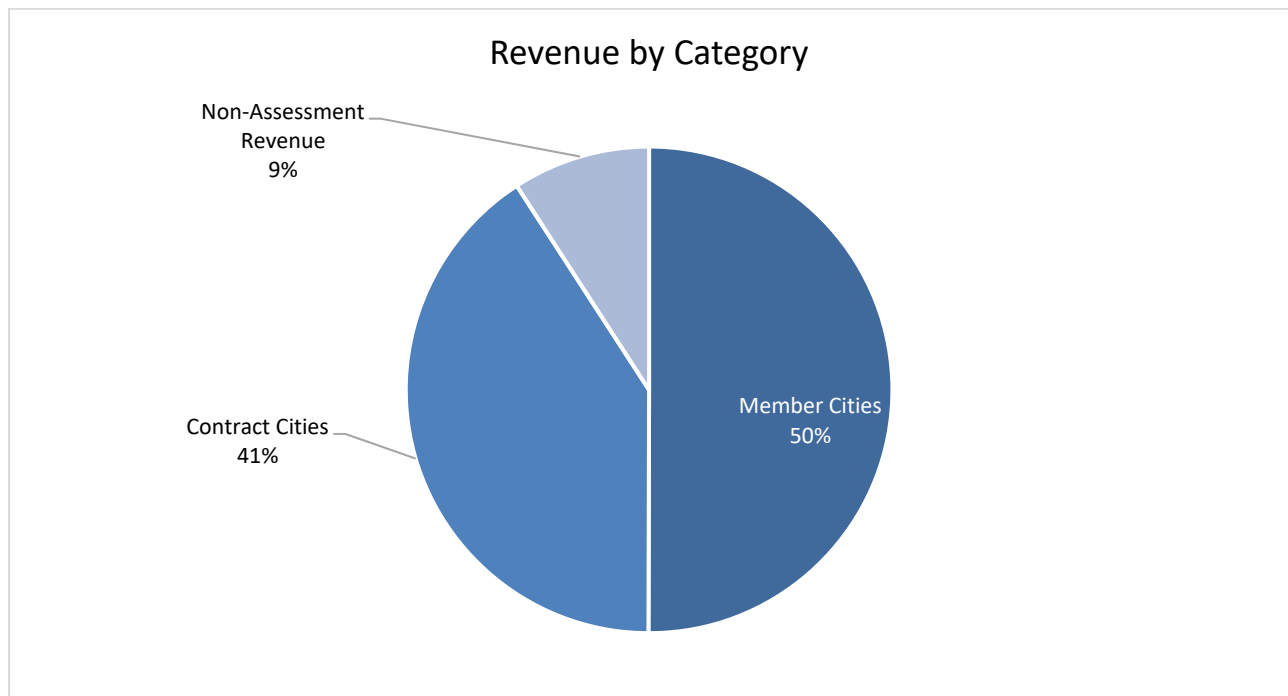
Assessments for Member Cities are based on the Cost Allocation Policy adopted by the Board of Directors in Fiscal Year 2019-20 and updated in September 2022. Discounts for the City of Manhattan Beach and premiums for the City of Gardena and the City of Hawthorne were phased in over a three-year period and concluded in FY2022-2023.

The assessments for the cities of Culver City, Hermosa Beach, and El Segundo are based on the Cost Allocation Policy. Discounts for the City of El Segundo to allow cost increases to be phased-in concluded in FY2023-2024.

Total revenues are estimated to increase by 6.76% to \$16,106,865. Assessment amounts include Technical Services Division Workload Support charges utilizing the Cost Allocation Policy. Effective FY23-24, the Board of Directors amended the Cost Allocation Policy to include Technical Services Division Workload Support Charges in the annual assessment by using a rolling three-year average of labor hours associated with vehicle installation and repair work orders. Prior to FY23-24, Workload Support Charges were billed quarterly and derived by each agency's percentage of labor hours associated with work orders for the quarter being billed.

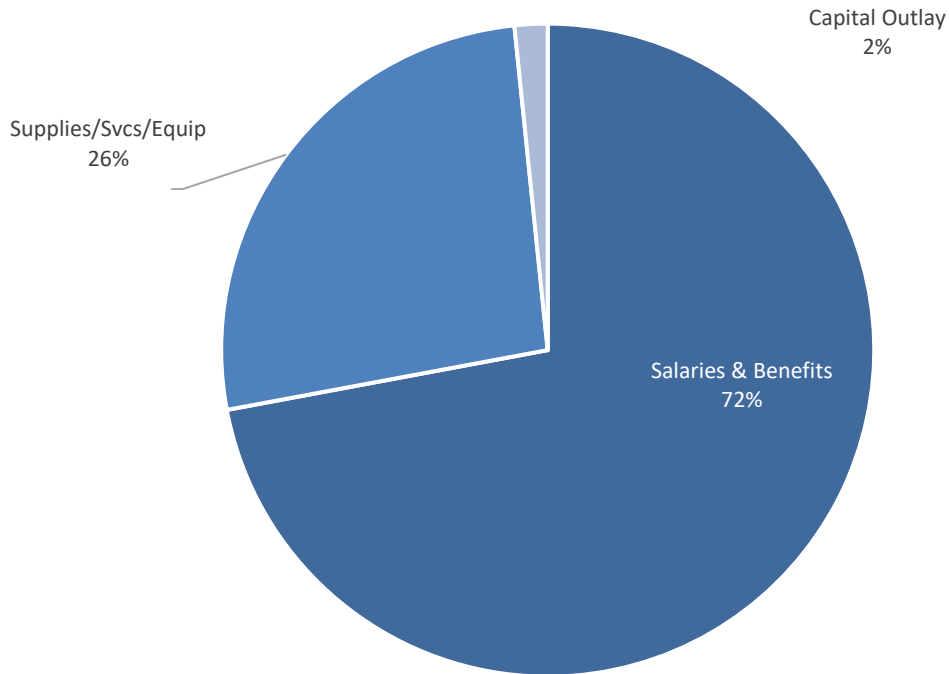
The proposed expenditure budget is \$15,365,685, which represents an increase of \$1,017,766 or 7.09% in expenses compared to the adopted budget for Fiscal Year 2025-2026.

The following tables and charts illustrate the significant budget categories with their corresponding increases and decreases.



REVENUE SUMMARY BY CATEGORY – ENTERPRISE FUND (FUND 10)				
	FY25-26	FY26-27	\$ Increase	%
	Adopted	Proposed	(Decrease)	Change
Assessments				
Member Cities	\$7,548,941	\$8,060,848	\$511,907	6.78%
Contract Cities	6,196,658	6,571,494	374,836	6.05%
Subtotal Assessments	\$13,745,599	\$14,632,342	\$886,743	6.45%
Non-Assessment Revenue	\$1,341,219	\$1,474,523	\$133,304	9.94%
Grand Total	\$15,086,818	\$16,106,865	\$1,020,047	6.76%

Expenses by Category



EXPENSE SUMMARY BY CATEGORY – ENTERPRISE FUND (FUND 10)

	FY25-26	FY26-27	\$ Increase	%
	Adopted	Proposed	(Decrease)	Change
Operating Budget	\$14,097,919	\$15,115,685	\$ 1,017,766	7.22%
Capital Outlay	250,000	250,000	-	0.00%
Total	\$14,347,919	\$15,365,685	\$1,017,766	7.09%
Salaries & Benefits	\$10,745,045	\$11,073,513	\$ 328,468	3.06%
Supplies/Svcs/Equip	3,352,874	4,042,172	689,298	20.56%
Capital Outlay	250,000	250,000	-	0.00%
Total	\$14,347,919	\$15,365,685	\$1,017,766	7.09%

Summary of Top 10 Expenditure Increases (Decreases)				
Line Item	FY25-26 Adopted	FY26-27 Proposed	\$ Increase (Decrease)	% Change
IT Computer Contract Services	\$ 200,000	\$ 536,786	\$ 336,786	168.4%
Recruitment Costs	70,053	183,358	113,305	161.7%
PERS Contribution-UAL	862,052	971,093	109,041	12.6%
Software Maintenance Services	146,161	208,646	62,485	42.8%
Salaries (Full-Time)	6,824,041	6,884,322	60,281	0.9%
Parts - Billing	923,514	978,925	55,411	6.0%
Salaries (Part-Time)	34,000	84,953	50,953	149.9%
Overtime	257,500	300,000	42,500	16.5%
Temporary Staffing	25,000	60,000	35,000	140.0%
Consulting Services	25,000	50,000	25,000	100.0%

Expenditure Changes from the Prior Year:

The following are the ten most significant increases or decreases in budgeted accounts:

1. IT Computer Contract Services/CAD (\$336,786 Increase): Includes a 50% phase-in of the new annually recurring CAD fee of \$663,000.
2. Recruitment Costs (\$113,305 Increase): Due to staffing levels, recruitment efforts have significantly increased.
3. PERS Contribution-UAL (\$109,041 Increase): Increase corresponds to the Authority's unfunded pension liability.
4. Software Maintenance Services (\$62,485 Increase): Increase corresponds to software upgrades and new software for planned projects.
5. Salaries (Full-Time) (\$60,281 Increase): Includes known changes and estimates for MOU Cost of Living Adjustments (COLAs).
6. Parts - Billing (\$55,411 Increase): Increase due to higher trend in vehicle outfitting requests.
7. Salaries (Part-Time) (\$50,953 Increase): Includes part-time help for the Technical Services division due to higher trend in vehicle outfitting requests.
8. Overtime (\$42,500 Increase): Increase due to higher trend in vehicle outfitting requests.

9. Temporary Staffing (\$35,000 Increase): Increase reflects need for additional administrative support.

10. Consulting Services (\$25,000 Increase): Increase for general Authority consulting needs.

Additional Budget Information

Beginning in Fiscal Year 2015-2016, CalPERS began to require payment for each agency's unfunded actuarial liability (UAL) as a separate payment for each coverage plan. These payments are based on each plan's total liability rather than by plan individual payroll to allow employers to track their own UAL and pay it down faster if they choose. Normal Cost rates for FY2026-27 for Tier 1, Tier 2, and PEPRAs employee groups are 12.56%, 10.18%, and 7.93%, respectively. All employees pay at least one half of the employee contribution previously paid by the Authority. UAL payments for Tier 1, Tier 2, and PEPRAs employee groups have been combined by CalPERS and total \$971,093. The total increase in retirement costs for Fiscal Year 2026-2027 is \$94,344.

The remaining increases and decreases to operating expenses are included in a detailed listing by account in the subsequent pages.

Capital Outlay for Fiscal Year 2026-2027:

The capital outlay request is for \$250,000 for communications, technology, and infrastructure replacement purchases. In August 2024, the Board of Directors approved a Five-Year Capital Improvement Plan (CIP) to be reviewed and approved annually alongside the Authority's operating budget. Capital Outlay is separate from the Five-Year CIP.

Members' Assessments for Fiscal Year 2026-2027: The calculation of the assessments is found in the Financial Summaries section of the document. The budget, as presented, uses the Cost Allocation Policy adopted in FY2019-20 and as updated in September 2022. The assessment for Gardena is \$2,665,852, a \$141,774 increase; Hawthorne is \$3,243,749, a \$213,000 increase; and Manhattan Beach is \$2,151,247, a \$157,133 increase.

Assessments for Contract Cities:

The current agreement with Culver City was approved in March 2022 and expires on June 30, 2027. The five-year agreement transitioned Culver City to the Cost Allocation Policy. Culver City's assessment based on the Cost Allocation Policy is \$3,249,497, an increase of \$164,677.

El Segundo's assessment is \$2,362,976 an increase of \$152,996. An agreement was finalized in January 2020, which transitioned El Segundo to the Cost Allocation Policy over a four-year period

with discounts that ended with the FY23-24 assessment. The current agreement expires on June 30, 2030.

Hermosa Beach's assessment is \$959,021, an increase of \$57,163. An agreement was finalized in Fall 2020 effective July 1, 2020, which transitioned Hermosa Beach to the Cost Allocation Policy and combined police dispatching services with the City of Manhattan Beach. The current agreement expires on June 30, 2030.

Technical Services Division Workload Support Charges

Under the Cost Allocation Policy, Technical Services Division costs are allocated into two functional areas, Dedicated Support and Workload Support.

Dedicated Support charges are derived by each agency's corresponding percentage of police and fire vehicles that are anticipated to be active in inventory (either in-service or pending commissioning/decommissioning) during the assessment year. All such vehicles are listed on each agency's "Active Vehicle Inventory List" and certified annually by its Chief of Police or Fire Chief. The Dedicated Support portion of Technical Services Division costs is included as part of each city's annual assessment.

Effective FY23-24, the Board of Directors amended the Cost Allocation Policy to include Technical Services Division Workload Support Charges in the annual assessment by using a rolling three-year average of labor hours associated with vehicle installation and repair work orders. Previously, Workload Support Charges were billed quarterly and derived by each agency's percentage of labor hours associated with work orders for the quarter being billed.

Operations Department

As part of the annual budget development process, staff has reviewed the current staffing allocation plan that allocates Communications Operator staffing between the Operations Department's three functional areas of Call-Taking, Police Dispatch and Fire Dispatch and recommends no modification to the existing allocation plan illustrated below:

Function	Position Allocations	Allocation of Operations Department Costs
Call-Taking	3.5	35%
Police Dispatch	5.0	50%
Fire Dispatch	1.5	15%
Total	10.00	100%

Other Revenues:

These include interest income from the Authority's investment with the Local Agency Investment Fund (LAIF), and reimbursements from participating agencies for wireless services, GST software maintenance, and other reimbursable parts and services.

Work Plan Objectives for Fiscal Year 2026-2027:

Staff believes the recommended budget will provide the necessary funds to accomplish the Authority's objectives for the coming year, which include:

1. Recruitment and Retention

- Achieve budgeted staffing levels for Communications Operators and Supervisors. Identify new opportunities to make recruitment as effective as possible. Enhance the wellness program to improve retention.

2. Succession Planning

- Ensure that all leadership positions at the Authority are occupied. Develop candidates to fill key roles at all levels. Forecast vacancies, recruit, and prepare selected succession choices to fill open positions.

3. Service Delivery

- Examine opportunities for expanded services and technology for police departments. Engage with fire departments to identify areas for improved service delivery and future needs. Monitor and respond to inquiries from new cities for dispatch services.

4. 5 Year Capital Improvement Plan

- Continue to execute projects identified in the newly developed and adopted five-year CIP plan.

Fund Balance/Reserves:

In accordance with the Authority's Budget Policy, as established by Resolution No. 366, the recommended Fiscal Year 2026-2027 budget includes a 10% Operational and Capital Reserve of \$1,667,176.

In October 2011 the Executive Committee established a reserve in the amount of \$250,000 for future funding of OPEB liabilities. In September 2020, the Board of Directors approved a

resolution to establish a Section 115 Trust for pre-funding OPEB obligations and the \$250,000 reserve was transferred to the Trust in June 2021.

Additionally, in January 2022, the Board of Directors approved an Additional Discretionary Payment (ADP) towards the Authority's pension liability and a contribution to the Section 115 Trust for OPEB of \$281,864 and \$192,679, respectively. A revision to the Budget Policy was presented and approved to allow ongoing funding of pension and OPEB unfunded liabilities using budgetary surplus and unrestricted available fund balance each fiscal year. Therefore, fund balance projections include tentative ADPs and trust contributions over the next several years. The amounts projected for the FY 2026-2027 budget based on actuarial valuations are \$77,433 (OPEB) and \$367,595 (Pension).

The available Enterprise Fund cash balance is projected to be \$7,326,106 by June 30, 2026 and \$6,548,250 by June 30, 2027, and is allocated to each member city based on its ownership percentage of the Authority.

Acknowledgement:

I thank the Board of Directors, the Executive Committee, the User Committee, and the Police and Fire Task Forces for their continued support for another successful year at the Authority. I also want to thank the Authority staff for consistently providing outstanding service to the communities we serve.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mike Saffell", written in a cursive style.

Mike Saffell, Interim Executive Director

Authority Profile

Mission

The South Bay Regional Public Communications Authority (SBRPCA) is dedicated to professionalism and excellence in public safety communications.

Overview

The South Bay Regional Public Communications Authority (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. The Authority also provides services to the cities of Culver City, El Segundo and Hermosa Beach under contract.

The Authority's Board of Directors, consisting of one Councilmember from each of the Member Cities, maintains authority over the annual budget for the Authority. Policy management is relegated to the Executive Committee, consisting of City Managers from each of the Member Cities. The Executive Director, who is appointed by the Executive Committee, manages the day-to-day operations. A User Committee, consisting of Police and Fire Chiefs from the Member Cities, provides direction relative to the needs of the organization. Police Officers and Firefighters from the Member Cities make up the Police and Fire Task Forces, which provide feedback and recommendations to facilitate an optimum level of service and safety for citizens, police officers, and firefighters.

The Authority annually processes approximately 320,000 police and fire incidents in the Southern California region of Los Angeles County commonly referred to as the "South Bay."

The Authority is budgeted for 68 full-time positions. Five (5) Technical Services staff members install radio communications equipment, light bars, mobile cameras, computer systems, and all necessary equipment for full-service, emergency vehicles. Staff also coordinates capital projects and provides technical services to the following external agencies: El Camino College Campus Police Department; Gardena Public Works Department; Hermosa Beach Public Works Department; L.A. Impact; Manhattan Beach Public Works Department; and Palos Verdes Estates.

Brief Profiles of Member/Client Cities

City of Gardena – incorporated on September 11, 1930 as a general law city with a Council-Manager form of government; located 13 miles south of metropolitan Los Angeles in the South Bay area of Los Angeles County; full service city including its own municipal bus lines; 5.9 square miles; population of 61,027; 6 parks, 1 community center, 1 municipal pool, 1 parkette, and 2 gymnasiums. The City provides police protection and contracts with Los Angeles County for fire and emergency medical services. The City has approximately 446 full and part time employees.

City of Hawthorne – incorporated in 1922 as a general law city with a Council-Manager form of government; ideally located near the Los Angeles International Airport, connected by rail to the Port of Los Angeles and downtown Los Angeles, and surrounded by the San Diego (I-405), Harbor (I-110), and Glenn M. Anderson (I-105) Freeways; the City of Hawthorne could easily be termed the “Hub of the South Bay”; 6 square miles; population of nearly 88,083; 10 parks including 1 skate park; 1 pool; 1 sports center; 1 memorial center; and 1 senior center. The City provides police protection and contracts with Los Angeles County for fire and emergency medical services. The City has approximately 383 full and part time employees.

City of Manhattan Beach – incorporated on December 7, 1912 as a general law city with a Council-Manager form of government; located 19 miles southwest of downtown Los Angeles on the southerly end of Santa Monica Bay; 3.88 square miles; population of 35,506; full service city with its own police, fire/emergency services personnel; 2.1 miles of beach front and a 928-foot long pier; a 9-hole golf course; 2 community centers; 54 acres of developed parks; 21 acres parkway; and 40 acres of recreational beach. The City has approximately 305 full time employees.

City of Culver City – incorporated in 1917 as a general law city and transitioned to a charter city in 1947. The City operates under a Mayor/City Council-City Manager form of government; located 5 miles north of Los Angeles International Airport; 5.2 square miles; population of 40,779 full service city with its own police and fire/emergency services personnel; 18 parks. The City has approximately 721 full time equivalent employees.

City of El Segundo – incorporated on January 18, 1917 as a general law city with a Council-Manager form of government; located 14 miles southwest of downtown Los Angeles, adjacent to the City of Los Angeles International Airport and borders the Century Freeway (105) on the north and the San Diego Freeway (405) on the east, both of which provide linkages to other major freeways traveling north, south and east; 5.5 square miles; population of 17,272; full service city with its own police, fire/emergency services personnel; 1 police station, 2 fire stations, 22 parks,

13 recreational facilities and 91.2 acres of parks. The city has approximately 381 full and part time employees.

City of Hermosa Beach – incorporated on January 14, 1907 as a general law city with a Council-Manager form of government; located 4 miles south of Los Angeles International Airport; 1.43 square miles; population of 19,728 full service city with its own police and fire protection; emergency medical services; 20 parks; 36.52 acres of beach; 19.50 acres of open space park; 1 community theatre. The City has approximately 129 full time and 40 part time employees.

Description of Funds

The accounts of the Authority are organized in funds, which is considered a separate accounting entity. The operations of the fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund equity (net assets), revenues, and expenses. The Authority uses only one Proprietary Fund Type as follows:

Enterprise Fund (Fund 10) – Used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues; (b) has third-party requirements that the cost of providing services, including capital costs, be recovered with fees and charges; or, (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

Grant Fund (Fund 20) – During Fiscal Year 2009-2010, the Authority received a State Homeland Security Grant to equip the “new” Punta Place Radio Site. Revenues and expenses for this grant were accounted for in this Fund. The project was completed in Fiscal Year 2010-2011 and all revenues were received during Fiscal Year 2011-2012. Additionally, the Authority received a grant under the 2016 Urban Area Security Initiative (UASI) program to build out the Interoperability Network of the South Bay. This project was completed in Fiscal Year 2018-2019. Purchases associated with this grant were also made from Fund 20. The fund remains open to account for the equipment (capital assets) purchased with these grants.

Basis of Accounting and Budgeting

Proprietary fund types are accounted for using the “economic resources” measurement focus and accrual basis of accounting. This means that all assets and liabilities (whether current or non-current) associated with the activity are included on the balance sheet. Their reported fund equity presents total net assets. The operating statements of the proprietary funds present increases (revenues) and decreases (expenses) in total net assets.

Revenues are recognized when they are earned and expenses are recognized when the liability is incurred. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are member assessments and charges for services. Operating expenses include the costs of legal, accounting, and other administrative services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Budget Process

Departments begin developing their budget requests in October and submit them in November to the Finance unit of the Administration Department. Finance staff compiles all the requests and also calculates the personnel costs based on payroll information, along with any new labor-negotiated items.

In January, the Executive Director reviews the requests with departments and makes necessary changes for the preliminary budget to be submitted to the Executive Committee. Around the same time, staff prepares the mid-year budget report, which is submitted to the Board of Directors. In February, the Executive Committee meets with the Executive Director and staff to discuss the preliminary budget and makes recommendations. Finance staff incorporates all of the changes, if any, and prepares the recommended budget document. Afterwards, staff presents the recommended budget to the Board of Directors for final approval in March.

In FY2024-25, the Board of Directors revised the Budgetary Policy via Resolution no. 366 to include guidelines for implementing a Capital Improvement Program. The Board then adopted an initial Five-Year CIP Plan and appropriated funds from the Enterprise Fund for the first year of the Plan.

Budget Amendments

During the year, the Executive Director may execute line item transfers within the following major budget categories as long as the total expenses of each category remain unchanged: Salaries & Benefits; Services & Supplies; and Capital Outlay. However, the legal level of budgetary authority is set at the Fund level, as determined by the Board of Directors. The Board of Directors reviews and approves any budget amendments (increases and decreases) at the January meeting when the mid-year budget report is submitted.

Revenue Estimates

Assessments: Revenues that support the Authority's operations come from assessments to its Member and Contract cities.

Prior to the Fiscal Year 2008-2009 budget, assessments were developed based on the percentage of system utilization and the communications equipment maintained. On January 15, 2008, the Board amended the Bylaws to change the assessment formula based on the Member Cities' ownership share instead of system usage. The ownership share was based on the Members' share of the bonds issued in 2001 to finance the Authority's headquarters.

In September 2019, the Board amended the Bylaws to adopt a new Cost Allocation Policy based on a Comprehensive Cost of Service and Allocation Study that was completed in August 2019. This policy ties assessments as closely as possible to the services provided to its Member and Contract Cities. The amended Bylaws provided for Manhattan Beach's assessments to gradually increase to the full amount under the Cost Allocation Policy over a four year period. In order to accomplish this phasing of assessment increases, the City of Manhattan Beach's assessment was calculated according to the Cost Allocation Policy, but it received a series of diminishing discounts over a three-year period. During this same period, assessments for the City of Gardena and the City of Hawthorne were calculated according to the policy, but a premium was added on top of the calculated amounts to make-up for the discount provided to the City of Manhattan Beach. The premium and discount periods have ended for Manhattan Beach, Gardena, and Hawthorne and do not apply to periods after Fiscal Year 2022-2023.

The Authority entered into a new agreement for dispatching services with the City of El Segundo, effective July 1, 2020. Under the new agreement, the City's assessment is based on the Cost Allocation Policy after a four-year phasing-in of significant increases. The discount periods have ended and do not apply to periods after Fiscal Year 2023-2024.

The Authority entered into a new agreement for dispatching services with the City of Hermosa Beach, effective July 1, 2020. Under the new agreement, the City has combined police dispatching services with the City of Manhattan Beach and is subject to the Cost Allocation Policy.

A new five year agreement, which transitioned Culver City to the Cost Allocation Policy was entered into in March 2022.

Other Revenues:

These include interest income from the Authority's investment with the State's Local Agency Investment Fund (LAIF); and reimbursements from participating agencies for wireless services, GST software maintenance, and other reimbursable services.

Operating Departments

Administration – Includes the day-to-day management of the Authority's operations based on the Board of Directors' and the Executive Committee's policy guidelines; managing the Communications Center; Personnel and Training; and Finance (accounting including accounts payable, accounts receivable, payroll, cash receipts, bank reconciliation, budgeting, and financial reporting). The department is staffed with: an Executive Director; an Operations Manager; an Administrative Services Manager; a Finance & Performance Audit Manager; an Accountant; and an Executive Assistant.

Operations – Seven (7) Communications Supervisors and fifty (50) Communications Operators provide 911 services to the Member Cities, the City of Culver City, City of El Segundo and the City of Hermosa Beach. The combined resident population served for all six (6) cities is approximately 262,000 people.

Technical Services – Provides installation, repairs, and maintenance of telecommunications equipment services to the Members Cities and other clients, as well as maintenance of the Authority's facilities. The department is staffed with two (2) Public Safety Communications Specialist II and three (3) Public Safety Communications Specialist I positions.

Personnel Summary (Full-Time Employees Only)

Department/Position Title	FY 23-24 Adopted	FY 24-25 Adopted	FY 25-26 Adopted	FY 26-27 Proposed
Administration Department				
Executive Director	1	1	1	1
Operations Manager	1	1	1	1
Finance & Performance Audit Manager	1	1	1	1
Executive Assistant	1	1	1	1
Administrative Services Manager	1	1	1	1
Accountant	1	1	1	1
Subtotal	6	6	6	6
Operations Department				
Communications Supervisor	7	7	7	7
Communications Operator	50	50	50	50
Subtotal	57	57	57	57
Technical Services Division				
Public Safety Communications Specialist II	1	1	1	2
Public Safety Communications Specialist I	4	4	4	3
Subtotal	5	5	5	5
Grand Total	68	68	68	68

FINANCIAL SUMMARIES



Fund Balance Estimates

Fund 10 - Enterprise Fund	
Beginning Balance	
Cash Available as of June 30, 2025	\$ 11,404,739
Operating and Capital Reserve	(1,434,792)
Pension and OPEB Funding	(526,964)
Five-Year CIP Funding	(2,754,000)
Available Cash	\$ 6,688,983
Gardena - 32.08%	2,145,826
Hawthorne - 45.07%	3,014,725
Manhattan Beach - 22.85%	1,528,433
Fiscal Year 2025-26 Estimated Revenues & Expenditures	
Revenues	15,086,818
Expenditures	14,347,919
Revenues Over (Under) Expenditures	\$ 738,899
Estimated Balance - End of FY2025-26	
Pension and OPEB Funding	(526,964)
Five-Year CIP Funding	(2,754,000)
Estimated Cash Available on June 30, 2026	8,862,674
Operating and Capital Reserve (10% of Budget)	(1,536,569)
Estimated Available Cash After Reserve Allocations	\$ 7,326,106
Gardena - 32.08%	2,350,215
Hawthorne - 45.07%	3,301,876
Manhattan Beach - 22.85%	1,674,015
Fiscal Year 2026-27 Budget Resources	
Assessments	
Gardena	2,665,852
Hawthorne	3,243,749
Manhattan Beach	2,151,247
Member City Subtotal	8,060,848
Culver City	3,249,497
El Segundo	2,362,976
Hermosa Beach	959,021
Contract City Subtotal	6,571,494
Non-Assessment Revenues	1,474,523
Total Budget Resources	16,106,865
Fiscal Year 2026-27 Budget Expenses	
Operating	15,115,685
Capital	250,000
Total Budget Expenses	15,365,685
Revenues Over (Under) Expenditures	\$ 741,180
Estimated Balance - End of FY2026-27	
Pension and OPEB Funding/Other	(776,514)
Five-Year CIP Funding	(943,400)
Estimated Cash Available on June 30, 2027	7,883,940
Operating and Capital Reserve	(1,667,176)
Estimated Available Cash After Reserve Allocations	\$ 6,216,764
Gardena - 32.08%	1,994,338
Hawthorne - 45.07%	2,801,896
Manhattan Beach - 22.85%	1,420,531

Assessments & Methodologies

Assessments	FY25-26 Assessment	FY26-27 Base	Bylaws Adjustments	Contract Adjustments	Other Adjustments	FY26-27 Assessment	Increase (Decrease) Amount
Member Cities							
Gardena	\$ 2,524,078	\$ 2,665,852	-		-	\$ 2,665,852	141,774
Hawthorne	3,030,749	3,243,749	-		-	3,243,749	213,000
Manhattan Beach	1,994,114	2,151,247	-		-	2,151,247	157,133
Subtotal	7,548,941	8,060,848	-		-	8,060,848	511,907
Contract Cities							
Culver City	\$ 3,084,820	3,249,497		-	-	3,249,497	\$ 164,677
El Segundo	2,209,980	2,362,976		-	-	2,362,976	152,996
Hermosa Beach	901,858	959,021		-	-	959,021	57,163
Subtotal	\$ 6,196,658	6,571,494		-	-	\$ 6,571,494	\$ 374,836
Total Assessments	\$ 13,745,599	\$ 14,632,342	-	-	-	\$ 14,632,342	\$ 886,743

METHODOLOGIES	
Member Cities*	Assessments based on Authority's Cost Allocation Policy and due quarterly in the following proportions: Q1-35%, Q2-25%, Q3-25%, Q4-15%
Contract Cities*	
Culver City	Starting FY22-23, assessment based on Authority's Cost Allocation Policy and 25% of the total is due quarterly. Agreement expires 06/30/2027.
El Segundo	Starting FY20-21, assessment based on Authority's Cost Allocation Policy (25% of the total is due quarterly) to be phased in over a four year period in amounts not-to-exceed as follows: FY20-21 \$1,493,738; FY21-22 \$1,699,634; FY22-23 \$1,869,811; FY23-24 \$2,044,684 Agreement expires 06/30/2030.
Hermosa Beach	Starting FY20-21, assessment based on Authority's Cost Allocation Policy (25% of the total is due quarterly) and shared dispatching services with the City of Manhattan Beach. Agreement expires 06/30/2030.
*Effective FY23-24, the Board of Directors amended the Cost Allocation Policy to include Technical Services Division Workload Support Charges in the annual assessment by using a rolling three-year average of labor hours associated with vehicle installation and repair work orders. Previously, Workload Support Charges were billed quarterly and derived by each agency's percentage of labor hours associated with work orders for the quarter being billed.	

Assessments & Methodologies - Supplemental Information

Unadjusted Assessment Calculations per Cost Allocation Policy - FOR INFORMATION ONLY

Assessments	Gardena	Hawthorne	Manhattan Beach	Culver City	El Segundo	Hermosa Beach	TOTAL
OPERATIONS							
Call-Taking Emergency Calls	\$ 695,982	\$ 986,286	\$ 202,229	\$ 503,140	\$ 246,351	\$ 109,993	\$ 2,743,980
Call-Taking Non-Emergency Support	363,398	379,840	274,003	522,116	146,831	143,132	1,829,320
Police - Dedicated Dispatch Support	916,487	916,487	458,243	916,487	916,487	458,243	4,582,435
Police - Calls for Service Readiness Support	415,536	569,548	295,172	316,914	199,308	167,423	1,963,901
Fire - Dedicated Dispatch Support	-	-	466,663	466,663	466,663	-	1,399,990
Fire - Calls for Service Readiness Support	-	-	139,091	314,214	146,691	-	599,996
TECHNICAL SERVICES							
Technical Support - Workload Support	160,460	223,955	176,375	42,330	134,701	18,540	756,360
Technical Support - Dedicated Support	113,990	167,633	139,471	167,633	105,944	61,689	756,360
Total Calculated	\$ 2,665,852	\$ 3,243,749	\$ 2,151,247	\$ 3,249,497	\$ 2,362,976	\$ 959,021	\$ 14,632,342

Cost Allocation Data

Operations

City	3 Year Average			
	911 Calls	Non-Emergency Calls	Police Calls for Service	Fire Calls for Service
Gardena	27,383	41,889	62,734	-
Hawthorne	38,805	43,785	85,985	-
Manhattan Beach	7,957	31,585	44,562	3,868
Culver City	19,796	60,185	47,845	8,738
El Segundo	9,693	16,925	30,090	4,079
Hermosa Beach	4,328	16,499	25,276	-
3 Year Average	107,962	210,868	296,491	16,685

Technical Services

City	Work Order Labor Hours	Vehicle Inventories		
	3 Year Average	Police	Fire	Total
Gardena	978	85	-	85
Hawthorne	1,365	125	-	125
Manhattan Beach	1,075	85	19	104
Culver City	258	94	31	125
El Segundo	821	67	12	79
Hermosa Beach	113	46	-	46
Total	4,610	502	62	564

Revenues by Account

Account Number & Title	FY23-24 Adopted	FY23-24 Actual	FY24-25 Adopted	FY24-25 Actual	FY25-26 Adopted	FY26-27 Proposed	vs Adopted Inc (Dec) \$	% Change
Enterprise Fund (Fund 10)								
10-50-111-4110 Gardena	\$ 2,474,182	\$ 2,465,655	\$ 2,506,909	\$ 2,506,909	\$ 2,524,078	\$ 2,665,852	\$ 141,774	5.62%
10-50-111-4120 Hawthorne	2,977,528	2,975,629	3,022,424	3,022,424	3,030,749	3,243,749	213,000	7.03%
10-50-111-4130 Manhattan Beach	1,830,007	1,827,220	1,895,695	1,895,695	1,994,114	2,151,247	157,133	7.88%
Member City Subtotal	7,281,717	7,268,504	7,425,028	7,425,028	7,548,941	8,060,848	511,907	6.78%
10-50-111-4140 Hermosa Beach	887,842	881,869	898,811	898,811	901,858	959,021	57,163	6.34%
10-50-111-4145 El Segundo	2,044,684	2,044,684	2,137,139	2,137,139	2,209,980	2,362,976	152,996	6.92%
10-50-111-4146 Culver City	3,029,629	3,029,629	3,035,752	3,035,752	3,084,820	3,249,497	164,677	5.34%
Contract City Subtotal	5,962,155	5,956,182	6,071,702	6,071,702	6,196,658	6,571,494	374,836	6.05%
Subtotal Assessments	\$ 13,243,872	\$ 13,224,686	\$ 13,496,730	\$ 13,496,730	\$ 13,745,599	\$ 14,632,342	\$ 886,743	6.45%
10-50-111-4150 El Camino Community College	790	-	790	-	-	-	-	0.00%
10-50-111-4152 Medical Director/Hermosa Beach	-	-	-	-	-	-	-	0.00%
10-50-111-4153 Medical Director/Manhattan Beach	30,500	7,625	-	-	-	-	-	0.00%
10-50-111-4154 Medical Director/El Segundo	-	-	-	-	-	-	-	0.00%
10-50-111-4210 Investment Earnings (LAIF)	30,000	377,323	75,000	510,879	175,000	250,000	75,000	42.86%
10-50-111-4220 POST Reimbursements	5,000	650	5,000	-	5,000	5,000	-	0.00%
10-50-111-4255 Unrealized Gain/Loss on Investments	-	-	-	-	-	-	-	0.00%
10-50-111-4410 Vending Machine Revenue	-	-	-	-	-	-	-	0.00%
10-50-111-4430 Other Miscellaneous Revenue	2,500	34,923	2,500	17,080	2,500	2,500	-	0.00%
10-50-111-4240 911 Reimbursements	5,000	-	5,000	-	5,000	5,000	-	0.00%
10-50-111-4241 Redondo Beach Maint Agreement	13,000	10,238	10,238	10,238	10,238	10,238	-	0.00%
Subtotal Administration - Other	\$ 86,790	\$ 430,758	\$ 98,528	\$ 538,197	\$ 197,738	\$ 272,738	\$ 75,000	37.93%
10-60-211-4215 DUI Reimbursement-Overtime	-	-	-	-	-	-	-	0.00%
10-60-211-4435 Reimbursements Sprint Wireless	-	-	-	-	-	-	-	0.00%
10-60-211-4440 Reimbursements/Verizon Wireless	65,000	59,461	65,000	57,596	67,275	70,168	2,893	4.30%
10-60-211-4460 Pink Patch Project	-	-	-	-	-	-	-	0.00%
10-60-211-XXXX Reimbursement for PulsePoint	-	-	10,000	-	-	-	-	0.00%
10-60-211-XXXX Reimbursement for Vesta 911	-	-	-	-	100,000	100,000	-	0.00%
Subtotal Operations	\$ 65,000	\$ 59,461	\$ 75,000	\$ 57,596	\$ 167,275	\$ 170,168	\$ 2,893	1.73%
10-70-311-4310 Labor-Installation-Member	-	-	-	-	-	-	-	0.00%
10-70-311-4320 Labor-Installation-NonMember	-	-	-	-	-	-	-	0.00%
10-70-311-4360 Reimbursements for Billable Parts	739,900	969,873	784,294	1,270,389	923,514	978,925	55,411	6.00%
10-70-311-4370 Reimbursements for GST Software	52,692	52,692	52,692	52,692	52,692	52,692	-	0.00%
10-70-311-4371 Reimbursement ES Chat Software	-	-	-	-	-	-	-	0.00%
10-70-311-4375 Reimb Net Motion Licenses & Maint	-	-	-	-	-	-	-	0.00%
10-70-311-4445 GETAC Project Reimbursements	-	-	-	-	-	-	-	0.00%
10-70-311-4455 Culver City Transition Reimb	-	-	-	-	-	-	-	0.00%
Subtotal Technical Services	\$ 792,592	\$ 1,022,565	\$ 836,986	\$ 1,323,081	\$ 976,206	\$ 1,031,617	\$ 55,411	5.68%
Subtotal Non-Assessment Revenues	\$ 944,382	\$ 1,512,784	\$ 1,010,514	\$ 1,918,874	\$ 1,341,219	\$ 1,474,523	\$ 133,304	9.94%
Total Enterprise Fund (Fund 10) Revenues	\$ 14,188,254	\$ 14,737,470	\$ 14,507,244	\$ 15,415,604	\$ 15,086,818	\$ 16,106,865	\$ 1,020,047	6.76%
Grant Fund (Fund 20)								
20-80-433-4270 Grant Reimb	-	118,870	-	-	-	-	-	-
Total Grant Fund (Fund 20) Revenues	\$ -	\$ 118,870	\$ -	\$ -	\$ -	\$ -	\$ -	-
Grand Total All Funds	\$ 14,188,254	\$ 14,856,340	\$ 14,507,244	\$ 15,415,604	\$ 15,086,818	\$ 16,106,865	\$ 1,020,047	6.76%

Expenses by Department - Enterprise Fund (10)

Department/Description	FY23-24 Adopted	FY23-24 Actual	FY24-25 Adopted	FY24-25 Actual	FY25-26 Adopted	FY26-27 Proposed	vs Adopted Inc (Dec) \$	% Change
Administration								
Salaries & Benefits	\$ 1,372,591	\$ 1,282,948	\$ 1,476,721	\$ 1,273,112	\$ 1,598,777	\$ 1,745,585	\$ 146,808	9.18%
Supplies/Services/Equip	1,295,333	1,047,400	1,405,152	1,225,016	1,438,268	1,736,446	298,178	20.73%
Subtotal Administration	\$ 2,667,924	\$ 2,330,348	\$ 2,881,873	\$ 2,498,128	\$ 3,037,045	\$ 3,482,031	\$ 444,986	14.65%
Operations								
Salaries & Benefits	\$ 8,178,845	\$ 7,226,568	\$ 8,176,353	\$ 7,141,312	\$ 8,253,317	\$ 8,263,292	\$ 9,975	0.12%
Supplies/Services/Equip	394,532	249,450	250,416	452,168	389,582	755,186	365,604	93.85%
Subtotal Operations	\$ 8,573,377	\$ 7,476,017	\$ 8,426,769	\$ 7,593,480	\$ 8,642,899	\$ 9,018,478	\$ 375,579	4.35%
Technical Services								
Salaries & Benefits	\$ 789,430	\$ 677,031	\$ 839,169	\$ 840,429	\$ 892,951	\$ 1,064,636	\$ 171,685	19.23%
Supplies/Services/Equip	1,288,199	1,351,671	1,371,110	2,200,945	1,525,024	1,550,540	25,516	1.67%
Subtotal Technical Services	\$ 2,077,629	\$ 2,028,702	\$ 2,210,279	\$ 3,041,374	\$ 2,417,975	\$ 2,615,176	\$ 197,201	8.16%
Total Operating Expenses	\$ 13,318,929	\$ 11,835,068	\$ 13,518,921	\$ 13,132,981	\$ 14,097,919	\$ 15,115,685	\$ 1,017,766	7.22%
Total Capital Outlay	\$ 200,000	\$ 311,946	\$ 250,000	\$ 40,310	\$ 250,000	\$ 250,000	\$ -	0.00%
Grand Total	\$ 13,518,929	\$ 12,147,014	\$ 13,768,921	\$ 13,173,291	\$ 14,347,919	\$ 15,365,685	\$ 1,017,766	7.09%
Department Summary								
Administration	\$ 2,667,924	\$ 2,330,348	\$ 2,881,873	\$ 2,498,128	\$ 3,037,045	\$ 3,482,031	\$ 444,986	14.65%
Operations	8,573,377	7,476,017	8,426,769	7,593,480	8,642,899	\$ 9,018,478	375,579	4.35%
Technical Services	2,077,629	2,028,702	2,210,279	3,041,374	2,417,975	\$ 2,615,176	197,201	8.16%
Capital Outlay	200,000	311,946	250,000	40,310	250,000	\$ 250,000	-	0.00%
Grand Total	\$ 13,518,929	\$ 12,147,014	\$ 13,768,921	\$ 13,173,291	\$ 14,347,919	\$ 15,365,685	\$ 1,017,766	7.09%
Major Category Summary								
Salaries & Benefits	\$ 10,340,866	\$ 9,186,547	\$ 10,492,243	\$ 9,254,852	\$ 10,745,045	\$ 11,073,513	\$ 328,468	3.06%
Supplies/Services/Equip	2,978,063	2,648,521	3,026,678	3,878,129	3,352,874	4,042,172	689,298	20.56%
Capital Outlay	200,000	311,946	250,000	40,310	250,000	250,000	-	0.00%
Grand Total	\$ 13,518,929	\$ 12,147,014	\$ 13,768,921	\$ 13,173,291	\$ 14,347,919	\$ 15,365,685	\$ 1,017,766	7.09%

Expenses by Account

ACCT	DESCRIPTION	FY23-24 Adopted	FY23-24 Actual	FY24-25 Adopted	FY24-25 Actual	FY25-26 Adopted	FY26-27 Proposed	vs Adopted Inc (Dec) \$	% Change
5101	Salaries (Full-Time)	\$ 6,858,530	\$ 5,044,310	\$ 6,676,009	\$ 4,368,022	\$ 6,824,041	\$ 6,884,322	\$ 60,281	0.88%
5102	Salaries (Part-Time)	30,000	113,034	30,000	490,889	34,000	84,953	50,953	149.86%
5103	Overtime	228,500	1,140,165	257,500	1,315,516	257,500	300,000	42,500	16.50%
5104	Acting Pay	10,676	7,370	10,711	12,779	10,753	10,791	38	0.35%
5105	Bilingual Pay	9,600	9,998	10,800	8,078	12,000	14,400	2,400	20.00%
5107	Longevity Pay	3,450	3,494	3,550	3,595	2,150	14,150	12,000	558.14%
5108	Sick Leave Payoff	135,918	79,281	144,385	74,240	146,384	126,384	(20,000)	-13.66%
5109	Vacation Leave Payoff	112,389	130,678	132,404	85,129	134,070	137,176	3,106	2.32%
5110	Training Pay	15,000	16,922	17,500	12,969	22,500	32,500	10,000	44.44%
5112	Other Pay	13,000	28,540	13,000	28,000	81,000	99,750	18,750	23.15%
5114	Holiday Payoff	52,000	20,829	52,000	19,076	52,000	25,000	(27,000)	-51.92%
5115	Education Incentive	132,173	97,498	148,652	88,733	148,646	172,807	24,161	16.25%
5116	Overtime-Ridealongs	-	-	-	-	-	10,000	10,000	0.00%
5201	Medical Insurance	741,383	606,664	888,949	512,472	782,618	781,028	(1,590)	-0.20%
5202	Dental Insurance	73,230	61,942	86,566	51,486	88,710	88,327	(383)	-0.43%
5203	Vision Care	21,223	16,747	24,138	13,906	24,233	24,559	326	1.35%
5204	Life Insurance	13,923	10,718	13,923	9,277	14,422	14,638	216	1.50%
5205	Medicare	111,163	95,967	109,702	93,212	111,614	112,761	1,147	1.03%
5206	Unemployment Insurance	15,000	3,301	15,000	30,792	15,000	25,000	10,000	66.67%
5207	Workers' Compensation	103,948	91,057	104,716	110,691	124,716	133,800	9,084	7.28%
5208	PERS Contribution	822,346	616,834	767,357	549,861	788,665	773,968	(14,697)	-1.86%
5209	Retirees' Medical Insurance	96,000	85,643	101,000	82,155	96,000	96,000	-	0.00%
5211	Social Security	-	116	-	19,236	-	-	-	0.00%
5212	Deferred Comp Matching	107,100	86,827	116,100	75,139	107,400	131,600	24,200	22.53%
5219	PERS Contribution-UAL	629,680	814,962	763,647	1,195,478	862,052	971,093	109,041	12.65%
5220	Deferred Comp Matching	4,634	3,651	4,634	4,120	4,571	8,506	3,935	86.09%
Subtotal Salaries & Benefits		\$ 10,340,866	\$ 9,186,547	\$ 10,492,243	\$ 9,254,852	\$ 10,745,045	\$ 11,073,513	\$ 328,468	3.06%
5300	Maintenance & Operations	-	-	-	-	-	-	-	0.00%
5301	Communications Contract Svcs	38,800	30,037	40,158	38,543	41,564	60,000	18,436	44.36%
5302	IT Computer Contract Services	364,000	245,760	200,000	238,225	200,000	536,786	336,786	168.39%
5304	Accountant/Auditing Services	34,881	22,050	40,000	35,540	41,400	48,180	6,780	16.38%
5305	Legal Services	105,700	64,218	109,400	145,421	113,229	118,098	4,869	4.30%
5306	Recruitment Costs	65,395	42,663	67,684	32,294	70,053	183,358	113,305	161.74%
5307	Software Maintenance Service:	81,548	97,827	109,334	145,791	146,161	208,646	62,485	42.75%
5308	Banking Services (Fees)	7,500	2,330	7,500	4,091	7,500	7,500	-	0.00%
5309	Website Maintenance Service	7,500	7,809	7,500	2,552	7,763	8,097	334	4.30%
5311	GST Software Reimbursable	77,692	52,692	77,692	52,692	52,692	52,692	-	0.00%
5312	Medical Director Services	30,500	7,625	-	-	-	-	-	0.00%
5313	Temporary Staffing	20,000	3,441	25,000	75,320	25,000	60,000	35,000	140.00%
5314	Consulting Services	-	12,000	-	-	25,000	50,000	25,000	100.00%
5401	Membership Dues	3,130	1,260	3,305	1,289	3,421	4,455	1,034	30.23%
5402	Publications	2,460	817	2,460	973	2,546	2,560	14	0.55%
5403	Conferences, Meeting & Travel	54,496	21,237	54,696	14,200	57,968	59,223	1,255	2.16%
5404	Employee Services/EC-BOD	16,314	20,970	33,885	21,190	35,071	38,785	3,714	10.59%
5405	Employee Awards	1,500	-	4,000	179	4,123	4,123	-	0.00%
5406	POST Training	12,608	894	12,608	1,024	13,049	13,049	-	0.00%
5407	Tuition Reimbursement	16,000	3,406	16,000	-	16,560	17,272	712	4.30%
5501	Office Supplies	10,000	7,986	10,350	6,566	10,712	11,173	461	4.30%
5502	Janitorial Supplies	12,100	4,822	12,524	5,406	12,962	13,519	557	4.30%
5503	General Technical Supplies	7,500	7,948	7,763	23,786	7,763	7,823	60	0.77%
5504	Vending Machine Supplies	-	-	-	-	-	-	-	0.00%
5505	Voice Recording Tapes	-	-	-	-	-	-	-	0.00%
5506	Uniforms/Safety Equipment	10,500	9,881	15,588	8,680	15,955	16,534	579	3.63%
5507	Postage	2,200	1,104	2,235	817	2,271	2,317	46	2.03%
5508	Shipping Costs	-	-	-	-	-	-	-	0.00%
5509	Reproduction	1,000	-	1,000	-	1,018	1,040	22	2.16%
5511	Office Equipment Lease	15,750	4,050	10,000	5,418	10,350	8,000	(2,350)	-22.71%
5513	General Liability Insurance	337,000	266,687	330,000	276,844	310,000	310,000	-	0.00%
5514	Parts - Billing	739,900	871,239	784,294	1,657,164	923,514	978,925	55,411	6.00%
5515	Parts - Telecommunications	-	-	-	-	-	-	-	0.00%
5516	Install Wire, Loom & Hardware	-	-	-	-	-	-	-	0.00%
5517	Vehicle Operations	6,757	2,473	6,923	2,682	7,070	6,000	(1,070)	-15.13%
5520	Equipment Repair	5,000	-	5,000	-	5,000	5,000	-	0.00%
5521	Outside Tech Serv-Towers/Equ	325,000	271,878	363,000	314,917	375,705	345,750	(29,955)	-7.97%
5524	GETAC Project	-	-	-	-	-	-	-	0.00%
5525	Culver City Infrastructure Trans	-	-	-	-	-	-	-	0.00%
5601	Telephone - Administration	17,969	17,917	18,598	21,713	19,249	21,977	2,728	14.17%
5603	Telephone - El Segundo	3,171	3,714	3,282	3,745	3,397	3,543	146	4.30%

Expenses by Account

ACCT	DESCRIPTION	FY23-24 Adopted	FY23-24 Actual	FY24-25 Adopted	FY24-25 Actual	FY25-26 Adopted	FY26-27 Proposed	vs Adopted Inc (Dec) \$	% Change
5604	Telephone - Gardena	3,171	4,642	3,500	941	3,623	3,779	156	4.31%
5606	Telephone - Hawthorne	20,000	25,832	20,000	32,276	20,700	40,000	19,300	93.24%
5607	Telephone - Hermosa Beach	12,684	9,436	13,128	9,976	13,587	14,171	584	4.30%
5608	Telephone - Manhattan Beach	6,342	4,145	6,564	4,152	6,794	7,086	292	4.30%
5611	Telephone - Punta Place	4,757	1,043	4,923	1,045	5,095	5,314	219	4.30%
5612	Telephone - RCC	11,627	10,784	12,034	10,884	12,455	12,991	536	4.30%
5613	Sprint Wireless Reimbursable	-	-	-	-	-	-	-	0.00%
5614	Verizon Wireless Reimbursable	65,000	59,296	65,000	57,452	67,275	70,168	2,893	4.30%
5615	Telephone-Culver City	15,327	19,904	15,863	46,429	16,418	17,124	706	4.30%
5616	PulsePoint Software	-	-	10,000	10,500	10,000	10,000	-	0.00%
5617	Vesta 911 Reimbursable	-	-	-	122,978	100,000	100,000	-	0.00%
5618	Medical Director Services	-	-	-	-	30,000	30,000	-	0.00%
5701	Maintenance/HQ	173,507	161,157	225,767	190,294	200,000	222,900	22,900	11.45%
5702	Maintenance/Other	-	-	-	-	-	-	-	0.00%
5703	Electricity - HQ	150,000	169,133	175,000	174,782	181,125	188,913	7,788	4.30%
5704	Electricity - Grandview	3,171	3,057	3,282	3,083	3,397	3,730	333	9.80%
5705	Electricity - Punta	10,570	12,220	11,028	10,564	11,414	11,905	491	4.30%
5706	Gas - HQ	16,912	16,618	17,504	22,941	18,117	19,700	1,583	8.74%
5707	Water - HQ	5,126	3,847	5,306	7,155	5,492	8,750	3,258	59.32%
5715	Electricity - MB Water Tower	6,500	9,856	6,500	3,316	6,728	7,017	289	4.30%
5810	Office Equipment	17,000	1,982	17,000	14,897	25,000	26,500	1,500	6.00%
5820	Other Equipment	20,000	6,273	30,000	16,189	45,000	35,000	(10,000)	-22.22%
5830	Furniture & Fixtures	2,500	22,561	2,500	1,213	2,588	2,699	111	4.29%
5840	Vehicles	-	-	-	-	-	-	-	0.00%
Subtotal Supplies/Services/Equip		\$ 2,978,063	\$ 2,648,521	\$ 3,026,678	\$ 3,878,129	\$ 3,352,874	\$ 4,042,172	\$ 689,298	20.56%
Total Operating Expenses		\$ 13,318,929	\$ 11,835,068	\$ 13,518,921	\$ 13,132,981	\$ 14,097,919	\$ 15,115,685	\$ 1,017,766	7.22%
5901	Total Capital Outlay	200,000	311,946	250,000	40,310	250,000	250,000	-	0.00%
Total Enterprise Fund (Fund 10)		\$ 13,518,929	\$ 12,147,014	\$ 13,768,921	\$ 13,173,291	\$ 14,347,919	\$ 15,365,685	\$ 1,017,766	7.09%
5901	Grant Fund (20)	-	-	-	-	-	-	-	0.00%
Grand Total All Funds		\$ 13,518,929	\$ 12,147,014	\$ 13,768,921	\$ 13,173,291	\$ 14,347,919	\$ 15,365,685	\$ 1,017,766	7.09%

Notes:

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

5 Year Revenue Projections - Enterprise Fund (10)

Account Number & Title	FY25-26 Adopted	FY26-27 Projected	FY27-28 Projected	FY28-29 Projected	FY29-30 Projected	FY30-31 Projected
Enterprise Fund (Fund 10)						
10-50-111-4110 Gardena	\$ 2,524,078	\$ 2,665,852	\$ 2,891,653	\$ 3,011,190	\$ 3,138,645	\$ 3,274,755
10-50-111-4120 Hawthorne	3,030,749	3,243,749	3,515,984	3,661,499	3,816,667	3,982,387
10-50-111-4130 Manhattan Beach	1,994,114	2,151,247	2,328,853	2,425,551	2,528,734	2,639,012
Member City Subtotal	\$ 7,548,941	\$ 8,060,848	\$ 8,736,490	\$ 9,098,240	\$ 9,484,046	\$ 9,896,154
10-50-111-4140 Hermosa Beach	901,858	959,021	1,041,049	1,084,033	1,129,861	1,178,796
10-50-111-4145 El Segundo	2,209,980	2,362,976	2,562,737	2,668,821	2,781,991	2,902,907
10-50-111-4146 Culver City	3,084,820	3,249,497	3,529,578	3,675,300	3,830,713	3,996,719
Contract City Subtotal	\$ 6,196,658	\$ 6,571,494	\$ 7,133,364	\$ 7,428,154	\$ 7,742,565	\$ 8,078,422
Subtotal Assessments	\$ 13,745,599	\$ 14,632,342	\$ 15,869,854	\$ 16,526,394	\$ 17,226,611	\$ 17,974,576
10-50-111-4150 El Camino Community College	-	-	-	-	-	-
10-50-111-4152 Medical Director Service/Hermosa Beach	-	-	-	-	-	-
10-50-111-4153 Medical Director Service/Manhattan Beach	-	-	-	-	-	-
10-50-111-4154 Medical Director Services/El Segundo	-	-	-	-	-	-
10-50-111-4210 Investment Earnings (LAIF)	175,000	250,000	257,500	265,225	273,182	281,377
10-50-111-4220 POST Reimbursements	5,000	5,000	5,240	5,518	5,838	6,206
10-50-111-4255 Unrealized Gain/Loss on Investments	-	-	-	-	-	-
10-50-111-4410 Vending Machine Revenue	-	-	-	-	-	-
10-50-111-4430 Other Miscellaneous Revenue	2,500	2,500	2,620	2,759	2,919	3,103
10-50-111-4240 911 Reimbursements	5,000	5,000	5,240	5,518	5,838	6,206
10-50-111-4241 Redondo Beach Maint Agreement	10,238	10,238	10,729	11,298	11,953	12,706
Subtotal Administration - Other	\$ 197,738	\$ 272,738	\$ 281,329	\$ 290,317	\$ 299,729	\$ 309,597
10-60-211-4215 DUI Reimbursement-Overtime	-	-	-	-	-	-
10-60-211-4435 Reimbursements Sprint Wireless	-	-	-	-	-	-
10-60-211-4440 Reimbursements/Verizon Wireless	67,275	70,168	73,536	77,433	81,925	87,086
10-60-211-4460 Pink Patch Project	-	-	-	-	-	-
10-60-211-XXXX Reimbursement for PulsePoint	-	-	-	-	-	-
10-60-211-XXXX Reimbursement for Vesta 911	100,000	100,000	104,800	110,354	116,755	124,111
Subtotal Operations	\$ 167,275	\$ 170,168	\$ 178,336	\$ 187,788	\$ 198,680	\$ 211,196
10-70-311-4310 Labor-Installation-Member	-	-	-	-	-	-
10-70-311-4320 Labor-Installation-NonMember	-	-	-	-	-	-
10-70-311-4360 Reimbursements for Billable Parts	923,514	978,925	1,025,913	1,080,287	1,142,943	1,214,949
10-70-311-4370 Reimbursements for GST Software	52,692	52,692	55,221	58,148	61,521	65,396
10-70-311-4371 Reimbursement ES Chat Software	-	-	-	-	-	-
10-70-311-4375 Reimb Net Motion Licenses & Maint.	-	-	-	-	-	-
10-70-311-4445 GETAC Project Reimbursements	-	-	-	-	-	-
10-70-311-4455 Culver City Transition Reimbursement	-	-	-	-	-	-
Subtotal Technical Services	\$ 976,206	\$ 1,031,617	\$ 1,081,135	\$ 1,138,435	\$ 1,204,464	\$ 1,280,345
Subtotal Non-Assessment Revenues	\$ 1,341,219	\$ 1,474,523	\$ 1,540,800	\$ 1,616,540	\$ 1,702,873	\$ 1,801,139
Total Enterprise Fund Revenues	\$ 15,086,818	\$ 16,106,865	\$ 17,410,654	\$ 18,142,934	\$ 18,929,484	\$ 19,775,715
Grant Fund (Fund 20)						
20-80-433-4270 Grant Fund	-	-	-	-	-	-
Total Grant Fund Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total All Funds	\$ 15,086,818	\$ 16,106,865	\$ 17,410,654	\$ 18,142,934	\$ 18,929,484	\$ 19,775,715

Notes:

1. CPIU Projection is the three (3) year average CPIU, escalated by 50 basis points per year.

5 Year Expense Projections - Enterprise Fund (10)

Department/Description	FY25-26 Adopted	FY26-27 Projected	FY27-28 Projected	FY28-29 Projected	FY29-30 Projected	FY30-31 Projected
Administration						
Salaries & Benefits	\$ 1,598,777	\$ 1,745,585	\$ 1,835,973	\$ 1,914,402	\$ 1,996,317	\$ 2,081,883
Supplies/Services/Equipment	1,438,268	1,736,446	1,855,655	1,989,590	2,140,296	2,310,170
Subtotal Administration	\$ 3,037,045	\$ 3,482,031	\$ 3,691,629	\$ 3,903,992	\$ 4,136,613	\$ 4,392,053
Operations						
Salaries & Benefits	\$ 8,253,317	\$ 8,263,292	\$ 8,691,253	\$ 9,062,651	\$ 9,450,568	\$ 9,855,780
Supplies/Services/Equipment	389,582	755,186	1,301,483	1,324,723	1,351,503	1,382,278
Subtotal Operations	\$ 8,642,899	\$ 9,018,478	\$ 9,992,736	\$ 10,387,374	\$ 10,802,071	\$ 11,238,058
Technical Services						
Salaries & Benefits	\$ 892,951	\$ 1,064,636	\$ 1,119,384	\$ 1,166,594	\$ 1,215,862	\$ 1,267,283
Supplies/Services/Equipment	1,525,024	1,550,540	1,618,006	1,696,075	1,786,038	1,889,423
Subtotal Technical Services	\$ 2,417,975	\$ 2,615,176	\$ 2,737,390	\$ 2,862,669	\$ 3,001,900	\$ 3,156,706
Total Operating Expenses	\$ 14,097,919	\$ 15,115,685	\$ 16,421,755	\$ 17,154,035	\$ 17,940,584	\$ 18,786,817
Total Capital Outlay	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Grand Total	\$ 14,347,919	\$ 15,365,685	\$ 16,671,755	\$ 17,404,035	\$ 18,190,584	\$ 19,036,817
Department Summary						
Administration	\$ 3,037,045	\$ 3,482,031	\$ 3,691,629	\$ 3,903,992	\$ 4,136,613	\$ 4,392,053
Operations	8,642,899	9,018,478	9,992,736	10,387,374	10,802,071	11,238,058
Technical Services	2,417,975	2,615,176	2,737,390	2,862,669	3,001,900	3,156,706
Capital Outlay	250,000	250,000	250,000	250,000	250,000	250,000
Grand Total	\$ 14,347,919	\$ 15,365,685	\$ 16,671,755	\$ 17,404,035	\$ 18,190,584	\$ 19,036,817
Major Category Summary						
Salaries & Benefits	\$ 10,745,045	\$ 11,073,513	\$ 11,646,611	\$ 12,143,647	\$ 12,662,747	\$ 13,204,946
Supplies/Services/Equipment	3,352,874	4,042,172	4,775,145	5,010,388	5,277,837	5,581,871
Capital Outlay	250,000	250,000	250,000	250,000	250,000	250,000
Grand Total	\$ 14,347,919	\$ 15,365,685	\$ 16,671,755	\$ 17,404,035	\$ 18,190,584	\$ 19,036,817

Notes:

- Salaries and benefits projections are based upon known and anticipated increases in employee compensation per MOUs and assumes 3% annually thereafter.
- Supplies/Services/Equipment are increased by the three (3) year average CPIU, escalated by 50 basis points per year.

5 Year Fund Balance Projections - Enterprise Fund (10)

	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	FY30-31
Cash Balance Projections	Adopted	Projected	Projected	Projected	Projected	Projected
Beginning Balance	\$ 11,404,739	\$ 8,862,674	\$ 7,883,940	\$ 7,836,120	\$ 7,969,259	\$ 7,999,195
Operating and Capital Reserve	(1,434,792)	(1,536,569)	(1,667,176)	(1,740,404)	(1,819,058)	(1,903,682)
Pension and OPEB Funding	(526,964)	(776,514)	(416,719)	(329,760)	(352,964)	(356,734)
Five-Year CIP Funding	(2,754,000)	(943,400)	(370,000)	(276,000)	(356,000)	(1,000,000)
Available Cash	\$ 6,688,983	\$ 5,606,192	\$ 5,430,045	\$ 5,489,957	\$ 5,441,236	\$ 4,738,779
Budget Resources						
Assessments						
Gardena	\$ 2,524,078	\$ 2,665,852	\$ 2,891,653	\$ 3,011,190	\$ 3,138,645	\$ 3,274,755
Hawthorne	3,030,749	3,243,749	3,515,984	3,661,499	3,816,667	3,982,387
Manhattan Beach	1,994,114	2,151,247	2,328,853	2,425,551	2,528,734	2,639,012
Member City Subtotal	\$ 7,548,941	\$ 8,060,848	\$ 8,736,490	\$ 9,098,240	\$ 9,484,046	\$ 9,896,154
Culver City	3,084,820	3,249,497	3,529,578	3,675,300	3,830,713	3,996,719
El Segundo	2,209,980	2,362,976	2,562,737	2,668,821	2,781,991	2,902,907
Hermosa Beach	901,858	959,021	1,041,049	1,084,033	1,129,861	1,178,796
Contract City Subtotal	\$ 6,196,658	\$ 6,571,494	\$ 7,133,364	\$ 7,428,154	\$ 7,742,565	\$ 8,078,422
Non-Assessment Revenues	1,341,219	1,474,523	1,540,800	1,616,540	1,702,873	1,801,139
Total Budget Resources	\$ 15,086,818	\$ 16,106,865	\$ 17,410,654	\$ 18,142,934	\$ 18,929,484	\$ 19,775,715
Budget Expenses						
Operating	\$ 14,097,919	\$ 15,115,685	\$ 16,421,755	\$ 17,154,035	\$ 17,940,584	\$ 18,786,817
Capital	250,000	250,000	250,000	250,000	250,000	250,000
Total Budget Expenses	\$ 14,347,919	\$ 15,365,685	\$ 16,671,755	\$ 17,404,035	\$ 18,190,584	\$ 19,036,817
Revenues Over (Under) Expenditures	\$ 738,899	\$ 741,180	\$ 738,899	\$ 738,899	\$ 738,900	\$ 738,898
Ending Estimated Balance						
Pension and OPEB Funding/Other	(526,964)	(776,514)	(416,719)	(329,760)	(352,964)	(356,734)
Five-Year CIP Funding	(2,754,000)	(943,400)	(370,000)	(276,000)	(356,000)	(1,000,000)
Ending Balance	\$ 8,862,674	\$ 7,883,940	\$ 7,836,120	\$ 7,969,259	\$ 7,999,195	\$ 7,381,359
Operating and Capital Reserve	(1,536,569)	(1,667,176)	(1,740,404)	(1,819,058)	(1,903,682)	(1,982,517)
Available Balance After Reserve Allocations	\$ 7,326,106	\$ 6,216,764	\$ 6,095,717	\$ 6,150,200	\$ 6,095,513	\$ 5,398,842
Gardena - 32.08%	2,350,215	1,994,338	1,955,506	1,972,984	1,955,441	1,731,948
Hawthorne - 45.07%	3,301,876	2,801,896	2,747,339	2,771,895	2,747,248	2,433,258
Manhattan Beach - 22.85%	1,674,015	1,420,531	1,392,871	1,405,321	1,392,825	1,233,635

Note: 5 year projections include long-term plans to address pension & OPEB unfunded liabilities and Five-Year CIP Funding. Additionally, FY26-27 includes an appropriation for 50% of the annual CAD fee of \$662,972; the other 50% is included in the assessments.

ADMINISTRATION DEPARTMENT



Administration Department

The department has six (6) positions: an Executive Director; an Operations Manager; an Administrative Services Manager; a Finance & Performance Audit Manager; an Accountant; and an Executive Assistant.

Management

The Authority operates under the overall direction of the Executive Director, who implements the policies adopted by the Executive Committee; manages the day-to-day operations; conducts labor negotiations; guides the development of the annual budget; works closely with Authority's legal counsel; oversees construction/ maintenance of all transmission and receiver sites; secures grants; coordinates the agenda for monthly meetings with the Executive Committee, the User Committee, and the Police and Fire Task Force; and negotiates maintenance agreements with other governmental agencies. An Executive Assistant supports the entire organization.

Operations

The Operations Manager oversees the Communications Center's daily operations, policies and procedures, and technology and equipment, including the activities performed by the Communications Center's 57 employees; and may act as the Executive Director during the Executive Director's absence.

Administrative Services

The Administrative Services Manager oversees recruitment; maintains personnel records; processes required documents for health and other insurance coverage and retirement benefits for all employees; manages the Technical Services Division; coordinates training for all staff; and may act as the Executive Director during the Executive Director's absence.

Accounting & Finance

The Finance & Performance Audit Manager manages the overall accounting functions; prepares the annual budget; monitors cash flow; invests idle cash; prepares monthly budget performance reports and quarterly cash and investments reports; coordinates the annual financial audit; and advises the Executive Director in financial matters. Payroll, accounts payable, cash receipts, accounts receivable, journal entries; preparation of the Annual Report for Special Districts and Government Compensation Report to the State Controller, federal and state payroll tax returns and the quarterly Sales & Use Tax Report; and other related accounting functions are also performed by the Finance & Performance Audit Manager and an Accountant assigned to the Department.

Expenses by Account - Administration Department

ACCT	DESCRIPTION	FY23-24 Adopted	FY23-24 Actual	FY24-25 Adopted	FY24-25 Actual	FY25-26 Adopted	FY26-27 Proposed	vs Adopted Inc (Dec) \$	% Change
5101	Salaries (Full-Time)	\$ 938,840	\$ 894,131	\$ 973,148	\$ 787,380	\$ 1,028,720	\$ 1,093,993	\$ 65,273	6.35%
5102	Salaries (Part-Time)	30,000	1,873	30,000	41,313	34,000	44,953	10,953	32.21%
5103	Overtime	-	906	2,500	18	2,500	5,000	2,500	100.00%
5104	Acting Pay	676	4,080	711	7,366	753	791	38	5.05%
5107	Longevity Pay	2,600	2,550	2,700	2,650	1,300	9,500	8,200	630.77%
5108	Sick Leave Payoff	30,418	9,647	38,885	16,136	40,884	40,884	-	0.00%
5109	Vacation Leave Payoff	27,389	10,370	32,404	20,162	34,070	34,070	-	0.00%
5112	Other Pay	13,000	18,927	13,000	-	15,000	15,000	-	0.00%
5114	Holiday Payoff	-	-	-	-	-	-	-	0.00%
5201	Medical Insurance	80,128	75,310	83,057	50,560	69,043	101,436	32,393	46.92%
5202	Dental Insurance	10,757	10,550	12,929	8,915	12,929	12,929	-	0.00%
5203	Vision Care	2,226	2,017	2,708	1,636	2,605	2,931	326	12.51%
5204	Life Insurance	1,274	1,190	1,274	1,020	1,274	1,490	216	16.95%
5205	Medicare	15,088	13,587	15,782	12,686	16,686	17,860	1,174	7.04%
5206	Unemployment Insurance	-	-	-	8,699	-	5,000	5,000	0.00%
5207	Workers' Compensation	8,316	7,285	8,377	8,855	9,977	10,704	727	7.29%
5208	PERS Contribution	105,108	102,926	110,443	102,970	137,617	147,283	9,666	7.02%
5209	Retirees' Medical Insurance	6,000	5,589	11,000	6,356	6,000	6,000	-	0.00%
5211	Social Security	-	116	-	2,034	-	-	-	0.00%
5212	Deferred Comp Matching	27,600	24,048	27,600	23,636	30,000	37,500	7,500	25.00%
5219	PERS Contribution-UAL	72,541	97,439	109,573	170,342	154,789	155,446	657	0.42%
5220	FSA Expense	630	410	630	378	630	2,815	2,185	346.83%
Subtotal Salaries & Benefits		\$ 1,372,591	\$ 1,282,948	\$ 1,476,721	\$ 1,273,112	\$ 1,598,777	\$ 1,745,585	\$ 146,808	9.18%
5301	Networking Services	38,800	30,037	40,158	38,543	41,564	60,000	18,436	44.36%
5302	IT Computer Contract Services	55,000	55,000	55,000	55,000	55,000	55,000	-	0.00%
5304	Accountant/Auditing Services	34,881	22,050	40,000	35,540	41,400	48,180	6,780	16.38%
5305	Legal Services	105,700	64,218	109,400	145,421	113,229	118,098	4,869	4.30%
5306	Recruitment Costs	65,395	42,663	67,684	32,294	70,053	183,358	113,305	161.74%
5307	Software Maintenance Services	81,548	97,827	109,334	145,791	146,161	208,646	62,485	42.75%
5308	Banking Services (Fees)	7,500	2,330	7,500	4,091	7,500	7,500	-	0.00%
5309	Website Maintenance Service	7,500	7,809	7,500	2,552	7,763	8,097	334	4.30%
5312	Medical Director Services	30,500	7,625	-	-	-	-	-	0.00%
5313	Temporary Staffing	20,000	3,441	25,000	-	25,000	60,000	35,000	140.00%
5314	Consulting Services	25,000	12,000	25,000	-	25,000	50,000	25,000	100.00%
5401	Membership Dues	840	1,129	935	719	968	1,630	662	68.39%
5402	Publications	750	817	750	973	776	810	34	4.38%
5403	Conferences, Meeting & Travel	28,000	10,822	28,200	9,185	29,187	30,442	1,255	4.30%
5404	Employee Services	13,814	4,358	31,297	3,391	32,392	33,785	1,393	4.30%
5405	Employee Awards	500	-	500	-	500	500	-	0.00%
5407	Tuition Reimbursement	-	-	-	-	-	-	-	0.00%
5501	Office Supplies	10,000	7,986	10,350	6,566	10,712	11,173	461	4.30%
5502	Janitorial Supplies	12,100	4,822	12,524	5,406	12,962	13,519	557	4.30%
5504	Vending Machine Supplies	-	-	-	-	-	-	-	0.00%
5507	Postage & Shipping	1,000	1,104	1,035	630	1,071	1,117	46	4.30%
5509	Reproduction	500	-	500	-	500	500	-	0.00%
5511	Office Equipment Lease	15,750	4,050	10,000	5,418	10,350	8,000	(2,350)	-22.71%
5513	General Liability Insurance	337,000	266,687	330,000	276,844	310,000	310,000	-	0.00%
5517	Vehicle Operations	2,000	562	2,000	815	2,070	1,000	(1,070)	-51.69%
5601	Telephone - Administration	17,969	17,917	18,598	21,713	19,249	21,977	2,728	14.17%
5701	Maintenance/HQ	173,507	161,157	225,767	190,294	200,000	222,900	22,900	11.45%
5703	Electricity - HQ	150,000	169,133	175,000	174,782	181,125	188,913	7,788	4.30%
5704	Electricity - Grandview	3,171	3,057	3,282	3,083	3,397	3,730	333	9.80%
5705	Electricity - Punta	10,570	12,220	11,028	10,564	11,414	11,905	491	4.30%
5706	Gas - HQ	16,912	16,618	17,504	22,941	18,117	19,700	1,583	8.74%
5707	Water - HQ	5,126	3,847	5,306	7,155	5,492	8,750	3,258	59.32%
5715	Electricity - MB Water Tower	6,500	9,856	6,500	3,316	6,728	7,017	289	4.30%
5810	Office Equipment	10,000	484	10,000	11,136	16,000	17,500	1,500	9.38%
5820	Other Equipment	5,000	2,664	15,000	9,641	30,000	20,000	(10,000)	-33.33%
5830	Furniture & Fixtures	2,500	3,111	2,500	1,213	2,588	2,699	111	4.29%
Subtotal Supplies/Services/Equip		\$ 1,295,333	\$ 1,047,400	\$ 1,405,152	\$ 1,225,016	\$ 1,438,268	\$ 1,736,446	\$ 298,178	20.73%
Total Expenses - Administration		\$ 2,667,924	\$ 2,330,348	\$ 2,881,873	\$ 2,498,128	\$ 3,037,045	\$ 3,482,031	\$ 444,986	14.65%

Account Detail - Administration Department

Account	Account Description	Comments/Explanation
5101	Salaries (Full-Time)	Includes contracted and estimated increases from MOUs and agreement with employees
5104	Acting Pay	Per MOU with Management & Confidential Employees
5107	Longevity Pay	Based on longevity starting at 5 years of service @ \$1500/year
5108	Sick Leave Payoff	Per MOU paid @ 100% of pay rate; max 120 hours paid per year
5109	Vacation Leave Payoff	Per MOU paid @ 100% of pay rate; max 100 hours paid per year
5112	Other Pay	Includes automobile allowance and General Leave Payoff
5201	Medical Insurance	Per MOU and employment agreement - cafeteria plan limit
5202	Dental Insurance	Per MOU and employment agreement - cafeteria plan limit
5203	Vision Care	Per MOU and employment agreement - 100% employer paid
5204	Life Insurance	Per MOU \$100,000 employee-only coverage
5205	Medicare	1.45% employer rate
5207	Workers' Compensation	Based on projected increase from prior year premium
5208	PERS Contribution	Rates reflect change in the Normal Cost from 12.58% to 12.56% for Tier 1 employees plus 3.5% of employee contributions; change from 10.19% to 10.18% for Tier 2 employees hired after October 25, 2011; change from 7.96% to 7.93% for PEPRAs employees hired after January 1, 2013. UAL portion is allocated to a different account (see account # 5219).
5209	Retirees' Medical Insurance	Per MOU - retiree benefit
5212	Deferred Comp Matching	Per MOU and employment agreement
5219	PERS Contribution-UAL	Unfunded Accrued Liability determined by CalPERS Actuarial Report
5220	FSA Expense	Per MOU
5301	Networking Services	Consultant for frequency issues; Monthly charge for internet services
5302	Computer Contract Svcs/CAD	IT support from Hawthorne
5304	Accountant/Auditing Services	Annual independent audit, GASB75 Valuation (as needed), other consulting services
5305	Legal Services	Authority's legal counsel; ongoing general consulting and labor negotiations consulting
5306	Recruitment Costs	See attached detail sheet
5307	Software Maintenance Services	See attached detail sheet
5308	Banking Services (Fees)	Bank fees not offset by earnings allowance
5309	Website Maintenance Service	Hosting/licensing fees
5311	Consulting Services	General consulting services
5312	Medical Director Services	Service transferred directly to member and contract fire agencies starting in FY24.
5401	Membership Dues	See attached detail sheet
5402	Publications	See attached detail sheet
5403	Conferences, Meetings & Travel	See attached detail sheet
5404	Employee Services	Includes Exec Comm/Board of Directors' meeting expenses/other employee services
5405	Employee Awards	Employee recognition
5407	Tuition Reimbursement	Reimbursement of college/university class tuition and eligible expenses per MOU
5501	Office Supplies	Pens, paper, envelopes, folders, printer cartridges, and other office supplies
5502	Janitorial Supplies	Cleaning and other supplies
5504	Vending Machine Supplies	Outsourced; Vending machine contractor took over in February 2017.
5505	Voice Recording Tapes	Voice recording tape/dvd supplies
5507	Postage & Shipping	Postage/UPS/Express mail services
5509	Reproduction	Accounts Payable & Payroll checks; W-2's; 1099's; budget doc, etc.
5511	Office Equipment Lease	Copier and postage meter
5513	General Liability Insurance	Authority's various insurance coverages including cyber, property, earthquake, etc.
5517	Vehicle Operations	Gasoline/maintenance cost
5601	Telephone - Administration	Telephone for Administration
5701	Maintenance/HQ	See attached detail sheet
5702	Maintenance/Other	Fuel tank cleaning, permit fees, and other maintenance costs for other sites
5703	Electricity - HQ	Utilities; Electricity for HQ
5704	Electricity - Grandview	Utilities; Electricity for Grandview site
5705	Electricity - Punta	Utilities; Electricity for Punta Place site
5706	Gas - HQ	Utilities; Gas for HQ
5707	Water - HQ	Utilities; Water for HQ
5810	Office Equipment	See attached detail sheet
5820	Other Equipment	See attached detail sheet
5830	Furniture & Fixtures	Chairs, work stations, etc.

Account Detail - Administration Department

Networking Services	
10-50-111-5301	
Race Communications	15,426
Crown Castle internet	15,426
CAD Connectivity	10,712
Spectrum	18,000
Total	\$ 59,564
Recruitment	
10-50-111-5306	
Advertising - Daily Breeze and job websites (NeoGov, etc.)	5,000
Job Fairs/Community Events	5,000
Background investigations	108,000
Psychological exams	12,000
Physical exams	13,500
Polygraph exams	18,000
Credit Report	1,200
Criticall Annual Subscription	8,570
Marketing Materials	10,000
Fingerprinters/LiveScan/DOJ/SS# check	2,088
Total	\$ 183,358
Software Maintenance Services	
10-50-111-5307	
EDEN annual maintenance cost (software support and licensing updates)	16,500
EDEN Operating Systems & Database Administration	7,500
Annual Barracuda Spam updates for Server	2,491
Schedule Express	10,779
Email certificate renewal	849
ESC shop software annual maintenance cost	1,698
Extreme Routers Annual Maintenance	3,963
Jot Forms	450
Solar Winds Annual Maintenance	3,397
Other Software Maintenance	13,000
Fortiguard security software for network	11,323
Box Subscription - Distribution of 9-1-1 and radio recordings	1,200
Zoom Subscription	700
ESRI Annual Maintenance	1,698
Exaq Vision Annual Maintenance - Security System	4,529
Stancil Annual Maintenance - Logging Recorder	3,300
Media Temple/Go Daddy Website Annual Maintenance	1,200
Wave	518
Flo Code	350
AWS Direct	2,200
Email Filtering Solution	15,000
Email Archive Solution	10,000
Sharp Performance	25,000
Migration from PRI to SIP	6,000
Office 365	25,000
Network System Redesign	20,000
Desktop/Software Management Package	20,000
Total	\$ 208,646
Memberships	
10-50-111-5401	
Executive Director annual dues	500
CAL Chiefs (Fire Chiefs Communications Section) - Group membership annual dues	80
California Society of Municipal Finance Officers (CSMFO) - Finance Manager/Accountant annual dues	220
California Background Investigators Association (CBIA)	80
Government Finance Officers Association (GFOA) - Finance Manager annual dues	350
California Public Employers Labor Relations Association (CalPELRA)	400
Total	\$ 1,630

Account Detail - Administration Department

Publications	
10-50-111-5402	
Labor Law Compliance Center - Labor Law posters	162
Government Finance Officers Association publications as needed	216
Media Subscriptions	432
Total	\$ 810
Conferences, Meetings, & Travel	
10-50-111-5403	
Labor Law Seminars and Conferences	10,795
California Society of Municipal Finance Officers (CSMFO) - annual conference/ February	1,619
Leadership Retreat	-
CSMFO bi-monthly Chapter meetings - Finance Manager	324
CalPERS Ed Forum, Anaheim (Fin Mgr & Accountant)	1,349
Government Tax Seminar -Finance Mgr	702
GFOA/CSMFO finance workshops (Fin Mgr & Accountant)	1,080
APCO/NENA Conferences	3,778
Management Retreat	10,795
Total	\$ 30,442
Maintenance/HQ	
10-50-111-5701	
Gardening Service (grounds)	6,000
Janitorial Service	58,700
Tree Trimming Services	5,000
Fuel Tank Cleaning and diesel refills	5,500
Generator Service (contract and repairs) - includes HQ, Punta, MBWT, Grandview, & 1500 Gal Diesel	13,000
Various permit fees - South Coast Air Quality Management District (AQMD) & LA County Fire Hazmat Program	2,800
Fire Alarm, Fire Alarm Inspection & Fire Extinguishers Service and Repairs	8,200
Elevator Maintenance Contract	10,500
Water Treatment	1,300
HVAC Maintenance - Contract plus necessary repairs	31,000
DirecTV Services	3,000
Roll-up door Annual Maintenance - Tech Services Bay	2,750
Exterminator Service	1,500
Water Filtration Service	1,200
Uninterrupted Power Supply (UPS) Maintenance - includes Tower Radio Room	13,500
Building Exterior Annual Cleaning	5,500
Plumbing, Security Gate & Other repairs	8,200
Facility replacement light bulbs/hardware	1,750
Roof Cleaning and Drain Cleaning	10,000
Metal Handrails for Stairs - Palos Verdes	5,000
Misc maintenance	5,000
Replacement of PA Building PA System	20,000
Gypsum Wallboard - repair sill at glass block walls	3,500
Total	\$ 222,900
Office Equipment	
10-50-111-5810	
Phone System Replacement	15,000
Misc Office Equipment	2,500
Total	\$ 17,500
Other Equipment	
10-50-111-5820	
Access Control System Upgrade	10,000
WAN Switch Replacement	10,000
Total	\$ 20,000

OPERATIONS DEPARTMENT



Operations Department

The Operations Department is the Communications Center which is staffed with seven (7) Communications Supervisors and fifty (50) Communications Operators. Communications Operators must attend and graduate from an accredited 120-hour Basic Academy hosted by Golden West College, Rio Hondo College, or the Riverside County Sheriffs' Department. The Basic Academy is accredited by the California Commission on Peace Officer Standards and Training (POST).

The Communications Center personnel answer all 9-1-1 and 7-digit emergency police and fire calls for the Cities of Manhattan Beach, Gardena, and Hawthorne (Members), as well as the cities of Culver City, El Segundo and Hermosa Beach (under contract). These calls are processed utilizing a computer-aided dispatch (CAD) system, and then dispatched to the appropriate police or fire department field units. The Communications Center operates 24 hours a day, 7 days a week.

When working the Complaint Operator position, a Communications Operator is responsible for receiving and responding appropriately and quickly to all incoming calls for service. These calls for service may be received via police and fire emergency lines, 9-1-1 lines, SMS/Text-to-911, TTY/TDD (Telecommunication Device for the Deaf), police and fire department hotlines, as well as hotlines from Chevron, Northrop, or the Hawthorne Airport Tower. Upon receipt of the call, the operator must determine the validity, nature, and priority of the call. These calls are entered as incidents to be dispatched to police and fire personnel or may be transferred appropriately.

When functioning as a Police or Fire Dispatcher, the Communications Operator is responsible for prompt and effective transmissions of dispatches as well as the coordination and intercommunication of all field units. The job requires considerable exercise of initiative and independent judgment in determining priorities and coordinating a variety of simultaneous activities of a critical nature. The operator processes requests for other city services and information from outside agencies as well as requests for information from law enforcement databases.

Prior Year Accomplishments:

- Received 322,149 calls in CY2025
 - 911 Calls: 119,266
 - 7 Digit Calls: 202,883
- Averaged 41 seconds for Police dispatch (Priority E and 1 calls) and 8 seconds for Fire dispatch in CY2025.
- Answered 98.38% of overall calls within 15 seconds and 98.48% at the busiest hour within 15 seconds in CY2025.
- Responded to 732 Text-to-911 Sessions in CY2025.

Expenses by Account - Operations Department

ACCT	DESCRIPTION	FY23-24 Adopted	FY23-24 Actual	FY24-25 Adopted	FY24-25 Actual	FY25-26 Adopted	FY65-27 Proposed	vs Adopted Inc (Dec) \$	% Change
5101	Salaries (Full-Time)	\$ 5,412,120	\$ 3,759,824	\$ 5,206,954	\$ 3,136,382	\$ 5,276,570	\$ 5,206,670	(69,900)	-1.32%
5102	Salaries (Part-Time)	-	111,161	-	442,613	-	-	-	0.00%
5103	Overtime	225,000	1,090,872	225,000	1,228,594	225,000	225,000	-	0.00%
5104	Acting Pay	10,000	3,290	10,000	5,412	10,000	10,000	-	0.00%
5105	Bilingual Pay	9,600	9,998	10,800	8,078	12,000	14,400	2,400	20.00%
5107	Longevity Pay	-	-	-	-	-	3,750	3,750	0.00%
5108	Sick Leave Payoff	95,000	61,357	95,000	47,352	95,000	75,000	(20,000)	-21.05%
5109	Vacation Leave Payoff	75,000	113,603	90,000	58,128	90,000	75,000	(15,000)	-16.67%
5110	Training Pay	15,000	16,445	15,000	11,796	20,000	30,000	10,000	50.00%
5112	Other Pay	-	9,612	-	28,000	57,000	84,750	27,750	48.68%
5114	Holiday Payoff	52,000	20,829	52,000	19,076	52,000	25,000	(27,000)	-51.92%
5115	Education Incentive	132,173	97,498	148,652	88,733	148,646	172,807	24,161	16.25%
5116	Overtime-Ridealongs	-	-	-	-	-	10,000	10,000	0.00%
5201	Medical Insurance	600,055	498,156	738,892	421,194	649,833	608,850	(40,983)	-6.31%
5202	Dental Insurance	56,173	45,399	64,237	36,044	65,623	65,240	(383)	-0.58%
5203	Vision Care	17,207	13,117	18,830	10,502	19,028	19,028	-	0.00%
5204	Life Insurance	11,629	8,695	11,629	7,271	12,128	12,128	-	0.00%
5205	Medicare	88,311	76,048	85,876	72,680	86,552	85,466	(1,086)	-1.25%
5206	Unemployment Insurance	15,000	3,301	15,000	22,093	15,000	20,000	5,000	33.33%
5207	Workers' Compensation	39,500	34,602	39,792	42,063	47,392	50,844	3,452	7.28%
5208	PERS Contribution	658,562	466,706	600,827	396,275	591,660	562,249	(29,411)	-4.97%
5209	Retirees' Medical Insurance	72,000	66,139	72,000	66,161	75,000	75,000	-	0.00%
5211	Social Security	-	-	-	17,202	-	-	-	0.00%
5212	Deferred Comp Matching Benefit	76,500	56,557	81,000	44,492	69,900	86,600	16,700	23.89%
5219	PERS Contribution-UAL	514,011	660,115	590,860	927,429	631,044	739,819	108,775	17.24%
5220	FSA Expense	4,004	3,242	4,004	3,742	3,941	5,691	1,750	44.40%
Subtotal Salaries & Benefits		\$ 8,178,845	\$ 7,226,568	\$ 8,176,353	\$ 7,141,312	\$ 8,253,317	\$ 8,263,292	\$ 9,975	0.12%
5300	Maintenance & Operations	-	-	-	-	-	-	-	0.00%
5302	Computer Contract/CAD	164,000	45,760	-	38,225	-	336,786	336,786	0.00%
5313	Temporary Staffing Services	-	-	-	75,320	-	-	-	0.00%
5401	Membership Dues	2,290	131	2,370	570	2,453	2,825	372	15.17%
5402	Publications	1,710	-	1,710	-	1,770	1,750	(20)	-1.13%
5403	Conferences, Meeting & Travel	23,846	10,366	23,846	5,015	26,131	26,131	-	0.00%
5404	Employee Services	2,500	16,612	2,588	17,799	2,679	5,000	2,321	86.64%
5405	Employee Awards	1,000	-	3,500	179	3,623	3,623	-	0.00%
5406	POST Training	12,608	894	12,608	1,024	13,049	13,049	-	0.00%
5407	Tuition Reimbursement	16,000	3,406	16,000	-	16,560	17,272	712	4.30%
5506	Uniforms/Safety Equipment	8,000	8,929	13,000	7,109	13,455	14,034	579	4.30%
5509	Reproduction	500	-	500	-	518	540	22	4.25%
5603	Telephone - El Segundo	3,171	3,714	3,282	3,745	3,397	3,543	146	4.30%
5604	Telephone - Gardena	3,171	4,642	3,500	941	3,623	3,779	156	4.31%
5606	Telephone - Hawthorne	20,000	25,832	20,000	32,276	20,700	40,000	19,300	93.24%
5607	Telephone - Hermosa Beach	12,684	9,436	13,128	9,976	13,587	14,171	584	4.30%
5608	Telephone - Manhattan Beach	6,342	4,145	6,564	4,152	6,794	7,086	292	4.30%
5611	Telephone - Punta Place	4,757	1,043	4,923	1,045	5,095	5,314	219	4.30%
5612	Telephone - RCC	11,627	10,784	12,034	10,884	12,455	12,991	536	4.30%
5613	Sprint Wireless Reimbursable	-	-	-	-	-	-	-	0.00%
5614	Verizon Wireless Reimbursable	65,000	59,296	65,000	57,452	67,275	70,168	2,893	4.30%
5615	Telephone-Culver City	15,327	19,904	15,863	46,429	16,418	17,124	706	4.30%
5616	PulsePoint Software	-	-	10,000	10,500	10,000	10,000	-	0.00%
5617	Vesta 911 Reimbursable	-	-	-	122,978	100,000	100,000	-	0.00%
5618	Medical Director Services	-	-	-	-	30,000	30,000	-	0.00%
5810	Office Equipment	5,000	1,498	5,000	-	5,000	5,000	-	0.00%
5820	Other Equipment	15,000	3,609	15,000	6,548	15,000	15,000	-	0.00%
5830	Furniture & Fixtures	-	19,449	-	-	-	-	-	0.00%
Subtotal Supplies/Services/Equip		\$ 394,532	\$ 249,450	\$ 250,416	\$ 452,168	\$ 389,582	\$ 755,186	\$ 365,604	93.85%
Total Expenses - Operations		\$ 8,573,377	\$ 7,476,017	\$ 8,426,769	\$ 7,593,480	\$ 8,642,899	\$ 9,018,478	\$ 375,579	4.35%

Account Detail - Operations Department

Account	Account Description	Comments/Explanation
5101	Salaries (Full-Time)	Includes contracted and estimated increases from MOUs if applicable
5102	Salaries (Part-Time)	Part-time Communications Operators
5103	Overtime	Covers overtime for staffing, training, and other needs as necessary
5104	Acting Pay	Communications Operators acting as Communications Supervisors per MOU with the Teamsters
5105	Bilingual Pay	Per MOU - \$100/month for eligible employees
5107	Longevity Pay	Based on years of service
5108	Sick Leave Payoff	Per MOU - max Teamsters 120 hours/CWA 120 hours @ 85% of base rate
5109	Vacation Leave Payoff	Per MOU - max 90 hours Teamsters @ 85%; CWA 120 hours @ 100% of base rate
5110	Training Pay	Per MOU - Incentive pay when Communications Operators train new employees
5112	Other Pay	Other bonus pay such as signing bonus, referral bonus
5114	Holiday Payoff	Payoff for unused holiday time at year-end
5115	Education Incentive	Per MOU - Incentive pay when employees obtain certificates and/or degrees
5116	Overtime - Ridealongs with Cities	Overtime for operators and supervisors to go on ride-alongs with member cities.
5201	Medical Insurance	Per MOUs - cafeteria plan limit
5202	Dental Insurance	Per MOUs - cafeteria plan limit
5203	Vision Insurance	Per MOUs - 100% employer paid
5204	Life Insurance	Per MOU \$100,000 employee-only coverage
5205	Medicare	1.45% employer rate
5206	State Unemployment	Based on estimated reimbursements to EDD for actual claims
5207	Workers' Compensation	Based on projected increase from prior year premium
5208	PERS Contribution	Rates reflect change in the Normal Cost from 12.58% to 12.56% for Tier 1 employees plus 3.5% of employee contributions; change from 10.19% to 10.18% for Tier 2 employees hired after October 25, 2011; change from 7.96% to 7.93% for PEPRA employees hired after January 1, 2013. UAL portion is allocated to a different account (see account # 5219).
5209	Retirees' Medical Insurance	Per MOU - retiree benefit
5219	PERS Contribution-UAL	Unfunded Accrued Liability determined by CalPERS Actuarial Report
5220	FSA Expense	Per MOU for CWA
5401	Membership Dues	See attached detail
5402	Publications	See attached detail
5403	Conferences, Meetings & Travel	See attached detail
5404	Employee Services/EC-BOD	Employee Assistance Program; miscellaneous employee operations expenses
5405	Employee Awards	Employee recognition
5406	POST Training	Mandated training; some training eligible for reimbursement by State. See attached detail.
5407	Tuition Reimbursement	Per MOU - Reimbursement of college/university class tuition and eligible expenses
5506	Uniforms/Safety Equipment	Uniform purchases for new hires and replacements for existing employees
5509	Reproduction	Training manuals
5603	Telephone - El Segundo	Data and hotline phone circuits
5604	Telephone - Gardena	Data and hotline phone circuits
5606	Telephone - Hawthorne	Data and hotline phone circuits
5607	Telephone - Hermosa Beach	Data and hotline phone circuits
5608	Telephone - Manhattan Beach	Data and hotline phone circuits
5611	Telephone - Punta Place	Data and hotline phone circuits
5612	Telephone - RCC	Data and hotline phone circuits
5613	Sprint Wireless Reimbursable	Data charges that will be reimbursed to the Authority in the 4th qtr Assessment each year.
5614	Verizon Wireless Reimbursable	Data charges that will be reimbursed to the Authority in the 4th qtr Assessment each year.

Account Detail - Operations Department

Membership Dues	
10-60-211-5401	
Association of Police Communications Officials (APCO) - Group Membership	500
National Emergency Number Association (NENA) - Group Membership	1,200
CWA Association Memberships	1,125
Total	\$ 2,825
Publications	
10-60-211-5402	
Miscellaneous publications	1,750
Total	\$ 1,750
Conferences, Meetings & Travel	
10-60-211-5403	
Total Response/EMD Training	9,500
Association of Police Communications Officials (APCO) Conference	3,500
CA 9-1-1 Training Allotment for CAL-NENA, NENA and Next Gen 9-1-1 Training	10,000
Civilian Management Seminars PMW Associates	1,186
Mandatory Supervisor Harrasment Training	420
Employee Mandatory Harrassment Training	1,300
LA County PSAP quarterly meetings - Operations Manager/Administration Supervisor	225
Total	\$ 26,131
POST Training	
10-60-211-5406	
Public Safety Training Consultants (PSTC) Seminars	6,676
Golden West College - 120 hours POST training	5,649
Golden West College - 80 hour POST Supervisor Training	725
Total	\$ 13,049

TECHNICAL SERVICES DIVISION



Technical Services Division

The Technical Services Division is staffed with two (2) Public Safety Communications Specialist II and three (3) Public Safety Communications Specialist I positions. The division provides technical services for vehicles and equipment used by the Member Cities and client cities Police, Fire, and Public Works personnel. The division also provides the same services to outside agencies including the City of Palos Verdes Estates, El Camino College Campus Police Department, and Los Angeles Interagency Metropolitan Police Apprehension Crime Taskforce (LA IMPACT).

Services provided include: installation of radios, emergency lighting, sirens, mobile computer systems, prisoner cages, prisoner restraint systems, prisoner seats, trunk boxes, slide out equipment trays, support wiring, and electrical equipment on patrol vehicles; repairs and maintenance of above equipment; repairs of mobile radios, portable radios, mobile computers, sirens, light bars, and mobile video equipment.

The division is responsible managing contracts for the maintenance and upgrade of the Authority's remote receivers and transmitters at the following sites: The Authority's Tower in Hawthorne; Punta Place in Palos Verdes Estates; South Bay Hospital in Redondo Beach; Grandview in Manhattan Beach; Water Tower in Manhattan Beach; Pacific Corporate Towers in El Segundo; Water Tower in El Segundo; Pier in Hermosa Beach; and Gardena Police Department.

The technologies that the division maintains under contract include: a microwave "ring" (1+1) network; IP voted conventional analog radio communications; networking equipment at all transmit and receive sites (firewalls, switches, routers, site monitoring equipment); Orion Solarwinds Network monitoring 24/7; generator and backup systems.

Technical Services also coordinates the maintenance requirements for the Authority facility and capital improvement projects; is responsible for upkeep of the Authority's FCC licenses and processing applications for new channels; and prepares/plans for future frequency needs of the Authority, Member Agencies and client cities.

Prior Year Accomplishments:

- Completed 290 work orders for installations and repairs of various telecommunications equipment used by Police, Fire and Public Works from members and client agencies in FY2025.

Expenses by Account - Technical Services Department

ACCT	DESCRIPTION	FY23-24 Adopted	FY23-24 Actual	FY24-25 Adopted	FY24-25 Actual	FY25-26 Adopted	FY26-27 Proposed	vs Adopted Inc (Dec) \$	% Change
5101	Salaries (Full-Time)	\$ 507,570	\$ 390,355	\$ 495,907	\$ 444,260	\$ 518,751	\$ 583,659	\$ 64,908	12.51%
5102	Salaries (Part-Time)	-	-	-	6,963	-	40,000	40,000	0.00%
5103	Overtime	3,500	48,386	30,000	86,905	30,000	70,000	40,000	133.33%
5104	Acting Pay	-	-	-	-	-	-	-	0.00%
5106	Call Back Pay	-	-	-	-	-	-	-	0.00%
5107	Longevity Pay	850	944	850	945	850	900	50	5.88%
5108	Sick Leave Payoff	10,500	8,277	10,500	10,752	10,500	10,500	-	0.00%
5109	Vacation Leave Payoff	10,000	6,705	10,000	6,839	10,000	28,106	18,106	181.06%
5110	Training Pay	-	477	2,500	1,173	2,500	2,500	-	0.00%
5112	Other Pay	-	-	-	-	9,000	-	(9,000)	-100.00%
5114	Holiday Payoff	-	-	-	-	-	-	-	0.00%
5115	Education Incentive	-	-	-	-	-	-	-	0.00%
5201	Medical Insurance	61,200	33,198	67,000	40,719	63,742	70,742	7,000	10.98%
5202	Dental Insurance	6,300	5,992	9,400	6,527	10,158	10,158	-	0.00%
5203	Vision Care	1,790	1,614	2,600	1,768	2,600	2,600	-	0.00%
5204	Life Insurance	1,020	833	1,020	986	1,020	1,020	-	0.00%
5205	Medicare	7,764	6,332	8,044	7,846	8,376	9,435	1,059	12.64%
5206	Unemployment Insurance	-	-	-	-	-	-	-	0.00%
5207	Workers' Compensation	56,132	49,170	56,547	59,773	67,347	72,252	4,905	7.28%
5208	PERS Contribution	58,676	47,203	56,087	50,617	59,388	64,436	5,048	8.50%
5209	Retirees' Medical Insurance	18,000	13,915	18,000	9,639	15,000	15,000	-	0.00%
5212	Deferred Comp Matching Benefi	3,000	6,223	7,500	7,012	7,500	7,500	-	0.00%
5219	PERS Contribution-UAL	43,128	57,408	63,214	97,708	76,219	75,828	(391)	-0.51%
Subtotal Salaries & Benefits		\$ 789,430	\$ 677,031	\$ 839,169	\$ 840,429	\$ 892,951	\$ 1,064,636	\$ 171,685	19.23%
5302	IT Computer Contract Services	145,000	145,000	145,000	145,000	145,000	145,000	-	0.00%
5311	GST Software Reimbursable	52,692	52,692	52,692	52,692	52,692	52,692	-	0.00%
5403	Conferences, Meeting & Travel	2,650	50	2,650	-	2,650	2,650	-	0.00%
5503	General Technical Supplies	7,500	7,948	7,763	23,786	7,763	7,823	60	0.77%
5506	Uniforms/Safety Equipment	2,500	953	2,588	1,571	2,500	2,500	-	0.00%
5507	Postage & Shipping	1,200	-	1,200	187	1,200	1,200	-	0.00%
5508	Shipping Costs	-	-	-	-	-	-	-	0.00%
5514	Parts - Billing	739,900	871,239	784,294	1,657,164	923,514	978,925	55,411	6.00%
5516	Install Wire, Loom & Hardware	-	-	-	-	-	-	-	0.00%
5517	Vehicle Operations	4,757	1,911	4,923	1,867	5,000	5,000	-	0.00%
5520	Equipment Repair	5,000	-	5,000	-	5,000	5,000	-	0.00%
5521	Outside Tech Serv-Towers/Equip	325,000	271,878	363,000	314,917	375,705	345,750	(29,955)	-7.97%
5524	GETAC Project	-	-	-	-	-	-	-	0.00%
5525	Culver City Infrastructure Trans	-	-	-	-	-	-	-	0.00%
5810	Office Equipment	2,000	-	2,000	3,761	4,000	4,000	-	0.00%
5820	Other Equipment	-	-	-	-	-	-	-	0.00%
Subtotal Supplies/Serv/Equip		\$ 1,288,199	\$ 1,351,671	\$ 1,371,110	\$ 2,200,945	\$ 1,525,024	\$ 1,550,540	\$ 25,516	1.67%
Total Expenses - Tech Services		\$ 2,077,629	\$ 2,028,702	\$ 2,210,279	\$ 3,041,374	\$ 2,417,975	\$ 2,615,176	\$ 197,201	8.16%

Account Detail - Technical Services Department

Account	Account Description	Comments/Explanation
5101	Salaries (Full-Time)	Includes contracted and estimated increases from MOUs if applicable
5102	Salaries (Part-Time)	Part-time Technical Services staff
5103	Overtime	As needed
5104	Acting Pay	Per MOU
5106	Call Back Pay	If called back to work after hours
5107	Longevity Pay	Based on longevity starting @ 7 years of service \$250; \$50 each additional year
5108	Sick Leave Payoff	Max 120 hrs @ 85% of base rate
5109	Vacation Leave Payoff	Max 90 hrs @ 85% of base rate
5110	Training Pay	Per MOU - Incentive pay to train new employees
5112	Other Pay	Other bonus pay such as signing bonus, referral bonus
5201	Medical Insurance	Per MOU - cafeteria plan limit
5202	Dental Insurance	Per MOU - cafeteria plan limit
5203	Vision Insurance	Per MOU - 100% employer paid
5204	Life Insurance	Per MOU \$100,000 employee-only coverage
5205	Medicare	1.45% employer contribution rate
5206	State Unemployment	Based on estimated reimbursements to EDD for actual claims
5207	Workers' Compensation	Based on projected increase from prior year premium
5208	PERS Contribution	Rates reflect change in the Normal Cost from 12.58% to 12.56% for Tier 1 employees plus 3.5% of employee contributions; change from 10.19% to 10.18% for Tier 2 employees hired after October 25, 2011; change from 7.96% to 7.93% for PEPR employees hired after January 1, 2013. UAL portion is allocated to a different account (see account # 5219).
5209	Retirees' Medical Insurance	Per MOU - retiree benefit
5219	PERS Contribution-UAL	Unfunded Accrued Liability determined by CalPERS Actuarial Report
5302	Comp Contract Services/CAD	IT support from Hawthorne; CAD consultant
5403	Conferences, Meetings & Travel	See attached detail
5503	General Technical Supplies	Chemical cleaners, switches, cables, jumpers, etc.
5506	Uniforms/Safety Equipment	Uniform purchases for new hires and replacements for existing employees
5510	Equipment Rent	Boom lift/test equipment, as needed
5514	Parts - Billing	Reimbursable expense for parts billed to members/customers - revenue offset
5515	Parts - Telecommunications	Combined all parts accounts
5516	Install Wire, Loom & Hardware	Miscellaneous parts used for installations. Now part of Parts - Billing
5517	Vehicle Operations	Fuel/other maintenance for Authority's van/truck
5520	Equipment Repair	Various factory equipment repairs including MDC hardware
5521	Outside Tech Svcs-Towers/Equipment	CommLine contract for servicing radios, microwave and tower equipment
5810	Office Equipment	Computers, printers, laptops, etc.
5820	Other Equipment	Television, tools, etc.
Conferences, Meetings & Travel		
10-70-311-5403		
	Technical Services Software/Support training	2,500
	COPS West - Palm Springs	150
	Total	\$ 2,650
Outside Tech Svcs-Towers/Equipment		
10-70-311-5521		
	Annual hardware support for (17) position Avtec/Servers, (106) Tait Base Stations and (9) Sites, microwave support.	198,000
	Avtec Annual Software support	90,250
	Support for Microwave maintenance	50,000
	Battery Back up (Dooms Day)	7,500
	Total	\$ 345,750

CAPITAL IMPROVEMENTS SUMMARY



South Bay Regional Public Communications Agency
Five Year Capital Improvement Plan

	FY25-26 Adopted	FY26-27 Projected	FY27-28 Projected	FY28-29 Projected	FY29-30 Projected	FY30-31 Adopted	Five-Year Total
Beginning Fund Balance	\$ 11,404,739	\$ 8,862,674	\$ 7,883,940	\$ 7,836,120	\$ 7,969,259	\$ 7,999,195	
Pension/OPEB Funding	\$ 526,964	\$ 776,514	\$ 416,719	\$ 329,760	\$ 352,964	\$ 356,734	
Obligated Reserves:							
Operating & Capital Reserve	\$ 1,536,569	\$ 1,667,176	\$ 1,740,404	\$ 1,819,058	\$ 1,903,682	\$ 1,982,517	
Total Obligated Reserves:	\$ 1,536,569	\$ 1,667,176	\$ 1,740,404	\$ 1,819,058	\$ 1,903,682	\$ 1,982,517	
Unobligated Fund Balance	\$ 9,341,207	\$ 6,418,984	\$ 5,726,817	\$ 5,687,302	\$ 5,712,613	\$ 5,659,944	
Proposed Capital Improvements:							
Information Technology	\$ 25,000	\$ 388,400	\$ 90,000	\$ 220,000	\$ 256,000	\$ -	\$ 954,400
Radios	450,000	470,000	-	-	-	1,000,000	1,470,000
Facilities	279,000	85,000	180,000	56,000	-	-	321,000
New Computer Aided Dispatch system	2,000,000	-	-	-	-	-	-
Vehicle Needs	-	-	100,000	-	100,000	-	200,000
Total CIP Costs:	\$ 2,754,000	\$ 943,400	\$ 370,000	\$ 276,000	\$ 356,000	\$ 1,000,000	\$ 2,945,400
Unobligated Fund Balance After Capital:	\$ 6,587,207	\$ 5,475,584	\$ 5,356,817	\$ 5,411,302	\$ 5,356,613	\$ 4,659,944	
Revenues over Expenses at End of Year	\$ 738,899	\$ 741,180	\$ 738,899	\$ 738,899	\$ 738,900	\$ 738,898	
Ending Unobligated Fund Balance:	\$ 7,326,106	\$ 6,216,764	\$ 6,095,717	\$ 6,150,200	\$ 6,095,513	\$ 5,398,842	
Percentage Unobligated Fund Balance:	51%	40%	37%	35%	34%	28%	

Capital Improvement Projects Summary - Year 1		FY26-27 Projected
Desktop System Replacements - Admin		30,000
Core Replacement		60,000
Primary Firewall Replacement		70,000
Eden System Replacement (New ERP System)		183,400
Dispatch Floor Firewall Installation		45,000
Information Technology Total	\$	388,400
Antenna System		400,000
Battery Backup (Repeater)		70,000
Radios Total	\$	470,000
Chilled Water Pumps		25,000
Air-handling Unit (AH-1)		60,000
Facilities Total		85,000
Vehicle Needs Total	\$	-
Grand Total	\$	943,400

APPENDIX



Acronyms

APCO – Association of Police Communications Officials

AQMD – Air Quality Management District

CAD – Computer Aided Dispatch

CAHN – California Association of Hostage Negotiators

RMS – Records Management System

CalPERS – California Public Employees Retirement System

CLETS - California Law Enforcement Telecommunications System

CPI – Consumer Price Index

CSMFO – California Society of Municipal Finance Officers

CWA – Communications Workers of America

DOJ – Department of Justice

DUI – Driving Under the Influence

EDD – Employment Development Department

EMD – Emergency Medical Dispatch

FCC – Federal Communications Commission

FY – Fiscal Year

GASB – Governmental Accounting Standards Board

GFOA – Government Finance Officers Association

HQ – Headquarters

IFR – Injury Frequency Radio

IP – Internet Protocol

IWCE – International Wireless Communications Expo

LAIF – Local Agency Investment Fund

LASO – Los Angeles Sheriff's Office

MB – Manhattan Beach

MBWT – Manhattan Beach Water Tower

MDC - Mobile Data Computer

MHz – Megahertz

MOU – Memorandum of Understanding

NENA – National Emergency Number Association

OPEB – Other Post-Employment Benefits

OT – Overtime

PERS – Public Employees Retirement System

POST – Police Officer Standards and Training

PSAP – Public Safety Answering Point

PSTC – Public Safety Training Center

TMS – Training Management System

UAAL - Unfunded Actuarial Accrued Liability

UHF – Ultra High Frequency

VOIP - Voice over Internet Protocol

VHF - Very High Frequency

Glossary

ACCRUAL BASIS: Revenues are recognized when both measurable and available; expenditures are recorded when services have been substantially performed or goods have been received and the liabilities incurred.

ADOPTED BUDGET: The official budget as approved by the Board of Directors at the start of each fiscal year.

AMENDED BUDGET: The adopted budget as amended by the Board of Directors or the Executive Committee through the course of a fiscal year.

APPROPRIATIONS: A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and to the time when it may be expended.

AGENCY: A state or local unit of government created to perform a single activity or a limited group of functions and authorized by the state legislature to issue bonded debt.

ASSESSMENTS: Based on the Cost Allocation Policy, the annual predetermined charges to the Member Cities (Gardena, Hawthorne, and Manhattan Beach) and for the Contract Cities (Culver City, El Segundo, and Hermosa Beach).

AUTHORITY: The South Bay Regional Public Communications Authority, a governmental agency that provides a consolidated regional public communications system.

BOND: A security whereby an issuer borrows money from an investor and agrees and promises, by written contract, to pay a fixed principal sum on a specified date (maturity date) and at a specified rate of interest.

BOND PREMIUM: The amount at which a bond or note is bought or sold above its par value or face value without including accrued interest.

BUDGET: A plan of financial operation comprised of estimated expenditures for a given period (usually a single fiscal year) and the proposed means of financing the expenditures (through revenues).

BUDGET MESSAGE: A written discussion of the budget presented by the Executive Director to the Board of Directors and/or the Executive Committee.

CAPITAL ASSETS: Equipment costing \$5,000 or more, including tax, with a useful life longer than one year, and not qualifying as a capital improvement project. Includes automotive equipment, office equipment, office furniture, acquisitions, landscaping improvements, etc.

CAPITAL OUTLAY: A budget which focuses on capital asset replacement.

CONTRACTED SERVICES: Services rendered in support of the Authority's operations and activities by external parties. These may be based upon either formal contracts or ad hoc charges.

DEPARTMENT: A major organizational group of the Authority with overall management responsibility for an operation or a group of related operations within a functional area.

ENCUMBRANCE: The commitment of appropriated funds to purchase goods, which have not yet been received, or services which have yet to be rendered

ENTERPRISE FUND: The fund used to account for any activity for which a fee is charged to external users of goods and services.

EXPENDITURES: Decreases in net financial resources. Expenditures include current operating expenses which require the current or future use of net current assets, debt service, and capital outlays.

EXPENSES: Decreases in net total assets. Expenses represent the total cost of operations during a period regardless of the timing of related expenditures.

FISCAL AGENT: Also known as the Paying Agent, the bank, designated by the issuer, to pay interest and principal to the bondholder.

FISCAL YEAR: A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position, the results of its operations, and adopts a budget for the coming year. The Authority's fiscal year is from July 1 to June 30.

FUND: An independent fiscal and accounting entity with a self-balancing set of accounts, recording resources, related liabilities, obligations, reserves, and equities segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

FUND BALANCE: The equity (assets minus liabilities) of governmental fund and fiduciary fund types. However, for budgeting purposes, a working capital definition of current assets minus current liabilities is used for the computation.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP): Uniform minimum standards of and guidelines for financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP encompasses the conventions, rules, and procedures necessary to define accepted accounting practices at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provides a standard by which to measure financial presentations.

INVESTMENT GRADE: Bond issues by the three major bond rating agencies, Moody's, Standard & Poor's, and Fitch, rated BBB, Baa or better. Many fiduciaries, trustees, and some mutual fund managers can only invest in securities with an investment grade rating.

ISSUER: A state or local unit of government that borrows money through the sale of bonds and/or notes.

JOINT POWERS AUTHORITY (JPA): The formation of two or more public entities with common powers to consolidate their forces to acquire or construct a joint-use facility. Their bonding authority and taxing ability are the same as their powers as separate units.

LETTER OF CREDIT: A form of supplement or, in some cases, direct security for a municipal bond under which a commercial bank or private corporation guarantees payment on the bond under certain specified conditions.

OBJECTIVE: A simply stated, readily measurable statement of aim or expected accomplishment within the fiscal year. A good statement of objective should imply a specific standard of performance for a given program.

OBJECT CODE: The classification of expenditures in terms of what is bought and paid for grouped into major object codes by subject.

OPERATING BUDGET: A budget which focuses on everyday operating activities and programs. Usually includes personnel, maintenance and operations, and capital equipment.

PERSONNEL EXPENSES: Compensation paid to or on behalf of Authority employees for salaries and wages, overtime and benefits.

PRELIMINARY BUDGET: The proposed budget as formulated by the Executive Director. It is submitted to the Executive Committee for review and approval before submission to the Board of Directors.

PREMIUM: The amount, if any, by which the price exceeds the principal amount (par value) of a bond. Its current yield will be less than its coupon rate.

RECOMMENDED BUDGET: The budget submitted to the Board of Directors for review and approval after review by the Executive Committee.

REFUNDING BOND: The issuance of a new bond for the purpose of retiring an already outstanding bond issue.

RETAINED EARNINGS: An equity account reflecting the accumulated earnings of Proprietary Fund types. For budgeting purposes, the working capital definition of fund balance is used.

REVENUE: Moneys that the City receives as income such as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues, and interest income.

REVENUE BOND: A municipal bond whose debt service is payable solely from the revenues received from operating the facilities acquired or constructed with the proceeds of the bonds.

TRUSTEE: A bank designated as the custodian of funds and official representative of bondholders. Appointed to ensure compliance with trust indenture.

USER CHARGES: Payments made by users or customers of publicly-provided services that benefit specific individuals. These services exhibit “public good” characteristics. Examples of user charges are fees paid for recreational activities, building fees, police fees, etc. For the Authority, the user charges are in the form of assessments to the members; billings to customers for equipment installation, repairs, and maintenance.

BUDGET POLICY



RESOLUTION NO. 366

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTH
BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY AMENDING THE
BUDGETARY POLICY**

WHEREAS, Article IV (E & F) of the Bylaws of the South Bay Regional Public Communications Authority (Authority) authorizes the Board of Directors to establish an annual budget for the Authority and to exercise any other power to implement the annual budget;

WHEREAS, pursuant to Article IV (G) of the Bylaws, the Board of Directors shall make all policy decisions and determinations for the Authority;

WHEREAS, the Board of Directors desires to amend the Authority's Budgetary Policy to include Section 7 regarding capital improvement planning; and

WHEREAS, this Resolution is intended to repeal any previous Resolution establishing a budgetary policy that was adopted by the Board of Directors or by the Executive Committee.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby adopts the following amended budgetary policy:

SECTION 1: DEFINITIONS/SCOPE OF THE BUDGET

- **Fiscal Period:** The year beginning July 1 and ending June 30
- **Budgeted Funds:** Fund 10/SBRPCA Enterprise Fund and Fund 20/Grant Fund
- **Budget Components:** Operating Budget; Capital Improvement Projects
- **Budget Categories:** Salaries & Benefits; Supplies & Services; Capital Outlay
- **Object Codes:** Line accounts such as Salaries; Overtime; Office Supplies; Legal Services; etc.
- **Departments:** Administration, Operations, Technical Services

SECTION 2: POLICY

- A. The Executive Director shall prepare a preliminary operating and capital outlay budget and present it to the Executive Committee at the Committee's regularly scheduled meeting in February of each year.
- B. The preliminary budget shall include an estimated amount that each Member City will be charged to support the budget appropriation during the coming fiscal year.
- C. The preliminary budget will also include a 10% Operational and Capital Reserve for operating and/or capital expense contingencies. The initial starting point for these reserves will be the combined Operating Reserve and Equipment Replacement Fund amounts detailed in the adopted Fiscal Year 2018/2019 budget.
- D. In circumstances where reserves have been appropriated by the Board of Directors, the budget will include a plan to replenish the reserves to this prescribed level within three (3) years.
- E. After the Executive Committee has reviewed and approved the preliminary budget, this recommended budget shall be submitted to the Board of Directors at the Board's regularly scheduled meeting in March of each year.
- F. The Board of Directors shall adopt the budget in March of each year according to the Authority's Bylaws.

SECTION 3: LEGAL LEVEL OF BUDGETARY CONTROL

- A. The legal level of budgetary control for management purposes is set by the Board of Directors at the fund level.

SECTION 4: BUDGET AMENDMENTS

- A. The Executive Director may execute operating budget transfers between object codes within the budget categories and between departments provided that such transfers do not result in an increase to the overall budget.
- B. Changes to the capital improvement projects budget will require pre-approval by the Board of Directors.
- C. Budget amendments that are between budget categories or increase the total amount of the budget will require pre-approval by the Board of Directors.
- D. Appropriations from the Reserve will require pre-approval by the Board of Directors.
- E. Unencumbered appropriations lapse at year-end. Any carryover appropriations will require approval by the Board of Directors.

SECTION 5 - FINANCIAL REPORTING

- A. The Executive Director shall present a quarterly budget performance report to the Executive Committee.
- B. The Executive Director shall present a mid-year budget report to the Board of Directors at the Board's meeting in January of each year.
- C. The Executive Director shall 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.

SECTION 6 – EXCESS FUNDS

- A. Based on the fiscal year-end audited financial statements, 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.
- B. The actual amount to be remitted shall be determined by the Board of Directors.
- C. Following each year there is a budgetary surplus, surplus funds will be used towards an Additional Discretionary Payment to the CalPERS pension Unfunded Actuarial Liability until the plan reaches and maintains a 90% funded ratio. In the event no budgetary surplus exists in a given fiscal year, or it is insufficient, unreserved available balance will be used to make the Additional Discretionary Payment. The appropriation must be approved by the Board of Directors.
- D. Following each year there is a budgetary surplus, surplus funds will be used towards an Actuarially Determined Net Trust Contribution to the Authority's Section 115 Trust for Other Post-Employment Benefits for a period of 20 years or until the trust is fully funded, whichever occurs first. In the event no budgetary surplus exists in a given fiscal year, or it is insufficient, unreserved available balance will be used to make the Actuarially Determined Net Trust Contribution. The appropriation must be approved by the Board of Directors.

SECTION 7– CAPITAL IMPROVEMENT PLANNING

- A. The Capital Improvement Program (CIP) identifies major improvements and capital purchases needed to improve services to the cities. The Capital Improvement Plan (CIP) will be approved as a 5-year plan in conjunction with the Board of Directors' approval of the annual operating budget.

B. A Capital Improvement Project (Project) must meet one of the following criteria:

- Real property acquisition (land of any amount and useful life).
- Construction of a new facility (facility with a minimum useful life of five years).
- Addition (a modification that changes the structural "footprint" of a facility) to existing facilities greater than or equal to \$25,000 (of any useful life).
- Remodeling/repair/preservation of the interior/exterior of any facility and its components greater than or equal to \$25,000 (minimum useful life of ten years).
- Major equipment items or projects, including computer and communications infrastructure, which are greater than or equal to \$25,000 and five years of useful life (includes all vehicles).

Purchase Type	Minimum Amount (\$)	Minimum Useful Life (Years)
Real property/land	Any	Any
Construction of a new facility	Any	5
Addition to an existing facility	\$25,000	Any
Remodeling/Repair/Facility preservation	\$25,000	10
Major equipment or projects (incl. vehicles & technology)	\$25,000	5

C. Funding principles to govern CIP funding and the issuance of debt:

- The Authority should attempt to use cash (from assessment revenues or unrestricted fund balance) to pay for capital expenditures on an annual basis or when funds are available that are not expected to be needed for other purposes in the foreseeable future.
- The Authority should actively seek sources of financing (either grants or low-interest state-sponsored loans) as an alternative to entering the capital markets.
- Debt financing should be considered for capital improvement projects as approved in the annual capital improvement program budget after all non-debt sources of funds (e.g., cash, grants, loans, etc.) have been considered.
- The Authority shall issue debt for capital projects based upon the Authority's Debt Policy.
- Debt should be structured so that the principal will be retired over the useful life of the project financed. The Authority should not issue a debt indebtedness period longer than the period during which it intends to use the capital improvement being financed.

D. The Authority shall prioritize capital projects by weighing the impact that such purchase(s) will have on the overall operations, maintaining continuity and

consistency throughout the overall capital improvement program. The project evaluation and selection process should consider:

- **Existing Project:** If it is an existing project with current contractual obligations, this would be a current, and active project that would be in the process of completion. Approved, but incomplete projects will be carried forward each year and included in the CIP approval process.
- **Mandate:** The project has been mandated by a current State or Federal agency, making this a project that would need to be completed to adhere to those guidelines.
- **Health & Safety:** Whether this project directly impacts health and safety.
- **Goals & Priorities:** Consideration should be made to reflect the goals and priorities of the Board and the direction that is provided for the organization towards capital expenditures.
- **Maintenance or Operational Impact:** The completion of projects that result in the preservation of prior capital investments or have a positive operational cost impact on the annual budget. Capital expenditures shall be identified to ensure the maintenance of and prevention of deterioration of prior capital projects.
- **Other:**
 1. Capital projects that do not directly identify with one of the prior categories previously listed.
 2. Projects that are of high value and beneficial to the long-range planning efforts of the Board and maintain the integrity to the success of the organization.

BE IT FURTHER RESOLVED, that any previous Resolution establishing a budgetary policy that was adopted by the Board of Directors or by the Executive Committee is hereby repealed.

The secretary shall certify to the adoption of this Resolution by the Board of Directors of the South Bay Regional Public Communications Authority.

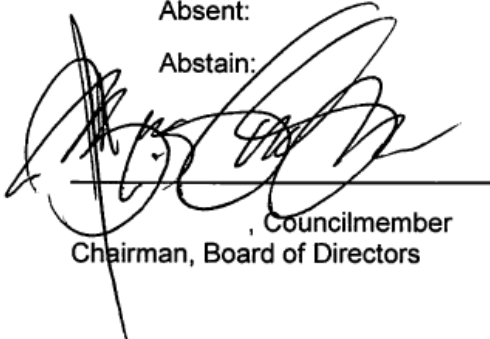
Passed, approved, and adopted in a meeting held on the 13th day of August, 2024 by the following vote:

Ayes: Tanaka, Lesser, Monteiro

Noes:

Absent:

Abstain:



Councilmember
Chairman, Board of Directors



, Executive Director
Secretary, Board of Directors

FISCAL YEAR 2026-2027
BUDGET RESOLUTION



RESOLUTION NO. _____

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS
AUTHORITY ADOPTING THE BUDGET FOR FISCAL YEAR
2026-2027 AND CORRESPONDING ASSESSMENT SCHEDULE**

WHEREAS, the South Bay Regional Public Communications Authority has been established for the purpose of implementing, operating, and maintaining a consolidated regional public safety services communications system for the mutual benefit of its membership;

WHEREAS, Article IV, Section J of the Bylaws requires the Board adopt an annual budget and assessment schedule;

WHEREAS, in a public session, on March 17, 2026, the Board of Directors examined and adopted the budget for Fiscal Year 2026-2027 as outlined below;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of said Authority has adopted a budget in the amount of \$15,365,685 for the period of July 1, 2026 through June 30, 2027 in accordance with the following allocations:

Administration Department	\$3,482,031
Operations Department	9,018,478
Technical Services Division	2,615,176
Capital Outlay	250,000
Total Budget	\$15,365,685

BE IT FURTHER RESOLVED that the Board of Directors of said Authority adopts the Assessment Schedule in Exhibit A for Fiscal Year 2026-2027.

BE IT FURTHER RESOLVED that the Finance & Performance Audit Manager of the Authority is authorized to issue assessments to the Member Cities and to the cities with which the Authority contracts for dispatch services in accordance with the terms, conditions, and formulas contained in Article X of the Authority Bylaws, and as shown on page 23 of the budget.

BE IT FURTHER RESOLVED that the Board of Directors approves an appropriation from the Enterprise Fund balance in the amount of \$943,400 to fund FY2026-2027 capital improvement projects as part of the adopted Five-Year Capital Improvement Plan.

BE IT FURTHER RESOLVED that the Board of Directors approves an appropriation from the Enterprise Fund balance in the amount of \$331,486 to fund fifty percent (50%) of the annual Computer Aided Dispatch (CAD) fee for FY2026-2027.

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 17th day of March 2026, by the following vote:

Ayes:

Noes:

Absent:

Abstain:

Rodney Tanaka, Councilmember
Chairman, Board of Directors

Mike Saffell, Interim Executive Director
Secretary, Board of Directors

F-2

Attachment 2

RESOLUTION NO. _____

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS
AUTHORITY ADOPTING THE BUDGET FOR FISCAL YEAR
2026-2027 AND CORRESPONDING ASSESSMENT SCHEDULE**

WHEREAS, the South Bay Regional Public Communications Authority has been established for the purpose of implementing, operating, and maintaining a consolidated regional public safety services communications system for the mutual benefit of its membership;

WHEREAS, Article IV, Section J of the Bylaws requires the Board adopt an annual budget and assessment schedule;

WHEREAS, in a public session, on March 17, 2026, the Board of Directors examined and adopted the budget for Fiscal Year 2026-2027 as outlined below;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of said Authority has adopted a budget in the amount of \$15,365,685 for the period of July 1, 2026 through June 30, 2027 in accordance with the following allocations:

Administration Department	\$3,482,031
Operations Department	9,018,478
Technical Services Division	2,615,176
Capital Outlay	250,000
Total Budget	\$15,365,685

BE IT FURTHER RESOLVED that the Board of Directors of said Authority adopts the Assessment Schedule in Exhibit A for Fiscal Year 2026-2027.

BE IT FURTHER RESOLVED that the Finance & Performance Audit Manager of the Authority is authorized to issue assessments to the Member Cities and to the cities with which the Authority contracts for dispatch services in accordance with the terms, conditions, and formulas contained in Article X of the Authority Bylaws, and as shown on page 23 of the budget.

BE IT FURTHER RESOLVED that the Board of Directors approves an appropriation from the Enterprise Fund balance in the amount of \$943,400 to fund FY2026-2027 capital improvement projects as part of the adopted Five-Year Capital Improvement Plan.

BE IT FURTHER RESOLVED that the Board of Directors approves an appropriation from the Enterprise Fund balance in the amount of \$331,486 to fund fifty percent (50%) of the annual Computer Aided Dispatch (CAD) fee for FY2026-2027.

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 17th day of March 2026, by the following vote:

Ayes:

Noes:

Absent:

Abstain:

Rodney Tanaka, Councilmember
Chairman, Board of Directors

Mike Saffell, Interim Executive Director
Secretary, Board of Directors

F-2

Attachment 3



Annual Assessments

Fiscal Year 2026-27

Quarter	1st	2nd	3rd	4th	
Due Date	7/15/2026	10/15/2026	1/15/2027	4/15/2027	Total
Member Cities					
Gardena	\$ 933,048.20	\$ 666,463.00	\$ 666,463.00	\$ 399,877.80	\$ 2,665,852.00
Hawthorne	1,135,312.15	810,937.25	810,937.25	486,562.35	3,243,749.00
Manhattan Beach	752,936.45	537,811.75	537,811.75	322,687.05	2,151,247.00
Contract Cities					
Culver City	812,374.25	812,374.25	812,374.25	812,374.25	3,249,497.00
El Segundo	590,744.00	590,744.00	590,744.00	590,744.00	2,362,976.00
Hermosa Beach	239,755.25	239,755.25	239,755.25	239,755.25	959,021.00
Total	\$ 4,464,170.30	\$ 3,658,085.50	\$ 3,658,085.50	\$ 2,852,000.70	\$ 14,632,342.00

Late Payment Penalties

- Gardena, Hawthorne, and Manhattan Beach
 - 5% penalty applies 15 days past due
 - 10% penalty applies 30 days past due
- Culver City
 - 5% penalty applies 15 days past due
 - 10% penalty applies 30 days past due
- El Segundo
 - 5% penalty applies 15 days past due
 - 10% penalty applies 30 days past due
- Hermosa Beach
 - 5% penalty applies 15 days past due
 - 10% penalty applies 30 days past due

Notes

- Gardena, Hawthorne, and Manhattan Beach are billed in the following proportions:
Q1-35%, Q2-25%, Q3-25%, Q4-15%
- Culver City, El Segundo, and Hermosa Beach are billed evenly throughout the year, 25% per quarter.
- GST Maintenance, Verizon Wireless DAC charges, Sprint DAC Charges, and Sprint modems are billed with 4th quarter assessments.
- In accordance with the Cost Allocation Policy, Technical Services Division Workload Support Charges are now included in this assessment which is billed quarterly.

G-1

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

FEBRUARY 17, 2026

A. CALL TO ORDER

The Executive Committee and User Committee convened in a regular joint session at 2:04PM on Tuesday, February 17, 2026, in the second-floor conference room of the South Bay Regional Public Communications Authority at 4440 West Broadway, Hawthorne, CA.

B. ROLL CALL

Present: City Manager Clint Osorio, City of Gardena
City Manager Talyn Mirzakhian, City of Manhattan Beach
City Manager Vontray Norris, City of Hawthorne
Chief Todd Fox, Gardena Police Department
Chief Eric Lane, Hawthorne Police Department
Chief Jesse Alexander, Manhattan Beach Fire Department
Chief Rachel Johnson, Manhattan Beach Police Department

Also Present: Mike Saffell, Interim Executive Director
Shannon Kauffman, Operations Manager
Vanessa Alfaro, Finance Manager
Megan Cunningham, Administrative Services Manager
Cristina Manley, Executive Assistant
Jennifer Petrusis, General Counsel RWG
Laura Kalty, Liebert Cassidy Whitmore

C. PUBLIC DISCUSSION

None.

D. EXECUTIVE COMMITTEE CONSENT CALENDAR

1. Minutes from January 20, 2026
APPROVE
2. Check Register – January 2026
RECEIVE AND FILE
3. VESTA 911 Extended Maintenance
APPROVE
4. Professional Services Agreement with Arroyo Background Investigations to Provide Ongoing Investigations
APPROVE AND AUTHORIZE EXECUTIVE DIRECTOR TO EXECUTE ON BEHALF OF THE AUTHORITY

MOTION: City Manager Norris moved to approve the Executive Committee Consent Calendar Items 1-4. The motion was seconded by City Manager Mirzakhian and passed by a vote of 3-0.

E. ITEMS REMOVED FROM THE CONSENT CALENDAR

None.

F. EXECUTIVE COMMITTEE GENERAL BUSINESS

1. Fiscal Year 2026-2027 Five-Year Capital Improvement Plan
PROVIDE DIRECTION

Finance Manager Alfaro provided a report on the Five-Year Capital Improvement Plan. In August 2024, the Board of Directors adopted a resolution establishing a Capital Improvement Plan and its first 5-year CIP. The five-year CIP is reviewed each year to identify and reprioritize capital projects.

- Plan focuses on improving infrastructure in IT, telecommunications, and facilities.
- The complete five-year CIP includes 25 individual projects totaling nearly \$3 million, funded by the authorities Enterprise Fund Undesignated fund balance.
- CIP project for fiscal year 2027 total \$943,400.
- The authority's undesignated fund balance is projected to be about \$7.3 million for the fiscal year ending June 30, 2026.
- Sufficient funds are available to fund needed CIP projects over the next five years.

City Manager Osorio inquired about the authorities adopted unbalanced fund level. Finance Manager Alfaro explained that the authority has a 10% reserve requirement.

MOTION: City Manager Norris moved to approve the Executive Committee General Business item 1. The motion was seconded by City Manager Mirzakhanian and passed by a vote of 3-0.

2. Fiscal Year 2026-2027 Preliminary Budget

PROVIDE DIRECTION

Finance Manager Alfaro provided an overview of the Authority's main revenue sources and expenses categories as follow:

Authority's Main Revenue Sources

- Assessment revenue from member cities account for 50% and Contract cities account for 41%.
- 90% is in the form of non-assessment revenue such as reimbursement for vehicle outfitting parts or other reimbursable services mostly from member and contract cities, and investment earnings.

Authority's Main Expense Categories

- Salaries and benefits make up 72% of the budget.
- Supply services and equipment make up 26%.
- Capital outlay approximately 2%.
- Operations department approximately 59% of budgeted costs, with administration at 23% and technical services at 17%.

Cost Allocation Policy

- 90% of the authority's revenues are in the form of assessments.
- The policy was adopted by the Board of Directors in 2019 after a comprehensive cost of service study.
- It ties assessment as closely as possible to the services provided to member and contract cities.
- Staff develops the preliminary budget for the upcoming fiscal year, and these costs are separated into three main categories: administrative costs, operations costs and technical service costs.

Proposed Assessments for Member Cities for Fiscal Year 2027

- Gardena's assessment is 2.6 million, a \$141,000 increase from the fiscal year

2026, or about 5.6%.

- Hawthorne's assessment is 3.2 million, a \$213,000 increase or 7%.
- Manhattan's Beach assessment is 2.1 million, a \$157,000 increase or about 7.8%.

Proposed Assessments for Contract Cities

- Culver City's assessment is 3.2 million, about a \$164,000 increase.
- El Segundo's assessment is 2.3 million, a \$153,000 increase.
- Hermosa Beach's assessment increases about \$57,000 to \$959,000
- Altogether with assessments of about 14.6 million and non-assessment revenue of about 1.4 million.
- Revenues are estimated to be about 16.1 million, an increase of 1 million or 6.7% compared to revenue projections last fiscal year.

Proposed Budget for Fiscal Year 2027

- The proposed budget for fiscal year 2027 is about 15.3 million.
- Salaries and benefits are expected to increase approximately \$328,000 or 3%.
- Supplies, services and equipment are expected to increase by \$689,000 or 20%.
 - o The annual CAD subscription fee has the biggest impact.
 - o Staff is recommending a 50% phase in approach for the fee which is reflected here in this preliminary budget.
 - o The CAD fee is about \$660,000, the increase in this category includes \$330,000 for that fee.
 - o The other 50% of the CAD fee would be covered by an appropriation from undesignated enterprise fund balance.
 - o Notable increase in the recruitment budget and consulting budget which together with CAD fee are about \$500,000 cost increase.
- Overall represents about \$1 million increase or 7% increase from last year's adopted budget.
- Revenues are estimated to be 16 million and expenses 15.3 million with revenues over expenses of about \$740,000.

Fund Balance Projections

- Projections over the next five years expect revenues over expenditures to average about \$740,000 each fiscal year.
- The Board approved a revision to the budget policy that allows ongoing funding of pension and OPEB of unfunded liabilities using budgetary surplus and unrestricted available fund balance each fiscal year.
- Staff projects a \$7.8 million fund balance for fiscal year 2027.
- The available balance or undesignated balance for fiscal year 2027 after the required 10% operating and capital reserve is projected to be about 6.2 million.

City Manager Osorio inquired about salaries and benefits, funding for 100% and expectation of hire 25 new hires. Finance Manager Alfaro explained that funding for 50 full time operators and seven full time supervisors. Interim Executive Director Saffell explained that'll take between 12-18 months to get 25 new hires online to where they count as watch. The workforce has been augmented with part timers. There will be double paying while these people are being trained. Overtime is being used to augment the shortage of staff.

City Manager Osorio requested the salary savings for the vacated positions. Finance Manager Alfaro explained that the overtime doesn't cover budget for PERS contributions or medical insurance, not the full extent of full time operators.

City Manager Norris inquired about incorporate MOUs in this forecast. Finance Manager Alfaro explained that known MOU changes are projected and accounted for. Unknown MOU changes use a 3-4% CPI increase, but fiscal year 2027 includes similar figures to approved groups.

MOTION: City Manager Norris moved to approve the Executive Committee General Business item 2. The motion was seconded by City Manager Mirzakhani and passed by a vote of 3-0.

3. Executive Director's Update Versaterm CAD Project
RECEIVE AND FILE

Operations Manager Kauffman and Bill Romesburg provided information on a CAD update. Milestone 5 (building the production environment) was projected to be done January 2nd but is still in progress. Milestone 5 needs to be completed for functional acceptance testing (milestones 7-9) to begin.

Bill Romesburg explained that Versaterm submitted the invoice for task completion on milestone 5, but the interfaces are not complete. Functional testing can't happen until after the production environments have to include all the interfaces. Versaterm "screwed up" by agreeing to this contract term. This is being used to encourage Versaterm to finish the interfaces. Milestone 6 functional acceptance testing, which has been ongoing during the configuration process. This process will take another two months, through May. After that, training will begin in preparation for the July go-live. Versaterm has been communicating with agencies, police and fire administration, and end users on mobile data technology (MDT). They are gathering feedback on what users want to change. Versaterm has also set up conversation with IT representatives and records managers from each agency. The project is still on track for a July go-live, and the budget and functionally are correct.

Milestone 5 ETA – The interfaces should be finished by the end of May, they can be tested by June 1st. The production environment is up, but it doesn't have all the interfaces built into it yet.

Go-Live – is in July. There are options to go-live: standalone cutover or running systems in parallel. The plan is to do a complete cutover with no parallel system. Tiburon will be kept running for supervisors and records for historical lookups. A testing environment will be available at the same time as Tiburon.

Upcoming Meetings – Fire Department MDC meeting to discuss GUI and functionality. Police CAD meeting with individuals from each city to discuss CAD updates. Follow-up meeting scheduled with Fire departments regarding additional MDC items, Executive Police CAD update, and police MDC presentation.

Chief Fox inquired of whether the current modems can handle the new MDC environment. Bill Romesburg explained the MDC environment has not been loaded yet. The minimum hardware requirements were given to IT several months ago. There is a meeting with IT coming up to discuss these items.

MDC Meeting Target Audience – The concern is that the people who use the MDC in the field should have more involvement.

Each department should assign someone who is IT-oriented, familiar with the GUI, and who knows the application well to work on the MDC. Discussion on disposition codes. Versaterm allows tagging things with keywords, which can bring up calls without needing specific disposition codes. Versaterm has been accommodating requests and making changes during meetings, aiming to mirror Tiburon's layout initially before expanding with more features.

Chief Johnson acknowledges significant World Cup involvement from early June to the end of July, which will limit training capabilities. Interim Executive Director Saffell mentioned the influx of new dispatchers between June which will pose training challenges.

Upcoming meetings:

Fire Executive CAD project update – February 18, 2026

Technical Meeting with Technical staff with all cities – February 24, 2026

Records Management Meeting

Police Executive CAD project Update Meeting – March 4, 2026

4. Executive Director's Update on Technical Services

RECEIVE AND FILE

Administrative Services Manager Cunningham provided an update on Technical Services.

Fleet Inventory Update:

- Three more builds completed since mid-January, bringing the total to 59.
- Four vehicles are currently being built.
- Thirty-one vehicles have been obtained but not yet delivered.
- Seven vehicles are at city facilities, waiting to be brought for builds.

5. Executive Director's Update on Staffing

RECEIVE AND FILE

Administrative Services Manager Cunningham provided a staffing update.

Staffing as of February 2026:

- One temporary employee
- Nine part-time employees
- Twenty-three full-time employees
- Three supervisors (one retirement)

Plans to supplement training:

- One temporary employee starting in early March
- A full-time employee starting in early March
- Part-time employee starting in early March

Recruitment Update (January 18 – February 17)

- 411 applications received, bringing the total since December to 809
 - 301 people were scheduled to test, with 205 taking the test and 51 passed.
 - 14 Candidates are actively in backgrounds
 - Instagram stats: 1500+ new followers, totaling 3500+ since December, 368,000+ ad views this month, 786,000_ since December
 - ZipRecruiter: Almost 3000 job views, 1160 applied, totaling 4600 job views and almost 1800 applications since December
 - Current staffing: 23 full—time, 9 part-time, and 1 temporary employee
- Interim Executive Director explained the background checks and testing.

Testing capacity has increased from two stations to eight, allowing more people to be tested. The success rate on the written test is around 20%. The goal is to have 30 people in backgrounds by May 1st. Expectation to see new staff beginning of March, with 8-10 by April 1st.

City Manager Mirzakhaniah suggested to tag the city's various Instagram accounts in social media posts for reposting.

6. Executive Director's Update on FY 2024-2025 Annual Financial Report
RECEIVE AND FILE

Interim Executive Director Saffell provided an update on the annual financial report is typically present to the Executive Committee by February, but it will be included in the March meeting due to the implementation of new accounting standards.

G. **USER COMMITTEE CONSENT CALENDAR**

1. Minutes for January 20, 2026
APPROVE

MOTION: Chief Fox motioned to approve Item-1. The motion was seconded by Chief Johnson and passed by a vote of 4-0.

H. **ITEMS REMOVED FROM CONSENT CALENDAR**

None.

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

City Manager Norris inquired about future recruitment strategies. Interim Executive Saffell explained the "full court press" approach will slow down and become more methodical, but constant recruitment is necessary due to attrition.

Interim Executive Director Saffell discussed alternates for meetings. Reaching out to alternates, including city managers, to stand in when needed. An update on this will be provided. Leadership academies are still offered.

J. **CLOSED SESSION**

The Executive Committee entered closed session at 2:44PM and returned at 4:01PM with no reportable action taken.

1. CONFERENCE WITH LABOR NEGOTIATOR
Pursuant to Government Code Section 54957.6
Agency Designated Representatives: Executive Director and Liebert, Cassidy Whitmore
Employee Organization: The California Teamsters Public, Professional and Medical Employees Union Local 911
2. PUBLIC EMPLOYEE APPOINTMENT
Pursuant to Government Code Section 54957(b)(1)
Title: Executive Director

K. **ADJOURNMENT**

The meeting was adjourned at 4:01PM.

G-2

**MINUTES OF A SPECIAL MEETING OF THE
EXECUTIVE COMMITTEE**

MARCH 3, 2026

A. CALL TO ORDER

The Executive Committee convened in a special session at 4:01PM on Tuesday, March 3, 2026 in the second-floor conference room of the South Bay Regional Public Communications Authority at 4440 West Broadway, Hawthorne, CA.

B. ROLL CALL

Present: City Manager Clint Osorio, City of Gardena
City Manager Vontray Norris, City of Hawthorne
City Manager Talyn Mirzakhian, City of Manhattan Beach

Also Present: Mike Saffell, Interim Executive Director
Cristina Manley, Executive Assistant
Jennifer Petrusis, RWG Law
Laura Kalty, Liebert Cassidy Whitmore

C. PUBLIC DISCUSSION

None.

D. EXECUTIVE COMMITTEE COMMENTS

None.

E. CLOSED SESSION

The Executive Committee entered closed session at 4:02 PM.

1. CONFERENCE WITH LABOR NEGOTIATOR

Pursuant to Government Code Section 54957.6

Agency Designated Representatives: Executive Director and Liebert, Cassidy

Whitmore Employee Organization: The California Teamsters Public, Professional and Medical Employees Union Local 911

The Executive Committee returned from closed session at 4:28 PM with no reportable action taken.

F. ADJOURNMENT

The meeting was adjourned at 4:28 PM.

G-3



Check Register FY 2025-26

February 2026

<u>Accounts Payable Check Issued Date</u>	<u>Total Check Amount</u>	<u>Notes</u>

February 6, 2026	\$149,473.57	
February 13, 2026	\$128,108.32	
February 20, 2026	\$92,162.90	
February 27, 2026	<u>\$163,093.41</u>	
Accounts Payable Total	\$532,838.20	

<u>Payroll Checks Issued Date</u>	

February 6, 2026	\$179,805.74
February 20, 2026	<u>\$170,392.61</u>
Payroll Total	\$350,198.35

Bank : bow BANK OF THE WEST

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
21017	2/5/2026	00696	GUARDIAN	533654-02	1/21/2026	GUARDIAN - DENTAL,VISION,	5,301.34	5,301.34
21018	2/6/2026	00058	CALPERS	1000000181836	1/14/2026	HEALTH PREMIUMS FOR FEE	46,502.68	46,502.68
21019	2/6/2026	00219	INTERNAL REVENUE SEF	Ben42051	2/6/2026	FEDERAL WITHHOLDING TAX	38,186.01	38,186.01
21020	2/6/2026	00223	EMPLOYMENT DEVEL DE	Ben42055	2/6/2026	STATE DISABILITY INSURANC	15,251.68	15,251.68
21021	2/6/2026	00222	STATE DISBURSEMENT L	Ben42059	2/6/2026	SUPPORT: PAYMENT	184.62	184.62
21022	2/6/2026	00058	CALPERS	Ben42053	2/6/2026	PERS RETIREMENT: PAYMEN	27,873.27	27,873.27
21023	2/6/2026	00221	MISSIONSQUARE RETIRE	Ben42049	2/6/2026	DEFERRED COMPENSATION	14,367.38	14,367.38
59225	2/6/2026	00218	CWA LOCAL 9400	Ben42045	2/6/2026	UNION DUES CWA: PAYMENT	60.79	60.79
59226	2/6/2026	00217	INTL BROTHERHOOD OF	Ben42047	2/6/2026	UNION DUES TEAMSTERS: P	976.50	976.50
59227	2/6/2026	00996	WAGEWORKS INC., HEAL	Ben42057	2/6/2026	HEALTH CARE FSA: PAYMEN	769.30	769.30
Sub total for BANK OF THE WEST:							149,473.57	

Bank : bow BANK OF THE WEST

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
2358	2/13/2026	00411	PITNEY BOWES 8000-9090-0888	2/1/2026	POSTAGE AND SHIPPING (PC	149.00	149.00
2359	2/13/2026	00012	CALIFORNIA WATER SER 5550731926	1/30/2026	FIRE PROTECTION SERVICE,	108.57	108.57
2360	2/13/2026	00651	FRONTIER 209-188-0077-04	2/1/2026	PHONE SERVICE 02/01/26 - 0	339.77	339.77
2361	2/13/2026	00069	SOUTHERN CALIFORNIA 700610392752	2/4/2026	ELECT SERV GRANDVIEW/ 0	338.78	338.78
2362	2/13/2026	00070	GAS COMPANY, THE 059 194 8982 2	2/4/2026	GAS SERVICE HQ/ 01/05/2026	2,491.98	2,491.98
2363	2/21/2026	01162	BMO COMMERCIAL CARL				
		01184	STANLEY STEEMER OF L 1053729`	1/23/2026	2ND FLOOR BREAKROOM FL	3,187.50	
		00014	CDW GOVERNMENT, INC AH7DW1D	1/21/2026	MONITORS (6)	1,690.55	
		00523	CALIFORNIA CHAMBER C 11895705	1/20/2026	CA HARASSMENT PREVENTI	1,159.52	
		00981	SAM'S CLUB 10385588594	1/6/2026	EMPLOYEE WELLNESS PROG	795.74	
		01185	THE VOLARE ASCEND HC H14154298	1/14/2026	LODGING FOR CIVILIAN MAN	644.22	
		01041	ZIP RECRUITER 59547031	1/22/2026	RECRUITMENT	549.00	
		01183	INDEED, INC. USI26-00538206	1/21/2026	JOB POSTING FOR OPERATI	500.22	
		00983	MI ZACATECAS 92892	1/28/2026	EMPLOYEE SERVICES - RETI	340.23	
		00228	COSTCO MEMBERSHIP 1256738549	1/15/2026	JANITORIAL SUPPLIES	334.60	
		00014	CDW GOVERNMENT, INC AH7QH9U	1/23/2026	CHARGING STATION - OTHE	278.80	
		00610	DIRECTV 065190124X260	1/4/2026	CABLE SERVICES	269.99	
		00467	LOWES BUSINESS 221036	1/22/2026	GENERAL TECHNICAL SUPPI	263.91	
		00981	SAM'S CLUB 10389483913	1/19/2026	EMPLOYEE WELLNESS PROG	223.70	
		00014	CDW GOVERNMENT, INC AH6617Y	1/20/2026	HEADPHONE/ COMPUTER M	204.47	
		00014	CDW GOVERNMENT, INC AH7LA1D	1/22/2026	HEADPHONES/MOUSE (6)	204.47	
		01179	FACEBOOK 010626	1/6/2026	AMAZON CHARGE DISPUTED	178.19	
		00052	PARADISE AWARDS 42379	1/15/2026	EMPLOYEE - RETIREMENT	164.65	
		00255	CSMFO 300020854	1/26/2026	CSMFO MEMBERSHIP RENE	155.00	
		00458	NENA 300086420	1/1/2026	PUBLIC SAFETY MEMBERSH	152.00	
		00014	CDW GOVERNMENT, INC AH7JX5C	1/22/2026	USB PORT HUB (12)	145.99	
		00074	STAPLES INC. 48224	1/16/2026	OFFICE SUPPLIES	145.27	
		00466	AMAZON MARKETPLACE 114-9283926-50	1/4/2026	PORTABLE MONITOR - OFFIC	142.58	
		00466	AMAZON MARKETPLACE 114-9510503-05	1/20/2026	EXTENSION CORD/OFFICE S	136.90	
		00915	GOLD GAS 928614997	1/5/2026	FUEL (VAN)	123.78	
		00591	PIZZA HUT #026174 0002	1/1/2026	EMPLOYEE SERVICES - NEW	123.75	
		00840	LOADED CAFE 46521	1/29/2026	TSD EMPLOYEE MEETING	119.24	
		01183	INDEED, INC. USI26-00013424	1/2/2026	JOB POSTING FOR OPERATI	116.11	
		00466	AMAZON MARKETPLACE 114-6345416-63	1/9/2026	OFFICE SUPPLIES	116.01	

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(Continued)

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
		00466	AMAZON MARKETPLACE	114-5454373-65	1/20/2026	OFFICE SUPPLIES	107.13
		00466	AMAZON MARKETPLACE	112-3231343-56	1/22/2026	EMPLOYEE RETIREMENT DE	105.32
		01183	INDEED, INC.	KLK11OLM-000	1/29/2026	JOB POSTING FOR OPERATI	99.00
		00761	BOX	13250962	12/26/2025	SOFTWARE SERVICES	90.00
		01047	GODADDY	3999527080	1/23/2026	WEBSITE HOST SUBSCRIPTI	85.98
		00981	SAM'S CLUB	8000000142437	1/27/2026	EMPLOYEE WELLNESS PRO	81.70
		00466	AMAZON MARKETPLACE	111-6293420-29	1/14/2026	LARGE HDMI CABLES - OFFI	78.30
		01179	FACEBOOK	CGPT7CV5X2	1/19/2026	FACEBOOK RECRUITMENT A	76.00
		01179	FACEBOOK	VLKX7DM5X2	1/20/2026	FACEBOOK RECRUITMENT A	76.00
		01179	FACEBOOK	VFU5SCZ5X2	1/23/2026	FACEBOOK RECRUITMENT A	76.00
		01179	FACEBOOK	S8EMXCZ5X2	1/25/2026	FACEBOOK RECRUITMENT A	76.00
		01179	FACEBOOK	F9C6ZB56X2	1/27/2026	FACEBOOK RECRUITMENT A	76.00
		01179	FACEBOOK	HP7AXBM6X2	1/28/2026	FACEBOOK RECRUITMENT A	76.00
		01179	FACEBOOK	ZM4MBDD6X2	1/30/2026	FACEBOOK RECRUITMENT A	76.00
		01179	FACEBOOK	YUDMDA56X2	1/6/2026	FACEBOOK RECRUITMENT A	76.00
		01179	FACEBOOK	AXLWDCH6X2	1/9/2026	FACEBOOK RECRUITMENT A	76.00
		01179	FACEBOOK	MQY9SBZ5X2	1/11/2026	FACEBOOK RECRUITMENT A	76.00
		01179	FACEBOOK	FPQKNCH6X2	1/13/2026	FACEBOOK RECRUITMENT A	76.00
		01179	FACEBOOK	73N8RAM6X2	1/15/2026	FACEBOOK RECRUITMENT A	76.00
		01179	FACEBOOK	MEZUVC5X2	1/17/2026	FACEBOOK RECRUITMENT A	76.00
		00015	CHEVRON AND TEXACO	011526	1/15/2026	CHEVRON - EMPLOYEE REIM	72.67
		00607	TORRANCE BAKERY	6831	1/21/2026	EMPLOYEE RETIREMENT SE	66.15
		00464	TARGET	6019399135643	1/19/2026	JANITORIAL SUPPLIES	65.67
		00714	DOOR DASH	012926	1/30/2026	OPERATOR TRAINING SESSI	62.30
		01179	FACEBOOK	G9BF6BD6X2	1/4/2026	FACEBOOK RECRUITMENT A	62.00
		01179	FACEBOOK	X2E24BV5X2	1/5/2026	FACEBOOK RECRUITMENT A	62.00
		00981	SAM'S CLUB	8000000169428	1/28/2026	EMPLOYEE WELLNESS PRO	55.39
		00464	TARGET	6017399100148	2/11/2026	JANITORIAL SUPPLIES	51.42
		00466	AMAZON MARKETPLACE	112-4504849-84	1/21/2026	EMPLOYEE RETIREMENT DE	50.75
		01046	PELTON	010126	1/1/2026	EMPLOYEE SERVICES	49.99
		00464	TARGET	6020399137893	1/19/2026	JANITORIAL SUPPLIES	49.69
		00466	AMAZON MARKETPLACE	111-5558507-41	2/11/2026	LARGE HDMI CABLES - OFFI	49.02
		01179	FACEBOOK	ZLZS3BZ5X2	1/2/2026	FACEBOOK RECRUITMENT A	45.00
		01179	FACEBOOK	VE5LT9M6X2	1/3/2026	FACEBOOK RECRUITMENT A	45.00
		01179	FACEBOOK	N8H5W956X2	1/1/2026	FACEBOOK RECRUITMENT A	40.00

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Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
		00464	TARGET	60213991380471	1/21/2026	JANITORIAL SUPPLIES	38.56	
		00466	AMAZON MARKETPLACE	112-8866238-13	1/14/2026	OFFICE SUPPLIES	34.62	
		00464	TARGET	011926	1/19/2026	JANITORIAL SUPPLIES	31.67	
		00933	EBAY	25-14048-66909	1/7/2026	GENERAL TECHNICAL SUPPLI	26.99	
		00637	SAFE MART, THE	fhpf	1/5/2026	GENERAL TECHNICAL SUPPLI	26.52	
		00933	EBAY	03-14172-70697	1/28/2026	GENERAL TECHNICAL SUPPLI	26.24	
		00509	CVS PHARMACY STORE	4069	1/20/2026	CONFERENCE ROOM SUPPL	25.18	
		00539	RALPHS GROCERY	010926	1/9/2026	OFFICE SUPPLIES	23.17	
		01179	FACEBOOK	W4PLPCZ5X2	1/22/2026	FACEBOOK RECRUITMENT A	21.89	
		00466	AMAZON MARKETPLACE	114-3155383-69	1/22/2026	OFFICE SUPPLIES	7.72	
		00477	APPLE ONLINE STORE	010726	1/7/2026	EMPLOYEE REIMBURSEMEN	2.99	
		00477	APPLE ONLINE STORE	012826	1/28/2026	EMPLOYEE REIMBURSEMEN	1.29	
				123125	1/1/2026	ANNUAL AUTOMATIC CASHB	-273.67	14,922.04
59228	2/13/2026	00297	AT&T, ATT CALNET	000024761343	2/10/2026	PHONE SERVICE 01/03/26-02	514.41	514.41
59229	2/13/2026	00064	AT&T, ATT PAYMENT CEN	960 461-1623 55	2/1/2026	PHONE SERVICE 02/01/2026-	3,834.40	3,834.40
59230	2/13/2026	00014	CDW GOVERNMENT, INC	AH9H93R	2/5/2026	CDW-G BILLABLE PARTS	221.22	221.22
59231	2/13/2026	00460	CHARTER COMMUNICATI	2491898010201	2/1/2026	FY 25-26 INTERNET SERVICE	3,043.73	3,043.73
59232	2/13/2026	00017	CHEM PRO LABORATORY	IN231284	2/1/2026	WATER TREATMENT SERVIC	96.05	96.05
59233	2/13/2026	00439	CIT COM, INC.	2026-3	2/1/2026	CAD SYSTEM IMPLEMENTATI	7,040.00	7,040.00
59234	2/13/2026	00225	COMMLINE INC	0517680-IN	12/4/2025	COMMLINE INC BILLABLE PA	7.50	7.50
59235	2/13/2026	01051	COMPASS GROUP USA IN	SOC306291	1/28/2026	COFFEE VENDING SERVICES	984.25	984.25
59236	2/13/2026	00879	CROWN CASTLE	2059399	2/1/2026	REDUNDANT INTERNET SER	1,100.00	1,100.00
59237	2/13/2026	01069	DOCUMENT CONSULTING	139699	1/1/2026	COPIER LEASE & PRINTING S	454.82	454.82
59238	2/13/2026	01048	ERIC JASON ARROYO	3878	2/6/2026	RECRUITMENT - BACKGROU	1,500.00	1,500.00
59239	2/13/2026	00008	FEDERAL SIGNAL CORP	9126505	2/2/2026	FEDERAL SIGNAL CORP BILL	5,469.53	
				9127304	2/3/2026	FEDERAL SIGNAL CORP BILL	643.22	6,112.75
59240	2/13/2026	00005	FEDEX	9-159-03672	1/30/2026	POSTAGE AND SHIPPING	12.94	12.94
59241	2/13/2026	00651	FRONTIER	7002Z664-S-26C	2/5/2026	PHONE SERV 02/05/26-03/04/	8,626.40	
				7002Z665-S-26C	2/5/2026	PHONE SERV 02/05/26-03/04/	5,929.37	14,555.77
59242	2/13/2026	00027	HAVIS INC.	SIN345276	2/4/2026	HAVIS INC BILLABLE PARTS	1,291.32	
				SIN344914	2/3/2026	HAVIS INC BILLABLE PARTS	1,165.88	
				SIN345128	2/4/2026	HAVIS INC BILLABLE PARTS	91.69	2,548.89

Bank : bow BANK OF THE WEST		(Continued)							
Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total		
59243	2/13/2026	00867	JOE MAR POLYGRAPH	26-011-SBRPCA	2/11/2026	PRE-EMPLOYMENT POLYGR	2,750.00		
				26-008-SBRPCA	1/28/2026	PRE-EMPLOYMENT POLYGR	250.00		
				26-009-SBRPCA	2/1/2026	PRE-EMPLOYMENT POLYGR	250.00		
				26-010-SBRPCA	2/7/2026	PRE-EMPLOYMENT POLYGR	250.00	3,500.00	
59244	2/13/2026	00442	LAWSON PRODUCTS, INC	9313191469	2/4/2026	LAWSON PRODUCTS INC BIL	672.85	672.85	
59245	2/13/2026	00043	MANEY WIRE & CABLE, IN	20101755	1/29/2026	MANEY WIRE & CABLE INC B	528.53	528.53	
59246	2/13/2026	00047	MOTOROLA SOLUTIONS,	8282274083	2/2/2026	MOTOROLA SOLUTIONS INC	34,803.16	34,803.16	
59247	2/13/2026	01152	PRIMO BRANDS	06B8710314288	2/12/2026	WATER FILTRATION SYSTEM	97.13	97.13	
59248	2/13/2026	00580	PUN GROUP, LLP, THE	115846	1/31/2026	PROFESSIONAL AUDIT SERV	2,296.00	2,296.00	
59249	2/13/2026	01022	RACE COMMUNICATIONS	RC2005354	2/1/2026	COMMUNICATION CONTRAC	1,198.50	1,198.50	
59250	2/13/2026	00818	RICHARDS,WATSON & GE	255443	10/23/2025	FY 25-26 GENERAL COUNSEI	7,186.17		
				256808	1/23/2026	FY 25-26 GENERAL COUNSEI	4,482.90		
				255975	11/26/2025	FY 25-26 GENERAL COUNSEI	4,416.40	16,085.47	
59251	2/13/2026	00145	SETINA MFG CO INC	326463	2/5/2026	SETINA MANUFACTURING CO	1,167.32	1,167.32	
59252	2/13/2026	00824	SMART JANITORIAL, COM	36892	2/1/2026	HQ MAINTENANCE - CLEANIN	4,685.00	4,685.00	
59253	2/13/2026	00074	STAPLES INC.	7008689007	2/7/2026	OFFICE & JANITORIAL SUPPL	142.08	142.08	
59254	2/13/2026	00978	TREMCO PRODUCTS INC	39868	1/15/2026	VEHICLE OUTFITTING PARTS	1,568.86	1,568.86	
59255	2/13/2026	00063	WHELEN ENGINEERING (	834569	2/4/2026	WHELEN ENGINEERING CO I	986.55	986.55	
Sub total for BANK OF THE WEST:							128,108.32		

Bank : bow BANK OF THE WEST

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
21024	2/20/2026	00219	INTERNAL REVENUE SEF Ben42195	2/20/2026	FEDERAL WITHHOLDING TAX	36,085.17	36,085.17
21025	2/20/2026	00223	EMPLOYMENT DEVEL DE Ben42199	2/20/2026	STATE DISABILITY INSURANC	14,679.18	14,679.18
21026	2/20/2026	00222	STATE DISBURSEMENT L Ben42203	2/20/2026	SUPPORT: PAYMENT	184.62	184.62
21027	2/20/2026	00058	CALPERS Ben42197	2/20/2026	PERS RETIREMENT: PAYMEN	26,036.56	26,036.56
21028	2/20/2026	00221	MISSIONSQUARE RETIRE Ben42193	2/20/2026	DEFERRED COMPENSATION	12,114.27	12,114.27
59256	2/20/2026	00002	AFLAC Ben42187	2/20/2026	AFLAC INSURANCE: PAYMEN	1,285.36	1,285.36
59257	2/20/2026	00218	CWA LOCAL 9400 Ben42189	2/20/2026	UNION DUES CWA: PAYMENT	60.79	60.79
59258	2/20/2026	00217	INTL BROTHERHOOD OF Ben42191	2/20/2026	UNION DUES TEAMSTERS: P	976.50	976.50
59259	2/20/2026	00996	WAGEWORKS INC., HEAL Ben42201	2/20/2026	HEALTH CARE FSA: PAYMEN	740.45	740.45
Sub total for BANK OF THE WEST:							92,162.90

Bank : bow BANK OF THE WEST

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
2364	2/24/2026	00073	STATE BOARD OF EQUAL 012-655960	2/24/2026	SALES & USE TAX 2026 Q1 PI	35.00	35.00
2365	2/27/2026	00069	SOUTHERN CALIFORNIA 700440732476	2/12/2026	ELEC SERV HQ/ 01/10/26 - 02	14,828.73	
			700383926852	2/19/2026	ELEC SERV PUNTA/ 01/20/26	889.84	15,718.57
2366	2/27/2026	00012	CALIFORNIA WATER SER 4675328235	2/18/2026	WATER SERV HQ/ 01/17/26-02	587.47	587.47
59260	2/27/2026	00297	AT&T, ATT CALNET 000024806578	2/13/2026	PHONE SERV 01/13/26-02/12/	3,311.88	
			000024813776	2/13/2026	PHONE SERV 01/13/26-02/12/	276.80	
			000024810713	2/13/2026	PHONE SERV 01/13/26-02/12/	246.85	3,835.53
59261	2/27/2026	01138	AUST, JENNIFER 022726	2/27/2026	RETIREE MED PREM/MAR 20	38.00	38.00
59262	2/27/2026	00734	COMMANDSTAT ANALYTIC 255	2/17/2026	STATISTICAL REPORTS (5)	875.00	875.00
59263	2/27/2026	00225	COMMLINE INC 0527577-IN	1/1/2026	ANNUAL HARDWARE SUPPO	90,250.00	
			0528093-IN	2/23/2026	COMMLINE INC BILLABLE PA	874.00	
			0528095-IN	2/23/2026	COMMLINE INC BILLABLE PA	820.00	
			0526457-IN	2/10/2026	COMMLINE INC BILLABLE PA	685.00	92,629.00
59264	2/27/2026	00101	CORDOVA, TONY 022726	2/27/2026	RETIREE MED PREM/MAR 20	588.00	588.00
59265	2/27/2026	00407	COSCO FIRE PROTECTIC 1000763328	2/19/2026	ANNUAL MAINTENANCE	1,469.00	1,469.00
59266	2/27/2026	00081	COSTON, SHANDER 022726	2/27/2026	RETIREE MED PREM/MAR 20	338.00	338.00
59267	2/27/2026	00226	DEPT OF INDUSTRIAL RE E 2252416 MR	2/6/2026	ELEVATOR INSPECTION, RE/	225.00	
			E 2252418 MR	2/6/2026	ELEVATOR INSPECTION, FRC	225.00	450.00
59268	2/27/2026	00103	DIVINITY, TANJI 022726	2/27/2026	RETIREE MED PREM/MAR 20	588.00	588.00
59269	2/27/2026	01069	DOCUMENT CONSULTING 139721	2/1/2026	COPIER LEASE & PRINTING S	586.72	586.72
59270	2/27/2026	00105	EBERLE, KELLE 022726	2/27/2026	RETIREE MED PREM/MAR 20	338.00	338.00
59271	2/27/2026	01048	ERIC JASON ARROYO 3885	2/19/2026	RECRUITMENT - BACKGROU	1,500.00	1,500.00
59272	2/27/2026	00785	EXPERIAN 6000221647	2/1/2026	CREDIT CHECK/MONITORING	80.12	80.12
59273	2/27/2026	00008	FEDERAL SIGNAL CORP 9137447	2/17/2026	FEDERAL SIGNAL CORP BILL	4,641.00	
			9136351	2/16/2026	FEDERAL SIGNAL CORP BILL	2,024.36	
			9138381	2/18/2026	FEDERAL SIGNAL CORP BILL	252.54	6,917.90
59274	2/27/2026	00834	GOVERNMENTJOBS.COM INV-149738	11/26/2025	GOVERNMENTJOBS.COM SL	1,356.35	
			INV-126747	12/2/2024	GOVERNMENTJOBS.COM SL	1,273.57	2,629.92
59275	2/27/2026	00577	JESSICA RAMOS 4296	2/24/2026	VEHICLE MAINTENANCE & D	120.00	120.00
59276	2/27/2026	00867	JOE MAR POLYGRAPH 26-013-SBRPCA	2/21/2026	PRE-EMPLOYMENT POLYGR	2,000.00	
			26-012-SBRPCA	2/13/2026	PRE-EMPLOYMENT POLYGR	750.00	2,750.00
59277	2/27/2026	00442	LAWSON PRODUCTS, INC 9313245960	2/24/2026	LAWSON PRODUCTS INC BIL	153.37	153.37
59278	2/27/2026	00087	LIEBERT CASSIDY & WHI 315255	1/31/2026	FY 25-26 LEGAL SERVICES	5,044.00	5,044.00

Bank : bow BANK OF THE WEST		(Continued)						
Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
59279	2/27/2026	00043	MANEY WIRE & CABLE, IN 20102188	2/23/2026	MANEY WIRE & CABLE INC B	8,656.46		
			20102143	2/19/2026	MANEY WIRE & CABLE INC B	187.32	8,843.78	
59280	2/27/2026	00113	MARTIN, LISA 022726	2/27/2026	RETIREE MED PREM/MAR 20	338.00	338.00	
59281	2/27/2026	00129	MC REYNOLDS, JENNIFE 022726	2/27/2026	RETIREE MED PREM/MARCH	338.00	338.00	
59282	2/27/2026	00331	MITSUBISHI ELECTRIC IN 557400	2/10/2026	MONTHLY ELEVATOR MAINTI	870.00	870.00	
59283	2/27/2026	00047	MOTOROLA SOLUTIONS, 8282278833	2/10/2026	MOTOROLA SOLUTIONS INC	775.29	775.29	
59284	2/27/2026	00121	PINELA, ELIZABETH 022726	2/27/2026	RETIREE MED PREM/MAR 20	588.00	588.00	
59285	2/27/2026	01143	RX PLUMBING & ROOTEF 000058	2/20/2026	CIP PROJECT #25-05-FA	4,969.78	4,969.78	
59286	2/27/2026	00144	SAXE-CLIFFORD PHD, SL 26-0219-7	2/19/2026	PRE-EMPLOYMENT PSYCHO	400.00	400.00	
59287	2/27/2026	00124	SMITH, KEVIN 022726	2/27/2026	RETIREE MED PREM/MAR 20	338.00	338.00	
59288	2/27/2026	00106	SMITH, SANDRA 022726	2/27/2026	RETIREE MED PREM/MAR 20	338.00	338.00	
59289	2/27/2026	00074	STAPLES INC. 7008766420	2/14/2026	OFFICE & JANITORIAL SUPPL	1,047.64		
			7008840788	2/21/2026	OFFICE & JANITORIAL SUPPL	336.53	1,384.17	
59290	2/27/2026	00034	STEVENS, GARY 022726	2/27/2026	RETIREE MED PREM/MAR 20	588.00	588.00	
59291	2/27/2026	01186	TL INVESTIGATIONS & CC 1007	2/12/2026	RECRUITMENT TRAINING CL	3,000.00	3,000.00	
59292	2/27/2026	00171	VERIZON WIRELESS 6136356697	2/18/2026	CELL PH. CHGS: 01/19/26-02/	500.45	500.45	
59293	2/27/2026	01065	WAGeworks INC., HEAL INV8756774	2/24/2026	FY 25-26 FSA MONTHLY COM	92.00	92.00	
59294	2/27/2026	00063	WHELEN ENGINEERING (845327	2/24/2026	WHELEN ENGINEERING CO I	241.33	241.33	
59295	2/27/2026	00067	XCEL MECHANICAL SYST 6271	2/12/2026	FY 25-26 HQ MAINTENANCE	1,224.21		
			6277	2/12/2026	FY 25-26 HQ MAINTENANCE	992.80	2,217.01	
Sub total for BANK OF THE WEST:							163,093.41	

G-4



Staff Report

South Bay Regional Public Communications Authority

MEETING DATE: March 17, 2026

ITEM NUMBER: G-4

TO: Executive Committee

COPY TO: Tim Lilligren, Treasurer

FROM: Vanessa Alfaro, Finance & Performance Audit Manager

SUBJECT: Cash & Investments Report/December 31, 2025

ATTACHMENTS:

1. Cash & Investments Report for December 31, 2025
2. LAIF Month End Statement for December 31, 2025
3. PMIA Performance Report as of December 31, 2025

RECOMMENDATION

Staff recommends that the Executive Committee receive and file the Cash & Investments Report for December 31, 2025.

BACKGROUND

Section 53646 (a) (2) of the Government Code, states that the treasurer or chief fiscal officer may render a quarterly report (regarding the local agency's cash and investments) to the chief executive officer, the internal auditor, and the legislative body of the local agency. The quarterly report shall be so submitted within 30 days following the end of the quarter covered by the report. The legislative body of a local agency may elect to require the report specified in subdivision (b) to be made on a monthly basis instead of quarterly.

At the November 21, 2006 meeting, the Executive Committee elected to receive the Cash & Investments Report on a quarterly basis. The Board of Directors receives the Cash & Investments Report annually.

DISCUSSION

Staff has completed the bank reconciliation for December 31, 2025. Attached is the Cash & Investments Report for the period. All idle cash of the Authority is invested 100% with the State's Local Agency Investment Fund (LAIF). This complies with the Statement of Investment Policy. In calendar year 2025, the effective yield averaged 4.2%.

FISCAL IMPACT

None.

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Attachment 1



Cash and Investments Report As of December 31, 2025

Funding Source	Bank Balance	Deposits in Transit	Outstanding Checks	Book Balance

Active Accounts

Bank of the West/BMO Bank (General/Payroll)	\$ 1,341,748.57	\$ 12,125.24	\$ 171,672.40	\$ 1,182,201.41

Investments

LAIF	\$ 12,522,531.51		\$ -	\$ 12,522,531.51
Total Investments	\$ 12,522,531.51	\$ -	\$ -	\$ 12,522,531.51

Other Cash on Hand

Petty Cash	\$ -	\$ -	\$ -	\$ 500.00
				\$ 500.00

Total Cash & Investments

\$ 13,705,232.92

Breakdown of cash by fund:

Fund 10 (Enterprise Fund)	\$ 13,705,232.92
Fund 30 (Enterprise Fund)	-
Fund 20 (Grant Fund)	-
Total	<u>\$ 13,705,232.92</u>

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Attachment 2

California State Treasurer
Fiona Ma, CPA



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

January 13, 2026

[LAIF Home](#)
[PMIA Average Monthly Yields](#)

SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS
AUTHORITY
TREASURER
4440 WEST BROADWAY
HAWTHORNE, CA 90250

[Tran Type Definitions](#)

Account Number: 15-19-001

December 2025 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
12/1/2025	11/26/2025	RW	1787369	1747996	VANESSA ALFARO	-185,000.00
12/4/2025	12/3/2025	RW	1787525	1748154	VANESSA ALFARO	-150,000.00
12/24/2025	12/23/2025	RD	1788334	1748985	VANESSA ALFARO	200,000.00

Account Summary

Total Deposit:	200,000.00	Beginning Balance:	12,657,531.51
Total Withdrawal:	-335,000.00	Ending Balance:	12,522,531.51

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Attachment 3



PMIA/LAIF Performance Report as of 03/04/26



Quarterly Performance Quarter Ended 12/31/25

LAIF Apportionment Rate ⁽²⁾ :	4.20
LAIF Earnings Ratio ⁽²⁾ :	0.00011512010685708
LAIF Administrative Cost ^{(1)*} :	0.27
LAIF Fair Value Factor ⁽¹⁾ :	1.002181483
PMIA Daily ⁽¹⁾ :	3.97
PMIA Quarter to Date ⁽¹⁾ :	4.09
PMIA Average Life ⁽¹⁾ :	244

PMIA Average Monthly Effective Yields⁽¹⁾

February	3.871
January	3.931
December	4.025
November	4.096
October	4.150
September	4.212

Pooled Money Investment Account Monthly Portfolio Composition ⁽¹⁾ 1/31/26 \$170.9 billion

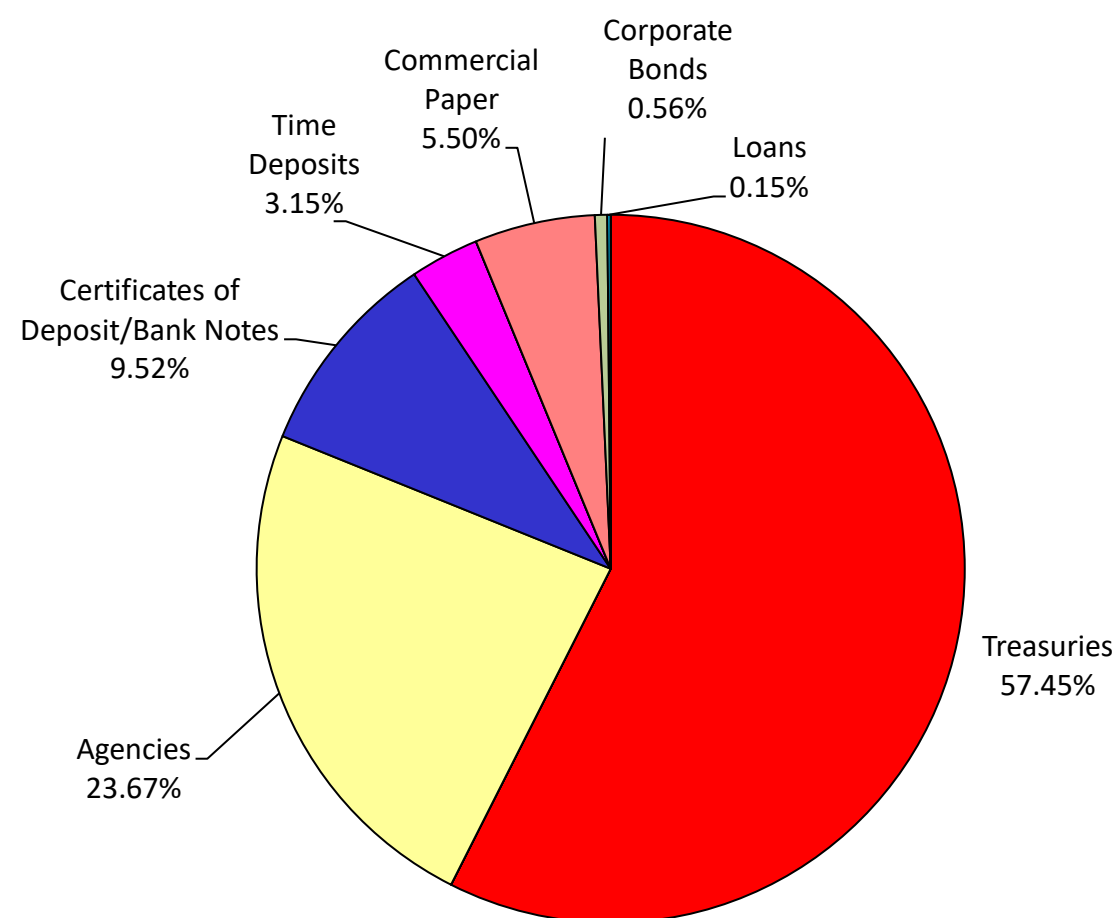


Chart does not include \$882,000.00 in mortgages, which equates to 0.001%. Percentages may not total 100% due to rounding.

Daily rates are now available here. [View PMIA Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1).

*The percentage of administrative cost equals the total administrative cost divided by the quarterly interest earnings. The law provides that administrative costs are not to exceed 5% of quarterly EARNINGS of the fund. However, if the 13-week Daily Treasury Bill Rate on the last day of the fiscal year is below 1%, then administrative costs shall not exceed 8% of quarterly EARNINGS of the fund for the subsequent fiscal year.

Source:

⁽¹⁾ State of California, Office of the Treasurer

⁽²⁾ State of California, Office of the Controller

G-5



Staff Report

South Bay Regional Public Communications Authority

MEETING DATE: March 17, 2026

ITEM: G-5

TO: Executive Committee

FROM: Mike Saffell, Interim Executive Director
Vanessa Alfaro, Finance & Performance Audit Manager

SUBJECT: FISCAL YEAR 2024-2025 ANNUAL FINANCIAL REPORT

ATTACHMENTS:

1. Audited Annual Financial Report for the Fiscal Year Ended June 30, 2025
2. Separate Auditor Letter dated March 10, 2026 regarding audit matters

RECOMMENDATION

Staff recommends that the Executive Committee receive and file the attached audited Financial Statements and auditor communication for the Fiscal Year Ended June 30, 2025.

BACKGROUND

The Authority's Budgetary Policy (Resolution No. 366) 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.

Due to implementation of new Governmental Accounting Standards Board (GASB) standards, the audit process was extended beyond the typical timeframe for completion. During the February 2026 meeting, the Executive Director notified the Executive Committee of the delay and informed that the audited financial statements would be presented in March 2026.

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, 2025. Accordingly, the Authority's Financial Statements for the period have been finalized.

DISCUSSION

The auditors have rendered an unmodified opinion on the Authority's Financial Statements for the Fiscal Year Ended June 30, 2025. In their opinion, the financial statements present fairly, in all material respects, the respective financial position of the Authority, as of June 30, 2025 and 2024, 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 \$8,052,910 for the fiscal year ended June 30, 2025 reflecting an increase of approximately 16.3% since June 30, 2024 due primarily to a large number of unfilled Communications Operator positions. While salary savings are used to offset some overtime costs, the vacancies created salary savings in excess of overtime costs. Excess funds remained invested with the Authority's investments under California's Local Agency Investment Fund (LAIF) resulting in additional revenue from investments.

Operating revenues for the Authority increased 3.79% to \$14,904,726 and operating expenses increased by 10.17% to \$14,331,946. The increase in operating revenues is due to increases in assessments of approximately \$272,000 for budgeted amounts for salaries and benefits and supplies, as well as an increase in revenues from vehicle outfitting parts. The increase in expenses is primarily the result of an increase in purchases of reimbursable parts for vehicle work orders in the Technical Services Division.

The Authority's net pension liability decreased by \$255,100 to \$9,862,670 as of June 30, 2025 for the measurement date of June 30, 2024. The decrease is due to various factors, including a minor asset gain and changes in actuarial assumptions. 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. Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense/income systematically over time.

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 \$1,414,959 using a June 30, 2024 measurement date, a decrease of \$167,050 from the previous fiscal year due mainly to experience and demographic changes. The net OPEB liability is calculated by actuaries using estimates and actuarial techniques from an actuarial valuation as of June 30, 2023. Prior to FY21, the Authority funded OPEB obligations on a pay-as-you-go basis (i.e., as medical insurance premiums become due). In FY21, the Authority established an irrevocable trust with the California Employers' Retiree Benefit Trust (CERBT) and pre-funded \$250,000.

In FY22, the Board of Directors approved an ongoing funding policy to address pension liabilities and to prefund OPEB liabilities. Pursuant to Section 6, Excess Funds of Resolution 366, following each year there is a budgetary surplus, surplus funds will be used towards an Additional Discretionary Payment (ADP) to the CalPERS pension Unfunded Actuarial Liability (UAL) until the plan reaches and maintains a 90% funded ratio, and towards an Actuarially Determined Net Trust Contribution to the Authority's

Section 115 Trust for OPEB for a period of 20 years or until the trust is fully funded, whichever occurs first. As of the most recent actuarial valuations, the pension and OPEB liabilities are 75% and 37% funded, respectively. The FY26 ADP of \$449,322 and net trust contribution of \$77,642 occurred in January 2026.

In August 2024, the Board of Directors approved a resolution adopting a Five-Year Capital Improvement Plan (CIP) effective FY24-25. The plan is reviewed annually and projects in the plan are funded by existing Enterprise funds per the CIP policy.

The available cash balance as of Fiscal Year 2024-2025 is \$11,404,740. The undesignated available cash balance is \$6,688,984.

Fund Balance Estimates	
Fund 10 - Enterprise Fund	
Cash Available as of June 30, 2025	\$ 11,404,740
Operating and Capital Reserve	(1,434,792)
Pension and OPEB Funding	(526,964)
Five-Year CIP Funding	(2,754,000)
Cash Available (Undesignated)	\$ 6,688,984
Gardena - 32.08%	2,145,826
Hawthorne - 45.07%	3,014,725
Manhattan Beach - 22.85%	1,528,433

There are two additional communications from the auditors which are normal for a governmental audit. The first is on the final two pages of the financial statements and is entitled "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." In this report the auditors advised that they did not identify any deficiencies in internal control that they consider to be material weaknesses, nor did they identify any instances of noncompliance which would require their reporting upon.

The second letter from the Auditors (Attachment 2) calls to the Board of Directors' attention important aspects of the audit, such as the use of estimates, whether management consulted other independent auditors, and that there were no disagreements with the auditors.

In summary, the auditors have rendered an unmodified opinion on the Authority's Financial Statements, which indicate positive and clean results of the Authority's audit.

FISCAL IMPACT

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

G-5

Attachment 1

South Bay Regional Public Communications Authority

Hawthorne, California

Annual Financial Report

For the Years Ended June 30, 2025 and 2024





Board of Directors as of June 30, 2025

Name	City Represented	Title
Rodney Tanaka	City of Gardena	Member
David Lesser	City of Manhattan Beach	Member
Alex Monteiro	City of Hawthorne	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, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

6 Hutton Centre Drive, Suite 1200
Santa Ana, California 92707



www.pungroup.cpa



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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of the South Bay Regional Public Communications Authority (the "Authority") as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Authority, as of June 30, 2025 and 2024, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of a Matter

Change in Accounting Principle

As discussed in Note 10 to the financial statements, the Authority adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences* during the year ended June 30, 2025. The adoption of this standard resulted in the restatement of the Authority's net position as of June 30, 2024. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of the Proportionate Share of the Net Pension Liability and Related Ratios, Schedule of Contributions – Pensions, Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios, and Schedule of Contributions – Other Postemployment Benefits be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental 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 GAAS, 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.

To the Board of Directors
of the South Bay Regional Public Communications Authority
Hawthorne, California
Page 3

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2026 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.

The Pw Group, LLP

Santa Ana, California
March 10, 2026

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South Bay Regional Public Communications Authority
Management's Discussion and Analysis (Unaudited)
For the Years Ended June 30, 2025 and 2024

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, 2025 and 2024. 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 2025, the Authority's net position increased 16.30%, or \$1,128,474, due primarily to a large number of unfilled Communications Operator positions. While salary savings are used to offset some overtime costs, the vacancies created salary savings in excess of overtime costs. Excess funds remained invested with the Authority's investments under California's Local Agency Investment Fund (LAIF) resulting in additional revenue from investments.
- In 2024, the Authority's net position increased 33.44%, or \$1,735,284, due primarily to a larger than expected number of vacancies. Additionally, investment earnings from the Authority's investments under California's Local Agency Investment Fund (LAIF) returned over \$375,000 more than anticipated. This combination led to higher than expected revenues over expenses at year end thereby increasing the Authority's net position. Additionally, the implementation of GASB Statement No. 101, Compensated Absences resulted in a change in accounting principle, which required a restatement of the beginning balance. The liability for compensated absences increased \$146,205 resulting in a corresponding decrease in the net position of the same amount.
- In 2025, the Authority's operating revenues increased 3.79% or \$544,579 as a result of an increase in assessments of approximately \$272,000 due to budgeted increases for salaries and benefits, and supplies as well as an increase in revenues from vehicle outfitting parts of \$300,000.
- In 2024, the Authority's operating revenues increased 9.89% or \$1,292,024 as a result of an increase in assessments of approximately \$650,000 due to budgeted increases for salaries and benefits, and supplies, services, and equipment as well as an increase in revenues from vehicle outfitting parts in excess of \$600,000.
- In 2025, the Authority's operating expenses increased 10.17% or \$11,191,979, due primarily to an increase in purchases of reimbursable parts of approximately one million dollars for vehicle work orders in the Technical Services Division.
- In 2024, the Authority's operating expenses increased 9.63% or \$1,077,725, due primarily to budgeted increases for salaries and benefits, and supplies, services, and equipment as well as a non-cash expense accounting entry related to pensions.

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.

South Bay Regional Public Communications Authority
Management's Discussion and Analysis (Unaudited) (Continued)
For the Years Ended June 30, 2025 and 2024

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).

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 Statement of Net Position 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.

	June 30, 2025	June 30, 2024 As restated	June 30, 2023
Assets:			
Current assets	\$ 12,172,871	\$ 9,986,276	\$ 7,070,554
Capital assets, net	6,175,093	6,660,045	7,227,097
Total assets	18,347,964	16,646,321	14,297,651
Deferred outflows of resources	4,185,569	5,229,661	5,674,146
Liabilities:			
Current liabilities	1,011,646	586,119	445,465
Noncurrent liabilities	11,561,037	12,048,261	12,214,131
Total liabilities	12,572,683	12,634,380	12,659,596
Deferred inflows of resources	1,907,940	2,317,166	2,123,049
Net position:			
Investment in capital assets	6,175,093	6,660,045	7,227,097
Unrestricted (Deficit)	1,877,817	264,391	(2,037,945)
Total net position	\$ 8,052,910	\$ 6,924,436	\$ 5,189,152

South Bay Regional Public Communications Authority
Management's Discussion and Analysis (Unaudited) (Continued)
For the Years Ended June 30, 2025 and 2024

As noted earlier, net position 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 \$8,052,910 and \$6,924,436 as of June 30, 2025 and 2024.

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 2025 and 2024, the Authority shows an unrestricted net position of \$1,877,817 and \$264,391 respectively. The positive change in net position is due to an increase in revenues over expenses from a large number of unfilled positions designated "hard-to-fill" and higher than expected investment earnings. 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. During fiscal year 2021, the Board of Directors approved the establishment of a Section 115 Trust to prefund other post-employment benefits. The Board of Directors also approved an initial transfer to the trust of \$250,000 from reserves previously held in the Authority's Enterprise Fund for this purpose. In fiscal year 2022, the Board of Directors amended the Authority's budget policy to allow ongoing funding for both pension and OPEB unfunded liabilities.

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Revenues:			
Operating revenues	\$ 14,904,726	\$ 14,360,147	\$ 13,068,123
Non-operating revenues	555,694	529,944	128,654
Total revenues	<u>15,460,420</u>	<u>14,890,091</u>	<u>13,196,777</u>
Expenses:			
Operating expenses	13,590,766	12,269,704	11,191,979
Depreciation expense	741,180	738,898	738,322
Total expenses	<u>14,331,946</u>	<u>13,008,602</u>	<u>11,930,301</u>
Change in net position	<u>1,128,474</u>	<u>1,881,489</u>	<u>1,266,476</u>
Net Position:			
Beginning of year, as restated	<u>6,924,436</u>	<u>5,042,947</u>	<u>3,922,676</u>
End of year	<u>\$ 8,052,910</u>	<u>\$ 6,924,436</u>	<u>\$ 5,189,152</u>

The Statement of Revenues, Expenses, and Changes in Net Position shows how the Authority's net position changed during the fiscal year. In the case of the Authority, net position increased by \$1,128,474 and \$1,735,284, respectively, as of June 30, 2025 and 2024.

In 2025, a closer examination of the sources of changes in net position reveals that the Authority's total revenues increased by \$570,329 due primarily to budgeted increases in expenses, an increase in revenues from vehicle outfitting parts in excess of \$300,000, and an increase in investment earnings from funds deposited with LAIF.

In 2024, a closer examination of the sources of changes in net position reveals that the Authority's total revenues increased by \$1,693,314 due primarily to an increase of about \$650,000 for budgeted increases in expenses, an increase in revenues from vehicle outfitting parts in excess of \$600,000, and an increase in investment earnings of over \$375,000 from funds deposited with LAIF.

**South Bay Regional Public Communications Authority
Management's Discussion and Analysis (Unaudited) (Continued)
For the Years Ended June 30, 2025 and 2024**

Capital Asset Administration

Capital assets balances consisted of the following:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Non-depreciable assets	\$ 495,554	\$ 495,554
Depreciable assets	16,115,237	15,826,457
Accumulated depreciation	<u>(10,435,698)</u>	<u>(9,661,966)</u>
Total capital assets, net	<u>\$ 6,175,093</u>	<u>\$ 6,660,045</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, 2025 and 2024

	Business-Type Activities	
	(As Restated)	
	2025	2024
ASSETS		
Current assets:		
Cash and investments	\$ 11,404,740	\$ 9,160,937
Accounts receivable	451,240	354,312
Accrued interest receivable	128,710	112,344
Prepaid items	15,246	30,590
Materials and supplies inventory	172,935	328,093
Total current assets	12,172,871	9,986,276
Noncurrent assets:		
Capital assets, not being depreciated	495,554	495,554
Capital assets, being depreciated, net	5,679,539	6,164,491
Total noncurrent assets	6,175,093	6,660,045
Total assets	18,347,964	16,646,321
DEFERRED OUTFLOWS OF RESOURCES		
Pensions related	3,405,330	4,216,683
Other postemployment benefits related	780,239	1,012,978
Total deferred outflows of resources	4,185,569	5,229,661
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	382,852	298,026
Accrued salaries and benefits	206,790	171,932
Compensated absences, due within one year	380,946	116,161
Long-term liabilities, due within one year	41,058	-
Total current liabilities	1,011,646	586,119
Noncurrent liabilities:		
Compensated absences, due within more than one year	106,354	348,482
Long-term liabilities, due more than one year	177,054	-
Net pension liability	9,862,670	10,117,770
Net other postemployment benefits liability	1,414,959	1,582,009
Total noncurrent liabilities	11,561,037	12,048,261
Total liabilities	12,572,683	12,634,380
DEFERRED INFLOWS OF RESOURCES		
Pensions related	175,621	322,231
Other postemployment benefits related	1,732,319	1,994,935
Total deferred inflows of resources	1,907,940	2,317,166
NET POSITION		
Investment in capital assets	6,175,093	6,660,045
Unrestricted (deficit)	1,877,817	264,391
Total net position	\$ 8,052,910	\$ 6,924,436

See accompanying Notes to the Basic Financial Statements.

South Bay Regional Public Communications Authority
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2025 and 2024

	Business-Type Activities	
		(As Restated)
	2025	2024
Operating revenues:		
Assessments revenues	\$ 13,496,730	\$ 13,224,686
Charges for services	1,333,320	1,040,427
Reimbursement revenue	57,596	60,111
Other revenue	17,080	34,923
Total operating revenues	14,904,726	14,360,147
Operating expenses:		
Administration	2,851,186	2,961,879
Operations	7,492,729	7,347,399
Technical services	3,192,014	1,859,656
Other projects	22,285	100,770
Depreciation expense	529,574	527,292
Amortization Expense	32,552	-
Depreciation expense - grant funded	211,606	211,606
Total operating expenses	14,331,946	13,008,602
Operating Income	572,780	1,351,545
Nonoperating revenues:		
Investment income	555,694	436,959
Intergovernmental revenue	-	118,870
Loss on disposal of assets	-	(25,885)
Total nonoperating revenues	555,694	529,944
Changes in net position	1,128,474	1,881,489
Net position:		
Beginning of year, as previously reported	\$ 6,924,436	\$ 5,189,152
Change in accounting principle (GASB 101)	-	(146,205)
Beginning of year, as restated	6,924,436	5,042,947
End of year	\$ 8,052,910	\$ 6,924,436

South Bay Regional Public Communications Authority

Statements of Cash Flows For the Years Ended June 30, 2025 and 2024

	Business-Type Activities	
	(As Restated)	
	2025	2024
Cash flows from operating activities:		
Cash receipts for dispatching services	\$ 14,807,798	\$ 14,342,406
Cash paid to vendors and suppliers for materials and services	(3,740,483)	(2,656,271)
Cash paid for salaries and wages	(9,292,172)	(9,336,100)
Net cash provided by operating activities	1,775,143	2,350,035
Cash flows from noncapital financing activities:		
Intergovernmental revenue	-	118,870
Net cash provided by non-capital financing activities	-	118,870
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(23,000)	(197,731)
Principal payments on subscription liabilities	(47,668)	-
Net cash used in capital and related financing activities	(70,668)	(197,731)
Cash flows from investing activities:		
Interest received	539,328	381,134
Net cash provided by investing activities	539,328	381,134
Net increase in cash and cash equivalents	2,243,803	2,652,308
Cash and cash equivalents:		
Beginning of year	9,160,937	6,508,629
End of year	<u>\$ 11,404,740</u>	<u>\$ 9,160,937</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 572,780	\$ 1,351,545
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation expense	773,732	738,898
Operating assets, deferred outflows of resources, liabilities and deferred inflows of resources		
(Increase) decrease in accounts receivable	(96,928)	(17,741)
(Increase) decrease prepaid items	15,344	(23,288)
(Increase) decrease materials and supplies inventory	155,158	(166,560)
(Increase) decrease pensions related deferred outflows of resources	811,353	358,738
(Increase) decrease OPEB related deferred outflows of resources	232,739	85,747
Increase (decrease) accounts payable and accrued expenses	84,826	99,162
Increase (decrease) accrued salaries and benefits	34,858	30,099
Increase (decrease) compensated absences	22,657	(100,635)
Increase (decrease) net pension liability	(255,100)	463,544
Increase (decrease) net other postemployment benefits liability	(167,050)	(663,591)
Increase (decrease) pensions related deferred inflows of resources	(146,610)	(146,707)
Increase (decrease) OPEB related deferred inflows of resources	(262,616)	340,824
Total adjustments	1,202,363	998,490
Net cash provided by operating activities	\$ 1,775,143	\$ 2,350,035
Noncash item from investing activities		
Acquisition of subscription assets	\$ 265,780	\$ -
Subscription liability for the acquisition of a right to use subscription asset	265,780	-

See accompanying Notes to the Basic Financial Statements.

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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, 2025 and 2024

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.

Operating revenues reported are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates and assumptions.

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, 2025 and 2024

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 \$10,000. 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.

The Authority established a \$10,000 threshold to recognize right-to-use assets, including lease assets or subscription-based information technology arrangement ("SBITA") assets ("subscription assets"). The right-to use assets are amortized over the shorter of the lease or subscription term or the useful lives of the underlying assets using the straight-line method.

Lease assets are recorded at the amount of the initial measurement of the lease liabilities and adjusted by any lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives received at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service. Lease assets are amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the Authority has determined is reasonably certain of being exercised. In this case, the lease asset is amortized over the useful life of the underlying asset.

Subscription assets are recorded at the amount of the initial measurement of the SBITA liabilities ("subscription liabilities") and adjusted by any subscription payments to the SBITA vendor at or before the commencement of the subscription term, less any incentives received from the SBITA vendor at or before the commencement of the subscription term along with subscription implementation costs. Subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying assets.

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2025 and 2024

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

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 a consumption of net position that applies to future periods.

Deferred Inflows of Resources represent acquisition of net position that applies to future periods.

Compensated Absences

The Authority accounts for compensated absences (sick, unpaid vacation, compensatory time and holiday leave) in accordance with U.S. GAAP. The Authority is required to accrue 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. The liability for compensated absences is determined annually. The liability for compensated absences is recognized as leave is earned, based on the employee's pay rate in effect at the financial statement date, including any applicable salary-related costs. The liability includes only leave attributable to services already rendered and that is more likely than not to be paid.

Subscription Liabilities

The Authority recognizes subscription liabilities with an initial, individual value of \$10,000 or more with a subscription term greater than one year. Variable payments based on future performance of the Authority, usage of the underlying assets, or number of user seats are not included in the measurement of the subscription liability.

At the commencement of a subscription, the Authority initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made.

Key estimates and judgments related to subscription liabilities include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The Authority uses incremental borrowing rate provided by the financial institution at July 1, 2024 for existing subscription or the current rate at the time a new subscription is executed.
- The subscription term includes the noncancellable period of the SBITA. Subscription payments included in the measurement of the subscription liability are composed of fixed payments.

The Authority monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure any subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2025 and 2024

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

Long-Term Obligation

Subscription liabilities represent the Authority's obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of subscription payments are discounted based on a borrowing rate determined by the Authority.

Right to use subscription information technology ("IT") assets are recognized at the subscription commencement date and represent the Authority's right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription IT assets are amortized over the shorter of the subscription term or useful lives of the underlying asset using the straight-line method.

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, 2025

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

For the year ended June 30, 2024

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

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.

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2025 and 2024

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

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.

The following timeframes are used for OPEB reporting:

For the year ended June 30, 2025

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

For the year ended June 30, 2024

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

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 OPEB 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 and amortization.

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, 2025 and 2024.

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.

When expenses are incurred for purposes for which both restricted and unrestricted components of net position are available, the policy is to apply the restricted component of net position first, then the unrestricted component of net position as needed.

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2025 and 2024

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

Implementation of New Pronouncements

GASB Statement No. 101 – In June 2022, the GASB issued Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Implementation of this Statement resulted in a restatement of the beginning fund balance as of July 1, 2024, as presented in Note 10.

Note 2 – Cash and Investments

Cash and Cash Equivalent at June 30, 2025 and 2024 consisted of the following:

Description	June 30, 2025	June 30, 2024
Cash on hand	\$ 500	\$ 500
Demand deposits with financial institutions	556,361	551,886
Investments	10,847,878	8,608,551
Total cash and investments	<u>\$ 11,404,739</u>	<u>\$ 9,160,937</u>

Demand Deposits

At June 30, 2025 and 2024, the carrying amount of the Authority's demand deposits was \$556,361 and \$551,886, respectively, and the financial institution balance was \$616,646 and \$535,481. respectively. The differences of \$60,286 and \$16,405 at June 30, 2025 and 2024 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.

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2025 and 2024

Note 2 – Cash and Cash Equivalent (Continued)

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:

U.S. Treasuries	No limit
U.S. Federal Agencies	33-1/3% maximum for each agency; 60% maximum overall
Non-Negotiable certificates of deposit	20% maximum
Negotiable certificates of deposit	20% maximum
LAIF	No limit
Los Angeles County Treasury Pool	50% maximum

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, 2025, and 2024 none of the Authority's deposits and investments was exposed to custodial credit risk.

Investments

The Authority's investments as of June 30, 2025 and 2024 were as follows:

Investments	Credit Rating	Maturity - 12 Months or Less	
		June 30, 2025	June 30, 2024
California Local Agency Investment Fund (LAIF)	Not Rated	\$ 10,847,878	\$ 8,608,551

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/.

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2025 and 2024

Note 2 – Cash and Cash Equivalent (Continued)

Investment in California – Local Agency Investment Fund (LAIF) (Continued)

The Authority had \$10,847,878 and \$8,608,551 invested in LAIF. The investment in LAIF is reported at amortized cost, which approximates fair value.

Note 3 – Capital Assets

A summary of changes in the capital assets for the year ended June 30, 2025 is as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Nondepreciable assets:				
Land and easements	\$ 495,554	\$ -	\$ -	\$ 495,554
Total nondepreciable assets	495,554	-	-	495,554
Depreciable assets:				
Buildings and improvements	6,427,983	23,000	-	6,450,983
Vehicles and equipment	9,398,474	-	-	9,398,474
Total depreciable assets	15,826,457	23,000	-	15,849,457
Accumulated depreciation:				
Buildings and improvements	(3,651,433)	(130,135)	-	(3,781,568)
Vehicles and equipment	(6,010,533)	(611,045)	-	(6,621,578)
Total accumulated depreciation	(9,661,966)	(741,180)	-	(10,403,146)
Total depreciable assets, net	6,164,491	(718,180)	-	5,446,311
Capital Assets, being amortized				
Right-to-use subscription assets	-	265,780	-	265,780
Total capital assets, being amortized	-	265,780	-	265,780
Accumulated amortization:				
Right-to-use subscription assets	-	(32,552)	-	(32,552)
Total accumulated amortization	-	(32,552)	-	(32,552)
Total capital assets, being amortized, net	-	233,228	-	233,228
Total capital assets, net	\$ 6,660,045	\$ (484,952)	\$ -	\$ 6,175,093

Depreciation Expense and Amortization Expense for the year ended June 30, 2025 was charged as follows:

Authority depreciable assets	\$ 529,573
UASI Grant and other equipments	211,607
Right-to-use subscription assets	32,552
	<u>\$ 773,732</u>

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2025 and 2024

Note 3 – Capital Assets (Continued)

A summary of changes in the capital assets for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Nondepreciable assets:				
Land and easements	\$ 495,554	\$ -	\$ -	\$ 495,554
Total nondepreciable assets	495,554	-	-	495,554
Depreciable assets:				
Buildings and improvements	6,389,356	38,627	-	6,427,983
Vehicles and equipment	9,327,284	159,104	(87,914)	9,398,474
Total depreciable assets	15,716,640	197,731	(87,914)	15,826,457
Accumulated depreciation:				
Buildings and improvements	(3,471,540)	(179,893)	-	(3,651,433)
Vehicles and equipment	(5,513,557)	(559,005)	62,029	(6,010,533)
Total accumulated depreciation	(8,985,097)	(738,898)	62,029	(9,661,966)
Total depreciable assets, net	6,731,543	(541,167)	(25,885)	6,164,491
Total capital assets, net	\$ 7,227,097	\$ (541,167)	\$ (25,885)	\$ 6,660,045

Depreciation Expense for the year ended June 30, 2024 was charged as follows:

Authority depreciable assets	\$ 527,292
UASI Grant and other equipments	211,606
	<u>\$ 738,898</u>

Note 4 – Long-Term Obligations

The following is a summary of long-term obligations for the year ended June 30, 2025:

Long-Term Obligation	Balance July 1, 2024 (As restated)	Additions	Deletions	Balance June 30, 2025	Due within One Year	Due in More Than One Year
Subscription Liability	\$ -	\$ 265,780	\$ (47,668)	\$ 218,112	\$ 41,058	\$ 177,054
Compensated Absences	464,643	22,657	-	487,300	380,946	106,354
Total	<u>\$ 464,643</u>	<u>\$ 288,437</u>	<u>\$ (47,668)</u>	<u>\$ 705,412</u>	<u>\$ 422,004</u>	<u>\$ 283,408</u>

The following is a summary of long-term obligations for the year ended June 30, 2024:

Long-Term Obligation	Balance July 1, 2023	Additions (As restated)	Deletions	Balance June 30, 2024 (As restated)	Due within One Year	Due in More Than One Year
Compensated Absences	\$ 419,073	\$ 45,570	\$ -	\$ 464,643	\$ 116,161	\$ 348,482

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2025 and 2024

Note 4 – Long-Term Obligations (Continued)

Subscription-Based Information Technology Arrangements (SBITAs)

The Authority has entered into three SBITA contracts for subscription-based software services. The Authority is required to make principal and interest payments through December 2030. The subscription liability was valued using discount rates ranging from 2.70% to 3.34% based on the State and Local Government Series (SLGS) daily rate at the inception of the subscription.

The future subscription payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 41,058	\$ 6,610	\$ 47,668
2027	42,302	5,366	47,668
2028	43,583	4,085	47,668
2029	44,904	2,764	47,668
2030	46,265	1,403	47,668
Total	\$ 218,112	\$ 20,228	\$ 238,340

Compensated Absences

The liability for compensated absences is recognized as leave is earned and is measured using employee's current pay rate as of the financial statement dated, including applicable salary-related payments. The liability includes only leave attributable to services already rendered and that is more likely than not to be paid. The outstanding balances at June 30, 2025 and June 30, 2024 were \$487,300 and \$464,643, respectively.

Note 5 – 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 Mission Square Retirement (formerly ICMA-RC Services, LLC) at June 30, 2025 and 2024 were \$8,364,164 and \$7,460,963, respectively.

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2025 and 2024

Note 6 – Defined Benefit Pension Plan

General Information about the Pension Plan

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, 2023 and 2022 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.

Members Covered by Benefit Terms

At June 30, 2023 and 2022, valuation dates, the following members were covered by the benefit terms:

Plan Members	2023			2022		
	Classic Tier 1	Classic Tier 2	PEPRA Tier 3	Classic Tier 1	Classic Tier 2	PEPRA Tier 3
Active members	23	5	29	29	7	20
Transferred and terminated members	76	11	38	76	10	35
Retired members and beneficiaries	87	4	-	81	3	-
Total plan members	186	20	67	186	20	55

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 6% 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.

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2025 and 2024

Note 6 – Defined Benefit Pension Plan (Continued)

General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

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%.

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, 2024, the active member contribution rates for the Classic Miscellaneous Plan Tier 1, Tier 2 and the PEPRA Miscellaneous Plan are 7.00%, 7.00% and 7.75% of annual pay, respectively, and the employer contribution rates are 12.47%, 10.10% and 7.68% of annual payroll, respectively.

For the measurement period ended June 30, 2023, the active member contribution rates for the Classic Miscellaneous Plan Tier 1, Tier 2 and the PEPRA Miscellaneous Plan are 7.00%, 7.00% and 6.75% of annual pay, respectively, and the employer contribution rates are 10.87%, 8.63% and 7.47% 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, 2023 and 2022 valuations were rolled forward to determine the June 30, 2024 and 2023 total pension liabilities, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
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 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

¹The mortality table used in 2024 and 2023 measurement period was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2025 and 2024

Note 6 – Defined Benefit Pension Plan (Continued)

General Information about the Pension Plans (Continued)

Change of Assumption

In 2024 and 2023, there were no changes in assumptions.

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.

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

2024		
Asset Class	Assumed Asset Allocation	Real Return Years 1 - 10^{1,2}
Global equity - cap-weighted	30.00%	4.54%
Global equity non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
	100.00%	

¹ An Expected inflation of 2.30% used for this period

² Figures are based on the 2021-22 Asset Liability Management study.

Discount Rate

The discount rate used to measure the 2024 and 2023 total pension liabilities was 6.90%. 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, 2025 and 2024

Note 6 – 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 6.90% for the June 30, 2024 and 2023 Measurement Date, respectively, 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 (5.90%) or 1 percentage-point higher (7.90%) than the current rate as follows:

Measurement Date	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1% 5.90%	Current Discount Rate 6.90%	Discount Rate + 1% 7.90%
June 30, 2024	\$ 15,817,258	\$ 9,862,670	\$ 4,961,168
June 30, 2023	\$ 15,892,421	\$ 10,117,770	\$ 5,364,736

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, 2023 (Valuation Date)	\$ 42,697,467	\$ 32,579,697	\$ 10,117,770
Balance as of June 30, 2024 (Measurement Date)	44,127,538	34,264,868	9,862,670
Net Changes during 2023-2024	\$ 1,430,071	\$ 1,685,171	\$ (255,100)
Balance as of June 30, 2022 (Valuation Date)	\$ 41,503,408	\$ 31,849,182	\$ 9,654,226
Balance as of June 30, 2023 (Measurement Date)	42,697,467	32,579,697	10,117,770
Net Changes during 2022-2023	\$ 1,194,059	\$ 730,515	\$ 463,544

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2025 and 2024

Note 6 – Defined Benefit Pension Plan (Continued)

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

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, 2024 and 2023.

- (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, 2023 and 2022). 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.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2024 and 2023). 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, 2024 and 2023 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement periods (2023-2024 and 2022-2023).
- (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:

2025		2024	
Measurement Date		Measurement Date	
June 30, 2023	0.081100%	June 30, 2022	0.083580%
June 30, 2024	0.081330%	June 30, 2023	0.081100%
Change - Increase		Change - Increase	
(Decrease)	0.000230%	(Decrease)	-0.002480%

For the years ended June 30, 2025 and 2024, the Authority recognized pension expense in the amount of \$2,077,537 and \$2,020,583, respectively.

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2025 and 2024

Note 6 – 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)

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, 2024 and 2023 are both 3.8 years, respectively, which was obtained by dividing the total service years of 630,177 and 600,538 (the sum of remaining service lifetimes of the active employees) by 166,163 and 160,073 (the total number of participants: active, inactive, and retired), respectively.

Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2025 and 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after the measurement date	\$ 1,667,894	\$ -	\$ 1,345,008	\$ -
Adjustment due to differences in proportions	2,159	(99,811)	53,000	(90,847)
Differences between expected and actual experience	852,718	(33,272)	516,871	(80,179)
Differences between projected and actual earnings on pension plan investments	567,782	-	1,638,158	-
Difference between actual and proportionate share of employer contributions	61,286	(42,538)	52,791	(151,205)
Changes in assumptions	253,491	-	610,855	-
Total Deferred Outflows/(Inflows) of Resources	\$ 3,405,330	\$ (175,621)	\$ 4,216,683	\$ (322,231)

Deferred outflows of resources related to pensions resulting from Authority’s contributions subsequent to the measurement date in the amount of \$1,667,894 and \$1,345,008 will be recognized as a reduction of the collective net pension liability in the years ending June 30, 2026 and 2025, respectively.

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2025 and 2024

Note 6 – Defined Benefit Pension Plan (Continued)

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

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
	2025		2024
2026	\$ 511,634	2025	\$ 769,455
2027	1,236,031	2026	506,930
2028	8,722	2027	1,226,053
2029	(194,572)	2028	47,006
2030	-	2029	-
Thereafter	-	Thereafter	-
Total	\$ 1,561,815	Total	\$ 2,549,444

Note 7 – 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 retire directly from the Authority under CalPERS at age 50 (52 for miscellaneous PEPRA) and have 5 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, \$158 and \$157 per month for 2025 and 2024 calendar year, respectively.

Those who retired between July 1, 2008 and June 30, 2021, shall continue to receive \$750 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.

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2025 and 2024

Note 7 – Other Postemployment Benefits (“OPEB”) (Continued)

General Information about the OPEB Plan (Continued)

Teamsters (Communications Operators) (Continued):

Communications Operators hired after July 1, 2014 are eligible to receive the benefit after 15 years of service.

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, 2021, 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, \$158 and \$157 per month for 2025 and 2024 calendar year, respectively.

Communications Operators hired after July 1, 2014 are eligible to receive the benefit after 15 years of service.

CWA (Communications Supervisors):

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 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, \$158 and \$157 per month for 2025 and 2024 calendar year, respectively.

On January 1, 2022, additional Authority contributions to tier 2 CWA group with 15+ years of service were increased by \$50 monthly and is reflected in the amounts above.

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, \$158 and \$157 per month for 2025 and 2024 calendar year, respectively.

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2025 and 2024

Note 7 – Other Postemployment Benefits (“OPEB”) (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.

Net OPEB Liability

General Information about the OPEB Plan

Employees Covered by the Benefit Term

The following employees were covered by the benefit terms at June 30, 2023 measurement date:

	2024
Active employees	54
Inactive employees or beneficiaries currently receiving benefits	18
Inactive employees entitled to, but not yet receiving benefits	8
Total	<u>80</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, 2025 and 2024, the average contribution rate was not applicable. Employees are not required to contribute to the plan.

The Authority’s 2025 and 2024 net OPEB liabilities were measured as of June 30, 2024 and 2023, respectively, and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by an actuarial valuation as of June 30, 2024 and 2023, respectively.

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2025 and 2024

Note 7 – Other Postemployment Benefits (“OPEB”) (Continued)

Net OPEB Liability (Continued)

General Information about the OPEB Plan (Continued)

Actuarial Assumptions

Total OPEB liability in the June 30, 2024 and 2023 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions				
Actuarial Valuation Date	June 30, 2023 for both 2024 MD and 2023 MD.			
Contribution Policy	Full actuarial determined contribution			
Discount Rate	5.75% at June 30, 2024 (pre-funded withCalPERS diversified trustStrategy 2)			
	5.75% at June 30, 2023 (pre-funded withCalPERS diversified trustStrategy 2)			
	5.75% at June 30, 2022 (pre-funded withCalPERS diversified trustStrategy 2)			
Expected Long-term Rate of Return on investment	Expected Authority contributions projected to keep sufficient plan assets to pay all benefits from trust			
General Inflation	2.50% per annum			
Mortality, Retirement, Disability, Termination	CalPERS 2000-2019 Experience Study for June 30, 2023 VD			
Mortality Improvement	Mortality projected fully generation with Scale MP2021			
Salary Increases	Aggregate 2.75% annually			
	Merit - CalPERS 2000-2019 Experience Study for June 30, 2023 VD			
Medical Trend	June 30, 2023 VD Non-Medicare - 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076			
	June 30, 2023 VD Medicare - 7.505% for 2025, decreasing to an ultimate rate of 3.45% in 2076 and later years			
PEHHCA Minimum Increase	3.50% annually for June 30, 2023 VD			
Participation at Retirement	Actives: Based on the supplemental benefit amount			
	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%		
	Retirees: Based on current coverage			
Spouse Coverage	Actives: current election if covered, 20% if waived			
	Retirees: current election			

Discount Rate

The discount rate of 5.75% was used during measurement periods June 30, 2024 and 2023, respectively. The Authority assumed long-term inflation assumption of 2.50% to set the expected long-term net rate of return. The long-term expected real return are presented as geometric means.

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2025 and 2024

Note 7 – Other Postemployment Benefits (“OPEB”) (Continued)

Change in Total OPEB Liability

Discount Rate (Continued)

2025			
Increase (Decrease)			
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2023	\$ 2,179,338	\$ 597,329	\$ 1,582,009
Changes Recognized for the Measurement Period:			
Service Cost	66,275	-	66,275
Interest on the total OPEB liability	125,549	-	125,549
Change of benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Changes in assumptions	-	-	-
Contribution from the employer	-	304,490	(304,490)
Net investment income	-	55,108	(55,108)
Administrative expenses	(124,330)	(124,330)	-
Benefit payments	-	(724)	724
Net changes during measurement 2023-24	67,494	234,544	(167,050)
Balance at June 30, 2024 (measurement date)	\$ 2,246,832	\$ 831,873	\$ 1,414,959

2024			
Increase (Decrease)			
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2022	\$ 2,635,154	\$ 389,554	\$ 2,245,600
Changes Recognized for the Measurement Period:			
Service Cost	95,635	-	95,635
Interest on the total OPEB liability	154,085	-	154,085
Change of benefit terms	-	-	-
Difference between expected and actual experience	(480,425)	-	(480,425)
Changes in assumptions	(123,015)	-	(123,015)
Contribution from the employer	-	295,224	(295,224)
Net investment income	-	15,219	(15,219)
Administrative expenses	(102,096)	(102,096)	-
Benefit payments	-	(572)	572
Net changes during measurement 2022-23	(455,816)	207,775	(663,591)
Balance at June 30, 2023 (measurement date)	\$ 2,179,338	\$ 597,329	\$ 1,582,009

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2025 and 2024

Note 7 – Other Postemployment Benefits (“OPEB”) (Continued)

Change in Total 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, 2024 and June 30, 2023:

Measurement Date	Plan's Total OPEB Liability		
	Discount Rate -1% (4.75%)	Current Discount Rate (5.75%)	Discount Rate +1% (6.75%)
June 30, 2024	\$ 1,659,755	\$ 1,414,959	\$ 1,206,183
Measurement Date	Discount Rate -1% (4.75%)	Current Discount Rate (5.75%)	Discount Rate +1% (6.75%)
	June 30, 2023	\$ 1,819,644	\$ 1,582,009
			\$ 1,379,220

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, 2024 and June 30, 2023:

Measurement Date	Plan's Total OPEB Liability		
	Healthcare Cost Trend Rate -1%	Current Healthcare Cost Trend Rate	Healthcare Cost Trend Rate +1%
June 30, 2024	\$ 1,192,061	\$ 1,414,959	\$ 1,690,495
June 30, 2023	\$ 1,381,118	\$ 1,582,009	\$ 1,829,245

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

For the years ended June 30, 2025 and June 30, 2024, the Authority recognize OPEB credit in the amount of \$4,997 and OPEB expense in the amount of \$67,470, respectively. At June 30, 2025 and 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after measurement date	\$ 191,930	\$ -	\$ 304,490	\$ -
Changes in assumptions	354,179	(1,204,096)	414,163	(1,393,701)
Differences between expected and actual experience	211,548	(528,223)	241,769	(601,234)
Net Difference between projected and actual earnings on plan investments	22,582	-	52,556	-
Total	\$ 780,239	\$ (1,732,319)	\$ 1,012,978	\$ (1,994,935)

South Bay Regional Public Communications Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2025 and 2024

Note 7 – Other Postemployment Benefits (“OPEB”) (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

The Expected Average remaining service Lifetime (“EARSL”) is calculated by dividing the total future service years by total number of covered participants in the plan. The EARSL for the plan at the beginning of measurement period June 30, 2024 and 2023 are both 10.2 years, which were obtained by dividing the total services years of 775 by 76 covered participants.

Deferred outflows of resources related to OPEB resulting from Authority’s contributions subsequent to the measurement date in the amounts of \$191,930 and \$304,490 will be recognized as a reduction of the net OPEB liability in the years ending June 30, 2026 and 2025, respectively.

Year Ending June 30,	Deferred Outflows/ (Inflows) of Resources	Year Ending June 30,	Deferred Outflows/ (Inflows) of Resources
	2025		2024
2026	\$ (158,971)	2025	\$ (155,663)
2027	(159,045)	2026	(155,664)
2028	(170,512)	2027	(155,738)
2029	(146,496)	2028	(167,205)
2030	(133,802)	2029	(143,191)
Thereafter	(375,184)	Thereafter	(508,986)
Total	<u>\$ (1,144,010)</u>	Total	<u>\$ (1,286,447)</u>

Note 8 – Conduit Debt

The Authority issued three series of bonds to finance the costs of acquisition, construction, installation, and equipping of the 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 revenues 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 \$940,000 and \$1,070,000 as of June 30, 2025 and 2024, 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, 2025 and 2024

Note 9 – 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.

Note 10 – Restatement

Effective for the fiscal year ended June 30, 2025 the Authority implemented GASB Statement No. 101, Compensated Absences. This statement establishes accounting and financial reporting standards for compensated absences, including vacation, sick leave, and other paid time off. The implementation of GASB 101 resulted in a change in accounting principle, and prior amounts have been restated accordingly.

Under GASB 101, a liability must be recognized for leave that is attributable to services already rendered, accumulates and carries forward to future periods, and is more likely than not be used or paid. This represents a shift from previous guidance, particularly in how likelihood and eligibility are assessed.

The implementation of GASB 101 resulted in a change in accounting principle, and prior year amounts have been restated accordingly. As of July 1, 2024, the beginning net position was adjusted to reflect the cumulative effect of the change.

Specifically, the liability for compensated absences increased by \$146,205, resulting in a corresponding decrease in beginning net position of \$146,205. The financial impact was primarily due to the expanded scope of recognized leave and the lowered threshold for determining likelihood of use.

	June 30, 2024	Change in	June 30, 2024
	As Previously	Accounting	As Restated
	Reported	Principle	
Net Position	<u>\$ 5,189,152</u>	<u>\$ (146,205)</u>	<u>\$ 5,042,947</u>

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, 2025 and 2024

Last Ten Fiscal Years

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Measurement date	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Authority's proportion of the net pension liability	0.059500%	0.064949%	0.067677%	0.068180%	0.071590%
Authority's proportionate share of the net pension liability	\$ 4,084,007	\$ 5,620,134	\$ 6,711,657	\$ 6,570,432	\$ 7,335,396
Authority's covered payroll	\$ 4,665,871	\$ 4,773,439	\$ 5,184,067	\$ 5,270,919	\$ 5,408,034
Authority's proportionate share of the net pension liability as a percentage of covered payroll	87.53%	117.74%	129.47%	124.65%	135.64%
Plan's fiduciary net position as a percentage of the plan's total pension liability	78.40%	74.06%	73.31%	75.26%	75.26%

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, 2025 and 2024

Last Ten Fiscal Years

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Measurement date	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
Authority's proportion of the net pension liability	0.074680%	0.076550%	0.083580%	0.081100%	0.081330%
Authority's proportionate share of the net pension liability	\$ 8,125,094	\$ 4,140,085	\$ 9,654,226	\$ 10,117,770	\$ 9,862,670
Authority's covered payroll	\$ 5,838,063	\$ 6,005,530	\$ 5,834,801	\$ 5,250,822	\$ 5,246,280
Authority's proportionate share of the net pension liability as a percentage of covered payroll	139.17%	68.94%	165.46%	192.69%	187.99%
Plan's fiduciary net position as a percentage of the plan's total pension liability	75.10%	88.29%	76.68%	76.21%	78.08%

South Bay Regional Public Communications Authority
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions
For the Years Ended June 30, 2025 and 2024

Last Ten Fiscal Years

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Fiscal Year	2015-16	2016-17	2017-18	2018-19	2019-20
Actuarially determined contribution	\$ 553,317	\$ 634,790	\$ 692,687	\$ 807,058	\$ 957,115
Contribution in relation to the actuarially determined contribution	(553,317)	(634,790)	(692,687)	(807,095)	(957,115)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (37)	\$ -
Authority's covered payroll	\$ 4,773,439	\$ 5,184,067	\$ 5,270,919	\$ 5,408,034	\$ 5,838,063
Contributions as a percentage of covered payroll	11.59%	12.25%	13.14%	14.92%	16.39%

Notes to the Schedule:

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

Change of Assumptions: In 2023 and 2024, there were no changes. In 2022, the discount rate was reduced from 7.15% to 6.90%. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. In 2019 to 2021, 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, 2025 and 2024

Last Ten Fiscal Years

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Fiscal Year	2020-21	2021-22	2022-2023	2023-2024	2024-2025
Actuarially determined contribution	\$ 1,078,691	\$ 1,145,330	\$ 1,164,476	\$ 1,142,452	\$ 1,222,382
Contribution in relation to the actuarially determined contribution	(1,078,691)	(1,427,194)	(1,426,039)	(1,345,008)	(1,667,894)
Contribution deficiency (excess)	\$ -	\$ (281,864)	\$ (261,563)	\$ (202,556)	\$ (445,512)
Authority's covered payroll	\$ 6,005,530	\$ 5,834,801	\$ 5,250,822	\$ 5,246,280	\$ 4,640,630
Contributions as a percentage of covered payroll	17.96%	24.46%	27.16%	25.64%	35.94%

Notes to the Schedule:

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

Change of Assumptions: In 2023 and 2024, there were no changes. In 2022, the discount rate was reduced from 7.15% to 6.90%. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. In 2019 to 2021, 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, 2025 and 2024

Measurement Period	Last Ten Fiscal Years				
	2016-2017 ¹	2017-2018	2018-2019	2019-2020	2020-2021
Total OPEB Liability					
Service Cost	\$ 163,778	\$ 143,129	\$ 138,260	\$ 156,598	\$ 218,323
Interest on the total OPEB liability	88,136	103,266	111,541	100,283	80,605
Changes in benefit terms	-	-	5,100	-	-
Difference between expected and actual experience	-	-	(304,572)	-	332,432
Changes in assumptions	(307,074)	(113,847)	117,179	547,573	(1,457,595)
Contribution from the employer	-	-	-	-	-
Benefit payments	(126,836)	(137,416)	(122,659)	(82,889)	(85,350)
Net changes in total OPEB liability	(181,996)	(4,868)	(55,151)	721,565	(911,585)
Total OPEB liability, beginning	2,992,097	2,810,101	2,805,233	2,750,082	3,471,647
Total OPEB liability, ending (a)	\$ 2,810,101	\$ 2,805,233	\$ 2,750,082	\$ 3,471,647	\$ 2,560,062
Plan fiduciary net position:					
Employer contribution	\$ 126,836	\$ 137,416	\$ 122,659	\$ 83,145	\$ 335,588
Employee contributions	-	-	-	-	-
Net investment income	-	-	-	-	186
Administrative expenses	-	-	(232)	(256)	(242)
Benefit payments	(126,836)	(137,416)	(122,659)	(82,889)	(85,350)
Other	-	-	-	-	-
Net changes in fiduciary net position	-	-	(232)	-	250,182
Plan fiduciary net position, beginning	-	-	-	-	-
Plan fiduciary net position, ending (b)	\$ -	\$ -	\$ (232)	\$ -	\$ 250,182
Plan net OPEB liability - ending (a) - (b)	\$ 2,810,101	\$ 2,805,233	\$ 2,750,314	\$ 3,471,647	\$ 2,309,880
Plan's fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	-0.01%	0.00%	9.77%
Covered employee payroll	\$ 5,996,321	\$ 7,010,558	\$ 6,722,179	\$ 7,264,866	\$ 6,322,182
Plan Net OPEB liability as a percentage of covered employee	46.86%	40.01%	40.91%	47.79%	36.54%

¹Historical information is presented only for measurement periods after GASB 75 was implemented in 2016-2017.

South Bay Regional Public Communications Authority
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios (Continued)
For the Years Ended June 30, 2025 and 2024

	Last Ten Fiscal Years		
Measurement Period	2021-2022	2022-2023	2023-2024
Total OPEB Liability			
Service Cost	\$ 99,215	\$ 95,635	\$ 66,275
Interest on the total OPEB liability	143,513	154,085	125,549
Changes in benefit terms	7,172	-	-
Difference between expected and actual experience	-	(480,425)	-
Changes in assumptions	(74,924)	(123,015)	-
Contribution from the employer	-	(102,096)	(124,330)
Benefit payments	(99,884)	-	-
Net changes in total OPEB liability	75,092	(455,816)	67,494
Total OPEB liability, beginning	2,560,062	2,635,154	2,179,338
Total OPEB liability, ending (a)	\$ 2,635,154	\$ 2,179,338	\$ 2,246,832
Plan fiduciary net position:			
Employer contribution	\$ 292,863	\$ 295,224	\$ 304,490
Employee contributions	-	-	-
Net investment income	(53,224)	15,219	55,108
Administrative expenses	(383)	(572)	(724)
Benefit payments	(99,884)	(102,096)	(124,330)
Other	-	-	-
Net changes in fiduciary net position	139,372	207,775	234,544
Plan fiduciary net position, beginning	250,182	389,554	597,329
Plan fiduciary net position, ending (b)	\$ 389,554	\$ 597,329	\$ 831,873
Plan net OPEB liability - ending (a) - (b)	\$ 2,245,600	\$ 1,582,009	\$ 1,414,959
Plan's fiduciary net position as a percentage of the total OPEB liability	14.80%	27.40%	37.00%
Covered employee payroll	\$ 6,425,816	\$ 6,542,989	\$ 6,594,017
Plan Net OPEB liability as a percentage of covered employee	34.90%	24.20%	21.50%

¹Historical information is presented only for measurement periods after GASB 75 was implemented 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, 2025 and 2024

Last Ten Fiscal Years

Other Postemployment Benefits ("OPEB")

Fiscal year	2016-17 ¹	2017-18	2018-19	2019-20	2020-21
Actuarially determined contribution	\$ 126,836	\$ 140,536	\$ 122,891	\$ 83,145	\$ 85,588
Contribution in relation to the actuarially determined contribution	(126,836)	(140,536)	(122,891)	(83,145)	(335,588)
Contribution deficiency / (excess)	\$ -	\$ -	\$ -	\$ -	\$ (250,000)
Authority's covered employee payroll	\$ 5,996,321	\$ 7,010,558	\$ 7,264,866	\$ 6,322,182	\$ 7,482,812
Contributions as a percentage of covered employee payroll	2.12%	2.00%	1.69%	1.32%	1.14%

Notes to Schedule:

Valuation date: June 30, 2023
Methods and assumptions used to determine contribution rates: Entry Age Normal

Actuarial Cost Method: Level dollar
Amortization Method: 17-year fixed period for 2024/25
Amortization Period: Market value of assets
Asset Valuation Method: 2.50% per year
Inflation: 5.75% at June 30, 2023 (pre-funded with CalPERS diversified trust Strategy 2)
Investment return/discount rate: 2.21% at June 30, 2020 (Bond Buyer 20-year index)
Non-Medicare - 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076
Medical Trend: Non-Medicare - 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076
Medicare (Non-Kaiser) - 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076
Mortality: CalPERS 2000-2019 Experience Study
Mortality Improvement: Mortality projected fully generational with Scale MP-2021

¹Historical information is presented only for measurement periods after GASB 75 was implemented in 2016-2017.

South Bay Regional Public Communications Authority
Required Supplementary Information (Unaudited)
Schedule of Contributions – Other Postemployment Benefits (Continued)
For the Years Ended June 30, 2025 and 2024

Last Ten Fiscal Years

Other Postemployment Benefits ("OPEB")

Fiscal year	2021-22	2022-23	2023-2024	2024-2025
Actuarially determined contribution	\$ 298,470	\$ 300,428	\$ 302,653	\$ 206,077
Contribution in relation to the actuarially determined contribution	(292,863)	(295,224)	(304,490)	(191,930)
Contribution deficiency / (excess)	\$ 5,607	\$ 5,204	\$ (1,837)	\$ 14,147
Authority's covered employee payroll	\$ 6,425,816	\$ 6,542,989	\$ 6,594,017	\$ 6,097,462
Contributions as a percentage of covered employee payroll	4.64%	4.59%	4.59%	3.14%

Notes to Schedule:

Valuation date: June 30, 2023
Methods and assumptions used to determine contribution rates: Entry Age Normal

Actuarial Cost Method: Level dollar
Amortization Method: 17-year fixed period for 2024/25
Amortization Period: Market value of assets
Asset Valuation Method: 2.50% per year
Inflation: 5.75% at June 30, 2023 (pre-funded with CalPERS diversified trust Strategy 2)
Investment return/discount rate: 2.21% at June 30, 2020 (Bond Buyer 20-year index)
Non-Medicare - 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076
Medical Trend: Non-Medicare - 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076
Medicare (Non-Kaiser) - 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076
Mortality: CalPERS 2000-2019 Experience Study
Mortality Improvement: Mortality projected fully generational with Scale MP-2021

¹Historical information is presented only for measurement periods after GASB 75 was implemented in 2016-2017.

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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 Auditor's 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 ("*Government Auditing Standards*"), the financial statements of the business-type activities of the South Bay Regional Public Communications Authority, California (the "Authority") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprises the Authority's basic financial statements, and have issued our report thereon dated March 10, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting ("internal control") as a basis for designing 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 or significant deficiencies may exist that were not identified.

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

Report on 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 financial statements. 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*.

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 entity internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The Pw Group, LLP

Santa Ana, California
March 10, 2026

G-5

Attachment 2



March 10, 2026

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

We have audited the financial statements of the business-type activities of South Bay Regional Public Communications Authority (the “Authority”) for the year ended June 30, 2025. Professional standards require that we communicate to you the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

Our Responsibility under U.S. Generally Accepted Auditing Standards and the *Government Auditing Standards*

As stated in our engagement letter dated June 23, 2025, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we consider the internal control of the Authority. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we also perform tests of the Authority’s compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit.

Generally accepted accounting principles provide for certain required supplementary information (“RSI”) to supplement the basic financial statements. Our responsibility with respect to Management’s Discussion and Analysis (“MD&A”), the Schedule of the Authority’s Proportionate Share of the Net Pension Liabilities and Related Ratios, the Schedule of Contributions – Pensions, the Schedule of Changes in Net Other Postemployment Benefits Liabilities and Related Ratios, and the Schedule of Contributions – Other Postemployment Benefits, which supplement the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

Planned Scope, Timing of the Audit, Significant Risks, and Other

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including the system of internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We have identified the following significant risks of material misstatement as part of our auditing planning:

- According to GAAS, significant risks include management override of controls, and GAAS presumes that revenue recognition is a significant risk. Accordingly, we have considered these as significant risks.
- Implementation of GASB Statement No. 101 – Compensated Absences.

We began our audit on approximately September 8, 2025 and issued our report on November 14, 2025. France J. Kuo is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2025. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Authority's financial statements were:

- Management's estimate of the depreciation on capital assets is based on the industry standard and past experience on actual useful life of the asset groups. We evaluated the key factors and assumptions used to develop the depreciation on capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the net pension liabilities is based on the proportionated share of actuarial valuation on total pension liability and based on the proportionated share of fiduciary net position for CalPERS plan. We evaluated the key factors and assumptions used to develop the net pension liability in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the net other postemployment benefits ("OPEB") liability is based on the actuarial valuation on the total OPEB liability. We evaluated the key factors and assumptions used to develop the net OPEB liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- Note 1 – Reporting Entity and Summary of Significant Accounting Policy
- Note 6 – Defined Benefit Pension Plan
- Note 7 – Other Postemployment Benefits ("OPEB")
- Note 9 – Commitments and Contingencies

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 10, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

To the Board of Directors
of the South Bay Regional Public Communications Authority
Hawthorne, California
Page 3

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, the Schedule of Proportionate Share of the Net Pension Liability and Related Ratios, the Schedule of Contributions – Pensions, the Schedule of Changes in Net Other Postemployment Benefit Liability and Related Ratios, and the Schedule of Contributions – Other Postemployment Benefits, which are required supplementary information ("RSI") that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of Board of Directors and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

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

Santa Ana, California

G-6



Staff Report

South Bay Regional Public Communications Authority

MEETING DATE: March 17, 2026

ITEM NUMBER: G-6

TO: Executive Committee

FROM: Mike Saffell, Interim Executive Director
Megan Cunningham, Administrative Services Manager

SUBJECT: Renewal Agreement with GetResQ911, LLC for Placement of Temporary Communications Operators

ATTACHMENTS: 1. Agreement with GetResQ911, LLC

DISCUSSION

Attached is the Renewal Agreement with GetResQ911, LLC for placement services. GetResQ911, LLC would continue to receive \$2,400 per month for each temporary communications operator it refers to the Authority and that was employed by the Authority for at least 160 hours that month. This monthly fee would be prorated if the temporary communications operator does not work at least 160 hours in a month. The term of the Agreement is one year.

The cost of the placement services in addition to what would likely be the hourly rate the Authority would pay the temporary dispatcher employees directly is in line with our current dispatchers' pay scale. The temporary employees would be employees of the Authority, for a max of six months. There have been no changes to this renewal.

FISCAL IMPACT

We have the funds available through salary and overtime budget for FY25/26 and FY26/27.

G-6

Attachment 1

**PROFESSIONAL SERVICES AGREEMENT
for
Temporary Staffing Placement Services**

This Professional Service Agreement ("the Agreement") is made as of January 1, 2026 (the "Effective Date"), by and between GetResQ911, a Colorado Limited Liability Company ("Consultant") with an address of 12268 Eastern Pine Lane, Parker, Colorado 80138, and the South Bay Regional Public Communications Authority ("Authority"), a California Joint Powers Authority, (collectively, "the Parties").

RECITALS

- A. Authority desires to obtain professional staffing placement services from Consultant to supply temporary employees to Authority's 911 dispatch and call center on the terms identified further in the Scope of Services;
- B. Consultant desires to provide professional Services to Authority on the terms herein;
- C. Consultant represents that employees of its firm are fully qualified to perform the services contemplated by this Agreement in a good and professional manner; and it desires to perform such services as provided herein.

NOW THEREFORE, in consideration of the Parties' performance of the promises, covenants, and conditions stated herein, the Parties hereto agree as follows.

AGREEMENT

1.0 Scope of Services and Authority's Obligations

1.1. Consultant shall provide those services (collectively "Services") set forth in the Scope of Services attached hereto as Exhibit A and incorporated herein by this reference. To the extent that there is any conflict between Exhibit A and this Agreement, this Agreement shall control. The purpose of providing the Services should be acceptance of Authority's job offer by the candidates provided by the Consultant, who, after such an acceptance, are referred to as "temporary employees."

1.2. Consultant shall perform all Services under this Agreement in accordance with the standard of care generally exercised by the temporary staffing industry under similar circumstances and in a manner reasonably satisfactory to Authority.

1.3. In performing this Agreement, Consultant shall comply with all applicable provisions of federal, State of California, and local law.

1.4. As a material inducement to Authority to enter into this Agreement, Consultant hereby represents that it has the experience necessary to undertake the Services to be provided. In light of such status and experience, Consultant hereby covenants that it shall follow the customary professional standards in performing all Services. The Authority relies upon the skill of Consultant, and Consultant's staff, if any, to do and perform the Services in a skillful, competent, and professional manner, and Consultant and Consultant's employees, shall perform the Services in such manner. Consultant shall, at all times, meet or exceed any and all applicable professional standards of care. The acceptance of Consultant's work by the Authority shall not operate as a release of Consultant from such standard of care and workmanship.

1.5. Authority shall inform Consultant of the decision regarding the candidates, whether they are approved or rejected within 14 days after making a decision. Consultant shall maintain professionalism and cooperation in such situations and respect the Authority's decision regarding candidate selection.

1.6. Consultant shall screen potential candidates to confirm that potential candidates are not retirees under the California Public Employees Retirement System ("CalPERS"). However, Consultant shall notify Authority of candidates who are retired CalPERS members. Authority may consider employment for these candidates on a case by case basis.

2.0 Term

2.1. The term of this Agreement shall commence on January 1, 2026, and shall remain in full force and effect for one year until January 1, 2027 unless sooner terminated as provided in Section 5.0 of this Agreement.

3.0 Consultant's Compensation

3.1. In no event will the Authority pay Consultant more than the total not-to-exceed amount of \$308,000 (three hundred eight thousand dollars) ("Not-to-Exceed Amount") for the Term as defined in Section 2.0. Authority will pay a maximum monthly placement fee to Consultant of \$2,400 per candidate hired by Authority if the candidate hired by the Authority is on paid employment status for at least 160 hours in that month. If a candidate hired by the Authority does not work at least 160 hours in that month, Consultant will reduce the monthly amount for that candidate by \$10 for every hour of work under 160 hours for the month. Authority shall only be responsible for the monthly fee per employee in the months that the employee is actually employed by the Authority. Notwithstanding anything to the contrary in this Agreement, Consultant may at

any time, in its sole discretion, discontinue performance of the services once the Not-to-Exceed Amount has been attained (even if Consultant continued to provide services after the Not-to-Exceed Amount was reached).

3.2. Consultant will not be compensated for any work performed not specified in the Scope of Services unless the Authority authorizes such work in advance and in writing. The Authority Executive Director may authorize extra work to fund unforeseen conditions up to the amount approved at the time of award by the Authority's Executive Committee. Payment for additional work in excess of this amount requires prior Authority Executive Committee authorization and must be in accordance with all other provisions of this Agreement.

4.0 Method of Payment

4.1. Consultant shall submit to Authority an invoice for a monthly fee that is based on the placement of employees at the Authority in accordance with Section 3.1. Such invoices shall be submitted after the end of the month and shall describe in detail the Services rendered during the period. Authority will pay Consultant within thirty (30) days of receiving Consultant's invoice. Authority will not withhold any applicable federal or state payroll and other required taxes, or other authorized deductions from payments made to Consultant.

5.0 Termination

5.1. This Agreement may be terminated by either party, without cause, upon giving the other party written notice thereof not less than thirty (30) days prior to the date of termination.

5.2. This Agreement may be terminated by Authority upon ten (10) days' notice to Consultant if Consultant fails to provide satisfactory evidence of renewal or replacement of comprehensive general liability insurance as required by this Agreement at least twenty (20) days before the expiration date of the previous policy.

6.0 Party Representatives

6.1. The Executive Director is the Authority's representative for purposes of this Agreement.

6.2. Diane Carroll, Founder, is the Consultant's primary representative for purposes of this Agreement. Ms. Carroll shall be responsible during the term of this Agreement for directing all activities of Consultant. Consultant may not change its representative without the prior written approval of Authority, which approval shall not be unreasonably withheld.

7.0 Notices

7.1. All notices permitted or required under this Agreement shall be deemed made when personally delivered or when mailed forty-eight (48) hours after deposit in the United States Mail, first class postage prepaid and addressed to the party at the following addresses:

To Authority: South Bay Regional Public
Communications Authority
4440 W. Broadway,
Hawthorne, California 90250
Attn: Executive Director

To Consultant: GetResQ911
12268 Eastern Pine Lane,
Parker, Colorado 80138
Attn: Diane Carroll

7.2. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

8.0 Independent Contractor.

8.1. Consultant is retained as an independent contractor and is not an employee of Authority. No employee or agent of Consultant is or shall become an employee of Authority. The work to be performed shall be in accordance with the Scope of Services described in this Agreement, subject to such directions and amendments from Authority as herein provided.

8.2. All work and other Services provided pursuant to this Agreement shall be performed by Consultant or by Consultant's employees or other personnel under Consultant's supervision, and Consultant and all of Consultant's personnel shall possess the qualifications, permits, and licenses required by State and local law to perform the Services, including without limitation any business licenses required in the jurisdiction where Services are to be performed.

8.3. Consultant shall be responsible for and pay all wages, salaries, benefits and other amounts due to Consultant's personnel in connection with their performance of any Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: Social Security taxes, other retirement or pension benefits, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

Notwithstanding any other agency, State, or federal policy, rule, regulation, statute or ordinance to the contrary, Consultant and its officers, employees, agents, and subcontractors providing any of the Services under this Agreement shall not become entitled to, and hereby waive any claims to, any wages, salaries, compensation, or benefit.

8.4. Consultant shall indemnify and hold harmless Authority and its elected officials, officers, employees, and agents serving as independent contractors in the role of Authority officials, from any and all liability, damages, claims, costs and expenses of any nature to the extent directly arising from, Consultant's personnel practices, negligent acts or omissions, or to the extent arising from, caused by or relating to the violation of any of the provisions of this Section 8.0. This duty of indemnification is in addition to Consultant's duty to defend, indemnify and hold harmless as set forth in any other provision of this Agreement. Notwithstanding anything to the contrary in this Agreement, Consultant shall not be liable for, or have any duty of indemnification to the extent arising out of the negligent acts or omissions of Authority and its elected officials, officers, employees.

9.0 PERS Compliance and Indemnification

9.1. General Requirements. The Parties acknowledge that Authority is a local agency member of PERS, and as such has certain pension reporting and contribution obligations to PERS on behalf of qualifying employees. Consultant agrees that, in providing its employees and any other personnel to Authority to perform any work or other Services under this Agreement, Authority shall assure compliance with the Public Employees' Retirement Law, commencing at Government Code § 20000, the regulations of PERS, and the Public Employees' Pension Reform Act of 2013, as amended. Without limitation to the foregoing, Authority shall assure compliance with regard to personnel who have active or inactive membership in PERS and to those who are retired annuitants and in performing this Agreement shall not assign or utilize any of its personnel in a manner that will cause Authority to be in violation of the applicable retirement laws and regulations.

10.0 Confidentiality

10.1. Consultant covenants that all data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without prior written authorization by Authority. Authority shall grant such authorization if applicable law requires disclosure. All Authority data shall be returned to Authority upon the termination of this Agreement. Consultant's covenant under this Section shall survive the termination of this Agreement.

10.2. Subject to applicable laws, Authority agrees to hold in confidence

and the Consultant's employee's legally protected personal information, and Authority agrees to implement and maintain reasonable security procedures and practices to protect such information from unauthorized access, use, modification or disclosure.

11.0 Subcontractors

No portion of this Agreement shall be subcontracted without the prior written approval of the Authority.

12.0 Assignment

Consultant shall not assign or transfer any interest in this Agreement whether by assignment or novation, without the prior written consent of Authority. Any purported assignment without such consent shall be void and without effect.

13.0 Inspection and Audit of Records

Consultant shall maintain complete and accurate records with respect to all Services and other matters covered under this Agreement, including but expressly not limited to, all Services performed, salaries, wages, invoices, time cards, cost control sheets, costs, expenses, receipts and other records with respect to this Agreement. Consultant shall maintain adequate records on the Services provided in sufficient detail to permit an evaluation of all Services in connection therewith. All such records shall be clearly identified and readily accessible, unless made confidential under laws applicable to California public agencies. At all times during regular business hours, Consultant shall provide Authority with free access to such records, and the right to examine and audit all program data, information, documents, proceedings and activities related to invoicing and all other non-confidential matters related to the performance of the Services under this Agreement. Consultant shall retain all financial and program service records and all other records related to the Services and performance of this Agreement for at least four (4) years after expiration, termination or final payment under this Agreement, whichever occurs later. Authority's rights under this Section 13.0 shall survive for (4) years after expiration, termination or final payment under this Agreement, whichever occurs later.

14.0 Insurance

14.1. Consultant shall not commence work under this Agreement until it has provided evidence satisfactory to the Authority that Consultant has secured all insurance required under this Section. Consultant shall furnish Authority with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to the Authority. The certificates and endorsements for each insurance policy shall be signed by a

person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by the Authority if requested. All certificates and endorsements shall be received and approved by the Authority before work commences.

14.2. Consultant shall, at its expense, procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of this Agreement as follows: General Liability: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001). Consultant shall maintain limits no less than \$1,000,000 per occurrence for bodily injury, personal injury and property damage and if Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit.

14.3. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms supplied or approved by the Authority to state: (1) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days prior written notice, has been given to the Authority; (2) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the Authority, its directors, officials, officers, (3) coverage shall be primary insurance as with respect to the Authority, its directors, officials, officers, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage and that any insurance or self-insurance maintained by the Authority, its directors, officials, officers, employees, agents and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it; and (4) for general liability insurance, that the Authority, its directors, officials, officers, employees, agents and volunteers shall be covered as additional insureds with respect to the services or operations performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work.

14.4. All insurance required by this Section shall contain standard separation of insureds provisions and shall not contain any special limitations on the scope of protection afforded to the Authority, its directors, officials, officers, employees, agents, and volunteers.

14.5. Any deductibles or self-insured retentions shall be declared to and approved by the Authority. Consultant guarantees that, at the option of the Authority, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions with respect to the Authority, its directors, officials, officers, employees, agents, and volunteers; or (2) the Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

15.0 Indemnification, Hold Harmless, and Duty to Defend

15.1. Consultant and the Authority agree that the Authority, its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those Authority agents serving as independent contractors in the role of Authority officials, and the elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those agents serving as independent contractors of each of the cities that are members of the Authority at the time of this Agreement (collectively "Indemnitees" in this Section 15.0) should, to the fullest extent permitted by law, be fully protected from any loss, injury, damage, claim, liability, lawsuit, cost, expense, reasonable attorneys' fees, litigation costs, defense costs, court costs and/or any other cost arising out of performance of this Agreement. Accordingly, the provisions of this indemnity provision are intended by the Parties to be interpreted and construed to provide the fullest protection possible under the law to the Authority and all other Indemnitees. Consultant acknowledges that the Authority would not have entered into this Agreement in the absence of the commitment of Consultant to indemnify and protect the Authority and the other Indemnitees, as set forth in this Agreement

15.2. Indemnity. To the fullest extent permitted by law, the Consultant shall, at its sole cost and expense, protect, defend, hold harmless and indemnify the Authority, its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those Authority agents serving as independent contractors in the role of Authority officials, and the elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those agents serving as independent contractors of each of the cities that are members of the Authority at the time of this Agreement (collectively "Indemnitees" in this Section 15.0) from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, judgments, penalties, liens and losses of any nature whatsoever, including fees of accountants, attorneys and other professionals, and all costs associated therewith, and the payment of all consequential damages (collectively "Claims"), in law or equity, whether actual, alleged or threatened, which arise out of, the negligent acts or omissions, or willful misconduct, of the Consultant, and/or its officers, agents, servants, employees, subcontractors, materialmen, suppliers, or contractors, or their officers, agents, servants or employees (or any entity or individual that the Consultant shall bear the legal liability thereof) in the performance of this Agreement, except for Claims arising from the negligence or willful misconduct of Indemnitees, as determined by final arbitration or court decision or by the agreement of the Parties. The Consultant shall defend the Indemnitees in any action or actions filed in connection with any Claims, and shall pay all costs and expenses, including all reasonable attorneys' fees and experts' costs actually incurred in connection with such defense. Consultant shall control the investigation and defense of any Claim and engage counsel of its choice to defend any Claim at Consultant's expense. If Authority elects to, Authority may, at its own expense, retain its own counsel

to ensure its rights are protected. Notwithstanding anything to the contrary in this Agreement, Consultant shall not be liable for, or have any duty of indemnification with respect to any negligent acts or omissions of Indemnitees.

15.3. The obligations of Consultant under this or any other provision of this Agreement shall not be limited by the provisions of any workers' compensation act or similar act. Consultant's indemnity obligation set forth in this Section 15.0 shall not be limited by the limits of any policies of insurance required or provided by Consultant pursuant to this Agreement.

15.4. Consultant's covenants under this Section 15.0 shall survive the expiration or termination of this Agreement.

16.0 Dispute Resolution

Any controversy between Company and Client arising under or relating to this Agreement shall be determined by arbitration to be conducted by a group mutually acceptable to the Parties such as the American Arbitration Association or Judicial Arbitrator Group, under and in accordance with the commercial rules of the American Arbitration Association. Hearings on such arbitration shall be held in Los Angeles County, unless otherwise agreed between the Parties. By signing this Agreement, the Parties hereto agree to have any dispute arising out of the matters included or related to this Agreement decided by neutral arbitration as provided by applicable law.

17.0 Equal Opportunity

Consultant affirmatively represents that it is an equal opportunity employer. Consultant shall not discriminate against any candidate, employee, or applicant for employment because of race, religion, color, national origin, disability, medical condition, ancestry, gender, gender identity, gender expression, sex, sexual orientation, marital status, reproductive health decisions, genetic information, non-psychoactive cannabis use, lack of driver's license, veteran or military status, or age. Such non-discrimination includes, but is not limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, or termination.

18.0 Labor Certification

By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code that require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

19.0 Entire Agreement

This Agreement contains the entire agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings, or agreements. This Agreement may only be modified by a writing signed by both Parties.

20.0 Severability

The invalidity in whole or in part of any provisions of this Agreement shall not void or affect the validity of the other provisions of this Agreement.

21.0 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

22.0 No Third Party Rights

No third party shall be deemed to have any rights hereunder against either party as a result of this Agreement.

23.0 Waiver

No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a party shall give the other party any contractual rights by custom, estoppel, or otherwise.

24.0 Prohibited Interests; Conflict of Interest

24.1. Consultant covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which may be affected by the Services, or which would conflict in any manner with the performance of the Services. Consultant further covenants that, in performance of this Agreement, no person having any such interest shall be employed by it. Furthermore, Consultant shall avoid the appearance of having any interest, which would conflict in any manner with the performance of the Services. Consultant shall not accept any employment or representation during the term of this Agreement which is or may likely make Consultant "financially interested" (as provided in California Government Code §§ 1090 and 87100) in any decision made by Authority on any matter in connection with which Consultant has been retained.

24.2. Consultant further warrants and maintains that it has not employed or retained any person or entity, other than a bona fide employee working exclusively for Consultant, to solicit or obtain this Agreement. Nor has Consultant paid or agreed to pay any person or entity, other than a bona fide employee working exclusively for Consultant, any fee, commission, gift, percentage, or any other consideration contingent upon the execution of this Agreement. Upon any breach or violation of this warranty, Authority shall have the right, at its sole and absolute discretion, to terminate this Agreement without further liability, or to deduct from any sums payable to Consultant hereunder the full amount or value of any such fee, commission, percentage or gift.

24.3. Consultant warrants and maintains that it has no knowledge that any officer or employee of Authority has any interest, whether contractual, non-contractual, financial, proprietary, or otherwise, in this transaction or in the business of Consultant, and that if any such interest comes to the knowledge of Consultant at any time during the term of this Agreement, Consultant shall immediately make a complete, written disclosure of such interest to Authority, even if such interest would not be deemed a prohibited "conflict of interest" under applicable laws as described in this subsection

25.0 Attorneys' Fees

If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in any such action shall be entitled to have and recover from the losing party all of its reasonable attorneys' fees and other costs incurred in connection therewith.

26.0 Exhibits

All exhibits referenced in this Agreement are hereby incorporated into the Agreement as if set forth in full herein. In the event of any material discrepancy between the terms of any exhibit so incorporated and the terms of this Agreement, the terms of this Agreement shall control.

27.0 Corporate Authority

The person executing this Agreement on behalf of Consultant warrants that he or she is duly authorized to execute this Agreement on behalf of said party and that by his or her execution, the Consultant is formally bound to the provisions of this Agreement.

IN WITNESS WHEREOF, the Parties hereto, through their respective authorized representatives have executed this Agreement as of the date and year first above written.

SOUTH BAY REGIONAL PUBLIC
COMMUNICATIONS AUTHORITY

By: _____
Mike Saffell, Interim Executive
Director

Attest:

By: _____

Approved as to Form:

By: _____
Jennifer Petrusis, Authority
General Counsel

CONSULTANT: GetResQ911,

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

*(Please note, two signatures required for corporations pursuant to California Corporations Code Section 313 from each of the following categories: (i) the chairperson of the board, the president or any vice president, **and** (ii) the secretary, any assistant secretary, the chief financial officer or any assistant treasurer of such corporation.)*

EXHIBIT A

Scope of Services

Authority engages Consultant on a non-exclusive basis to provide professional staffing services for its dispatch and call centers. Consultant shall perform the following Services in contemplation of this agreement:

- Consultant shall be solely responsible for identifying and recruiting temporary staff members, which shall serve as temporary employees for the Authority. Authority shall provide Consultant with all the necessary information regarding the opening(s) for which the Services are provided including job descriptions, job level, required qualifications, and other relevant information.
- Consultant shall ensure that all temporary employees possess the requisite training and certifications to fulfill the role as a dispatcher and work at a call center. Consultant shall consider any materials furnished by the Authority before determining the means, methods, and process for executing its Services.
- Additionally, Consultant shall be solely responsible for arranging any substitute staffing, if a temporary employee is unable to fulfill its duties under this Agreement due to accident, illness, or any other circumstances.
- Authority does not guarantee that any candidate presented to the Authority will be hired by the Authority or that any hired candidate shall remain employed by the Authority for a particular period.
- If desired, Consultant will provide a National and County Criminal and Credit background check.

I-1



Staff Report

South Bay Regional Public Communications Authority

MEETING DATE: March 17, 2026

ITEM NUMBER: I-1

TO: Executive Committee

FROM: Mike Saffell, Interim Executive Director

SUBJECT: ORGANIZATIONAL ASSESSMENT OF THE TECHNICAL SERVICES DIVISION THROUGH MERCURY ASSOCIATES, INC.

ATTACHMENT:

1. Professional Services Agreement Mercury Associates, Inc
2. Proposal to Provide an Organizational Assessment of the Technical Services Division

RECOMMENDATION

Staff recommends authorization to engage Mercury Associates, Inc. to conduct the Organizational Assessment of the Technical Services Division and approve procurement of services through Equalis Group Cooperative Contract #COG-2122A in the amount of \$85,375 with optional task services available as needed per contract terms.

DISCUSSION

The South Bay Regional Public Communications Authority (SBRPCA), also known as the Regional Communications Center (RCC), provides dispatch and related technical support services for six participating cities—Gardena, Hawthorne, Manhattan Beach, Culver City, El Segundo, and Hermosa Beach. In recent months, leadership has identified the need to conduct a comprehensive assessment of the Technical Services Division, which oversees vehicle upfitting, maintenance, and related fleet and equipment processes for the participating agencies' police and fire departments.

SBRPCA operates a centralized technical services unit responsible for vehicle upfitting and maintenance for approximately nine public safety departments across six cities. The division currently employs five full-time and one part-time technician and completes an

estimated 60 full vehicle builds annually, in addition to ongoing repairs and equipment maintenance.

Due to increasing workload demands, evolving technology requirements, and expanded service responsibilities, the need for an independent assessment has become evident. The purpose of the study is to evaluate current systems, staffing, and workflows to ensure the organization is structured for long-term operational sustainability.

Mercury Associates brings over 20 years of experience supporting more than 650 fleet organizations worldwide, including numerous public-sector clients in California. Their consultants—all of whom have direct fleet management experience—provide objective, data-driven analysis to help agencies optimize operations and control costs.

Mercury Associates, Inc. (Mercury), a nationally recognized fleet management consulting firm, has submitted a proposal to conduct a Comprehensive Fleet Assessment and Organizational Review of the Technical Services Division. The proposed study will analyze workflow management processes, staffing capacity, technology systems, and provide actionable recommendations for improved efficiency and operational effectiveness.

To remain compliant with public sector procurement requirements while expediting the contracting process, staff recommends procuring these services through the Equalis Group cooperative purchasing contract.

- Equalis Group partners with Lead Agencies—Region 10 Educational Service Center (TX) and the Cooperative Council of Governments (OH)—to competitively solicit vendors through transparent and compliant public sector procurement processes.
- Following a national Request for Proposals (RFP #COG-2122), Mercury Associates was awarded Contract #COG-2122A for Fleet Management Services after a competitive evaluation process.
- Equalis Group membership is open to all public sector entities at no cost, providing immediate access to this pre-competed agreement.

This contract mechanism ensures statutory and regulatory compliance while avoiding the time and resource burden of conducting a full RFP.

Mercury Associates proposes a firm fixed price of \$85,375 for Tasks 1–5, inclusive of travel and related expenses. Tasks 1-5 are as follows:

1. Assess Workflow Management and Processes
 - o Review current vehicle upfitting and maintenance workflows
 - o Evaluate approval processes, assignment of responsibilities, and financial workflows (billing, tracking, procurement)
 - o Examine maintenance prioritization and certification processes for readiness
2. Evaluate Staffing and Workload
 - o Analyze staffing levels, capacity, and organizational structure
 - o Use workload data and benchmarking tools to determine resource adequacy

- o Model alternative service delivery options, including outsourcing considerations
- 3. Review Technology Systems
 - o Evaluate use of existing systems (Jotform, ESC) for work order management
 - o Identify opportunities to increase customer visibility and efficiency
 - o Recommend alternative or enhanced systems where necessary
- 4. Technician Training and Vehicle Readiness Review
 - o Assess training adequacy and certification processes
 - o Provide recommendations to improve quality and readiness
- 5. Implementation Plan
 - o Develop a step-by-step roadmap outlining recommended organizational changes and technology improvements
 - o Provide cost and timeline estimates for implementation

Completion of the assessment is expected within 8–10 weeks of contract execution. Upon completion of the study, SBRPCA will receive:

- A detailed written report summarizing analysis, findings, and recommendations
- An actionable implementation plan with prioritized next steps
- Recommendations to enhance workflow efficiency, staffing sustainability, and technology utilization
- Strategies to ensure consistent service quality and cost efficiency across the six participating cities.

FISCAL IMPACT

None. Funding for this engagement is available in the FY25-26 Adopted Budget from various sources including salary savings and consulting services.

I-1

Attachment 1

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement ("Agreement") is dated March 17, 2026 ("Effective Date") and is between the South Bay Regional Public Communications Authority ("Authority"), a Joint Powers Authority, and Mercury Associates, Inc., a Maryland corporation ("Contractor"). Authority and Contractor are sometimes referred to herein as the "Parties", and individually as a "Party".

RECITALS

A. Authority desires to utilize the services of Contractor as an independent contractor to perform a comprehensive fleet assessment of the Authority's Technical Services Division.

B. Contractor represents that it is fully qualified to perform such services by virtue of its experience and the training, education, and expertise of its principals and employees.

C. Authority desires to retain Contractor and Contractor desires to serve Authority to perform these services in accordance with the terms and conditions of this Agreement.

The Parties therefore agree as follows:

1. Contractor's Services.

A. Scope of Services. Contractor shall perform the services described in the Scope of Services (the "Services"), attached as **Exhibit A**. Authority may request, in writing, changes in the Scope of Services to be performed. Any changes mutually agreed upon by the Parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.

B. Party Representatives. For the purposes of this Agreement, the Authority Representative shall be the Executive Director, or such other person designated in writing by the Executive Director (the "Authority Representative"). For the purposes of this Agreement, the Contractor Representative shall be Daniel Reichmann, Directory of Advisory Services (the "Contractor Representative"). The Contractor Representative shall directly manage Contractor's Services under this Agreement. Contractor shall not change the Contractor Representative without Authority's prior written consent.

C. Time for Performance. Contractor shall commence the Services on the Effective Date and shall perform all Services by the deadline established by the Authority Representative or, if no deadline is established, with reasonable diligence.

D. Standard of Performance. Contractor shall perform all Services under this Agreement in accordance with the standard of care generally exercised by like

professionals under similar circumstances and in a manner reasonably satisfactory to Authority.

E. Personnel. Contractor has, or will secure at its own expense, all personnel required to perform the Services required under this Agreement. All of the Services required under this Agreement shall be performed by Contractor or under its supervision, and all personnel engaged in the work shall be qualified to perform such Services.

F. Compliance with Laws. Contractor shall comply with all applicable federal, state and local laws, ordinances, codes, regulations and requirements.

G. Permits and Licenses. Contractor shall obtain and maintain during the Agreement term all necessary licenses, permits, and certificates required by law for the provision of Services under this Agreement, including a business license.

2. Term of Agreement. The term of this Agreement shall be one year from the Effective Date, unless sooner terminated as provided in Section 12 of this Agreement or extended.

3. Compensation.

A. Compensation. As full compensation for Services satisfactorily rendered, Authority shall pay Contractor \$85,375, which shall be the "Maximum Compensation".

B. Expenses. The Authority will not reimburse Contractor for any expenses, unless expenses are agreed upon in advance in writing by both parties.

C. Unauthorized Services and Expenses. Authority will not pay for any services not specified in the Scope of Services, unless the Executive Committee of the Authority or the Authority Representative, if applicable, and the Contractor Representative authorize such services in writing prior to Contractor's performance of those services or incurrence of additional expenses. Any additional services or expenses authorized by the Executive Committee or the Authority Representative shall be compensated at a rate mutually agreed to by the Parties. Authority shall make payment for additional services and expenses in accordance with Section 4 of this Agreement.

4. Method of Payment.

A. Invoices. Contractor shall submit to Authority three invoices, each in the amount of \$28,458.33. The first invoice will be submitted at the start of the project, the second at the midpoint of the project, and the third upon completion of the project and delivery of all required deliverables. Each invoice shall itemize the Services rendered during the billing period, hourly rates charged, if applicable, and the amount due. Authority shall review each invoice and notify Contractor in writing within ten Business days of receipt of any disputed invoice amounts.

B. Payment. Authority shall pay all undisputed invoice amounts within 30 calendar days after receipt up to the Maximum Compensation set forth in Section 3 of this Agreement. Authority does not pay interest on past due amounts. Authority shall not withhold federal payroll, state payroll or other taxes, or other similar deductions, from payments made to Contractor. Notwithstanding the preceding sentence, if Contractor is a nonresident of California, Authority will withhold the amount required by the Franchise Tax Board pursuant to Revenue and Taxation Code Section 18662 and applicable regulations.

C. Audit of Records. Contractor shall make all records, invoices, time cards, cost control sheets and other records maintained by Contractor in connection with this Agreement available during Contractor's regular working hours to Authority for review and audit by Authority.

5. Independent contractor. Contractor is, and shall at all times remain as to Authority, a wholly independent contractor. Contractor shall have no power to incur any debt, obligation, or liability on behalf of Authority. Neither Authority nor any of its employees, officers, or agents shall have control over the conduct of Contractor or any of Contractor's employees, except as set forth in this Agreement. Contractor shall not, at any time, or in any manner, represent that it or any of its officers, agents or employees are in any manner employees of Authority.

6. Information and Documents.

A. Contractor covenants that all data, reports, documents, discussion, or other information (collectively "Data") developed or received by Contractor or provided for performance of this Agreement are deemed confidential and shall not be disclosed or released by Contractor without prior written authorization by Authority. Authority shall grant such authorization if applicable law requires disclosure. Contractor, its officers, employees, agents, or subcontractors shall not, without written authorization from the Executive Director or unless requested in writing by the Executive Director or Authority's General Counsel, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any work performed by Contractor for the Authority. Contractor's response to a subpoena or court order shall not be considered "voluntary," provided Contractor gives Authority notice of the court order or subpoena.

B. Contractor shall promptly notify Authority should Contractor, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder or with respect to any work performed by Contractor for the Authority. Authority may, but has no obligation to, be present at any deposition, hearing, or similar proceeding. Contractor agrees to cooperate fully with Authority and to provide Authority with the opportunity to review any response to discovery requests

provided by Contractor. However, Authority's right to review any such response does not imply or mean the right by Authority to control, direct, or rewrite the response.

C. All Data required to be furnished to Authority in connection with this Agreement shall become Authority's property, and Authority may use all or any portion of the Data submitted by Contractor as Authority deems appropriate. Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files containing data generated for the Services, surveys, notes, and other documents prepared in the course of providing the Services shall become Authority's sole property and may be used, reused or otherwise disposed of by Authority without Contractor's permission. Contractor may take and retain copies of the written products as desired, but the written products shall not be the subject of a copyright application by Contractor.

D. Contractor's covenants under this Section shall survive the expiration or termination of this Agreement.

7. Conflicts of Interest. Contractor and its officers, employees, associates and subcontractors, if any, shall comply with all conflict of interest statutes of the State of California applicable to Contractor's Services under this Agreement, including the Political Reform Act (Gov. Code § 81000, *et seq.*) and Government Code Section 1090. During the term of this Agreement, Contractor may perform similar Services for other clients, but Contractor and its officers, employees, associates and subcontractors shall not, without the Authority Representative's prior written approval, perform work for another person or entity for whom Contractor is not currently performing work that would require Contractor or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute. Contractor shall incorporate a clause substantially similar to this Section into any subcontract that Contractor executes in connection with the performance of this Agreement.

8. Indemnification, Hold Harmless, and Duty to Defend.

A. Indemnities.

1) To the fullest extent permitted by law, Contractor shall, at its sole cost and expense, defend, hold harmless and indemnify Authority and its officers, attorneys, agents, employees, designated volunteers, successors, assigns, and members of its committees and the officers, attorneys, agents, employees, designated volunteers, successors, and assigns of each of the cities that are members of the Authority at the time of this Agreement (collectively "Indemnitees") from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys, or other professionals and all costs associated therewith and the payment of all consequential damages (collectively "Liabilities") in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or

relate to the acts or omissions of Contractor, its officers, agents, servants, employees, subcontractors, materialmen, consultants or their officers, agents, servants or employees (or any entity or individual that Contractor shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees as determined by court decision or by the agreement of the Parties. Contractor shall defend the Indemnitees in any action or actions filed in connection with any Liabilities with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. Contractor shall reimburse the Indemnitees for any and all legal expenses and costs incurred by Indemnitees in connection therewith.

2) Contractor shall pay all required taxes on amounts paid to Contractor under this Agreement, and indemnify and hold Authority harmless from any and all taxes, assessments, penalties, and interest asserted against Authority by reason of the independent contractor relationship created by this Agreement. Contractor shall fully comply with the workers' compensation law regarding Contractor and Contractor's employees. Contractor shall indemnify and hold Authority harmless from any failure of Contractor to comply with applicable workers' compensation laws. Authority may offset against the amount of any fees due to Contractor under this Agreement any amount due to Authority from Contractor as a result of Contractor's failure to promptly pay to Authority any reimbursement or indemnification arising under this subparagraph A.2).

3) Contractor shall obtain executed indemnity agreements with provisions identical to those in this Section from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Contractor in the performance of this Agreement. If Contractor fails to obtain such indemnity obligations, Contractor shall be fully responsible and indemnify, hold harmless and defend the Indemnitees from and against any and all Liabilities at law or in equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Contractor's subcontractor, its officers, agents, servants, employees, subcontractors, materialmen, consultants or their officers, agents, servants or employees (or any entity or individual that Contractor's subcontractor shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees as determined by court decision or by the agreement of the Parties.

B. Workers' Compensation Acts Not Limiting. Contractor's indemnifications and obligations under this Section, or any other provision of this Agreement, shall not be limited by the provisions of any workers' compensation act or similar act. Contractor expressly waives its statutory immunity under such statutes or laws as to Authority, its officers, agents, employees, and volunteers.

C. Insurance Requirements not Limiting. Authority does not, and shall not, waive any rights that it may possess against Contractor because of the acceptance by Authority, or the deposit with Authority, of any insurance policy or certificate required pursuant to this Agreement. The indemnities in this Section shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liabilities, tax, assessment, penalty or interest asserted against Authority.

D. Survival of Terms. Contractor's indemnifications and obligations under this Section shall survive the expiration or termination of this Agreement.

9. Insurance.

A. Minimum Scope and Limits of Insurance. Contractor shall procure and at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

1) Commercial General Liability Insurance with a minimum limit of \$1,000,000.00 per occurrence for bodily injury, personal injury and property damage and a general aggregate limit of \$1,000,000.00 per project or location. If Contractor is a limited liability company, the commercial general liability coverage shall be amended so that Contractor and its managers, affiliates, employees, agents and other persons necessary or incidental to its operation are insureds.

2) Automobile Liability Insurance for any owned, non-owned or hired vehicle used in connection with the performance of this Agreement with a combined single limit of \$1,000,000.00 per accident for bodily injury and property damage. If Contractor does not use any owned, non-owned or hired vehicles in the performance of Services under this Agreement, Contractor shall obtain a non-owned auto endorsement to the Commercial General Liability policy required under subparagraph A.1) of this Section.

3) Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance with a minimum limit of \$1,000,000.00 per accident for bodily injury or disease. If Contractor has no employees while performing Services under this Agreement, workers' compensation policy is not required, but Contractor shall execute a declaration that it has no employees.

4) Professional Liability/Errors and Omissions Insurance with minimum limits of \$1,000,000.00 per claim and in aggregate.

B. Acceptability of Insurers. The insurance policies required under this Section shall be issued by an insurer admitted to write insurance in the State of California with a rating of A: VII or better in the latest edition of the A.M. Best Insurance Rating Guide. Self insurance shall not be considered to comply with the insurance requirements under this Section.

C. Additional Insured. The commercial general and automobile liability policies shall contain an endorsement naming Authority and its officials, officers, employees, agents, volunteers, and members of its committees as additional insureds. This provision shall also apply to any excess/umbrella liability policies.

D. Primary and Non-Contributing. The insurance policies required under this Section shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance available to Authority. Any insurance or self-insurance maintained by Authority, its officials, officers, employees, agents or volunteers, shall be in excess of Contractor's insurance and shall not contribute with it.

E. Contractor's Waiver of Subrogation. The insurance policies required under this Section shall not prohibit Contractor and Contractor's employees, agents or subcontractors from waiving the right of subrogation prior to a loss. Contractor hereby waives all rights of subrogation against Authority.

F. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by Authority. At Authority's option, Contractor shall either reduce or eliminate the deductibles or self-insured retentions with respect to Authority, or Contractor shall procure a bond guaranteeing payment of losses and expenses.

G. Cancellations or Modifications to Coverage. Contractor shall not cancel, reduce or otherwise modify the insurance policies required by this Section during the term of this Agreement. The commercial general and automobile liability policies required under this Agreement shall be endorsed to state that should the issuing insurer cancel the policy before the expiration date, the issuing insurer will endeavor to mail 30 days' prior written notice to Authority. If any insurance policy required under this Section is canceled or reduced in coverage or limits, Contractor shall, within two Business Days of notice from the insurer, phone, fax or notify Authority via certified mail, return receipt requested, of the cancellation of or changes to the policy.

H. Authority Remedy for Noncompliance. If Contractor does not maintain the policies of insurance required under this Section in full force and effect during the term of this Agreement, or in the event any of Contractor's policies do not comply with the requirements under this Section, Authority may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, Authority may, but has no duty to, take out the necessary insurance and pay, at Contractor's expense, the premium thereon. Contractor shall promptly reimburse Authority for any premium paid by Authority or Authority may withhold amounts sufficient to pay the premiums from payments due to Contractor.

I. Evidence of Insurance. Prior to the performance of Services under this Agreement, Contractor shall furnish Authority's Executive Director with a certificate or certificates of insurance and all original endorsements evidencing and effecting the

coverages required under this Section. The endorsements are subject to Authority's approval. Contractor may provide complete, certified copies of all required insurance policies to Authority. Contractor shall maintain current endorsements on file with Authority's Executive Director. Contractor shall provide proof to Authority's Executive Director that insurance policies expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Contractor shall furnish such proof at least two weeks prior to the expiration of the coverages.

J. Indemnity Requirements not Limiting. Procurement of insurance by Contractor shall not be construed as a limitation of Contractor's liability or as full performance of Contractor's duty to indemnify Authority under Section 8 of this Agreement.

K. Subcontractor Insurance Requirements. Contractor shall require each of its subcontractors that perform Services under this Agreement to maintain insurance coverage that meets all of the requirements of this Section.

10. Mutual Cooperation.

A. Authority's Cooperation. Authority shall provide Contractor with all pertinent Data, documents and other requested information as is reasonably available for Contractor's proper performance of the Services required under this Agreement.

B. Contractor's Cooperation. In the event any claim or action is brought against Authority relating to Contractor's performance of Services rendered under this Agreement, Contractor shall render any reasonable assistance that Authority requires.

11. Records and Inspections. Contractor shall maintain complete and accurate records with respect to time, costs, expenses, receipts, correspondence, and other such information required by Authority that relate to the performance of the Services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Contractor shall provide free access to Authority, its designees and representatives at reasonable times, and shall allow Authority to examine and audit the books and records, to make transcripts therefrom as necessary, and to inspect all work, data, documents, proceedings and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three years after receipt of final payment.

12. Termination of Agreement.

A. Right to Terminate. Authority may terminate this Agreement at any time, at will, for any reason or no reason, after giving written notice to Contractor at least five calendar days before the termination is to be effective. Contractor may terminate this Agreement at any time, at will, for any reason or no reason, after giving written notice to Authority at least 60 calendar days before the termination is to be effective.

B. Obligations upon Termination. Contractor shall cease all work under this Agreement on or before the effective date of termination specified in the notice of termination. In the event of Authority's termination of this Agreement due to no fault or failure of performance by Contractor, Authority shall pay Contractor based on the percentage of work satisfactorily performed up to the effective date of termination. In no event shall Contractor be entitled to receive more than the amount that would be paid to Contractor for the full performance of the Services required by this Agreement. Contractor shall have no other claim against Authority by reason of such termination, including any claim for compensation.

13. Force Majeure. Contractor shall not be liable for any failure to perform its obligations under this Agreement if Contractor presents acceptable evidence, in Authority's sole judgment, that such failure was due to acts of God, embargoes, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond Contractor's reasonable control and not due to any act by Contractor.

14. Default.

A. Contractor's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Contractor is in default for cause under the terms of this Agreement, Authority shall have no obligation or duty to continue compensating Contractor for any work performed after the date of default.

B. In addition to the right to terminate pursuant to Section 12, if the Executive Director determines that Contractor is in default in the performance of any of the terms or conditions of this Agreement, Authority shall serve Contractor with written notice of the default. Contractor shall have ten calendar days after service upon it of the notice in which to cure the default by rendering a satisfactory performance. In the event that Contractor fails to cure its default within such period of time, Authority may, notwithstanding any other provision of this Agreement, terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

15. Notices. Any notice, consent, request, demand, bill, invoice, report or other communication required or permitted under this Agreement shall be in writing and conclusively deemed effective: (a) on personal delivery, (b) on confirmed delivery by courier service during Contractor's and Authority's regular business hours, or (c) three Business Days after deposit in the United States mail, by first class mail, postage prepaid, and addressed to the Party to be notified as set forth below:

If to Authority:

Attn: Mike Saffell, Interim Executive Director
SBRPCA

4440 W. Broadway
Hawthorne, California 90250
Telephone: 310-973-1802
Email: msaffell@rcc911.org

If to Contractor:

Attn: Daniel Reichmann
Mercury Associates, Inc
186 Seven Farms Dr #F
Daniel Island, SC 29492
Telephone: (202) 306-8127
Email: dreichmann@mercury-assoc.com

16. Non-Discrimination and Equal Employment Opportunity. In the performance of this Agreement, Contractor shall not discriminate against any employee, subcontractor or applicant for employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, sexual orientation or other basis prohibited by law. Contractor will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment, without regard to their race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information or sexual orientation.

17. Prohibition of Assignment and Delegation. Contractor shall not assign any of its rights or delegate any of its duties under this Agreement, either in whole or in part, without Authority's prior written consent. Authority's consent to an assignment of rights under this Agreement shall not release Contractor from any of its obligations or alter any of its primary obligations to be performed under this Agreement. Any attempted assignment or delegation in violation of this Section shall be void and of no effect and shall entitle Authority to terminate this Agreement. As used in this Section, "assignment" and "delegation" means any sale, gift, pledge, hypothecation, encumbrance or other transfer of all or any portion of the rights, obligations, or liabilities in or arising from this Agreement to any person or entity, whether by operation of law or otherwise, and regardless of the legal form of the transaction in which the attempted transfer occurs.

18. No Third Party Beneficiaries Intended. This Agreement is made solely for the benefit of the Parties to this Agreement and their respective successors and assigns, and no other person or entity may have or acquire a right by virtue of this Agreement.

19. Waiver. No delay or omission to exercise any right, power or remedy accruing to Authority under this Agreement shall impair any right, power or remedy of Authority, nor shall it be construed as a waiver of, or consent to, any breach or default. No waiver of any breach, any failure of a condition, or any right or remedy under this Agreement shall be (1) effective unless it is in writing and signed by the Party making the waiver, (2) deemed to be a waiver of, or consent to, any other breach, failure of a condition, or right or remedy, or (3) deemed to constitute a continuing waiver unless the writing expressly so states.

20. Final Payment Acceptance Constitutes Release. The acceptance by Contractor of the final payment made under this Agreement shall operate as and be a release of Authority from all claims and liabilities for compensation to Contractor for anything done, furnished or relating to Contractor's work or services. Acceptance of payment shall be any negotiation of Authority's check or the failure to make a written extra compensation claim within ten calendar days of the receipt of that check. However, approval or payment by Authority shall not constitute, nor be deemed, a release of the responsibility and liability of Contractor, its employees, subcontractors and agents for the accuracy and competency of the information provided and/or work performed; nor shall such approval or payment be deemed to be an assumption of such responsibility or liability by Authority for any defect or error in the work prepared by Contractor, its employees, subcontractors and agents.

21. Corrections. In addition to the above indemnification obligations, Contractor shall correct, at its expense, all errors in the work which may be disclosed during Authority's review of Contractor's report or plans. Should Contractor fail to make such correction in a reasonably timely manner, such correction may be made by Authority, and the cost thereof shall be charged to Contractor. In addition to all other available remedies, Authority may deduct the cost of such correction from any retention amount held by Authority or may withhold payment otherwise owed Contractor under this Agreement up to the amount of the cost of correction.

22. Non-Appropriation of Funds. Payments to be made to Contractor by Authority for services performed within the current fiscal year are within the current fiscal budget and within an available, unexhausted fund. In the event that Authority does not appropriate sufficient funds for payment of Contractor's services beyond the current fiscal year, this Agreement shall cover payment for Contractor's services only to the conclusion of the last fiscal year in which Authority appropriates sufficient funds and shall automatically terminate at the conclusion of such fiscal year.

23. Exhibits. Exhibits A and B constitute a part of this Agreement and are incorporated into this Agreement by this reference. If any inconsistency exists or arises between a provision of this Agreement and a provision of any exhibit, or between a provision of this Agreement and a provision of Contractor's proposal, the provisions of this Agreement shall control.

24. Entire Agreement and Modification of Agreement. This Agreement and all exhibits referred to in this Agreement constitute the final, complete and exclusive statement of the terms of the agreement between the Parties pertaining to the subject matter of this Agreement and supersede all other prior or contemporaneous oral or written understandings and agreements of the Parties. No Party has been induced to enter into this Agreement by, nor is any Party relying on, any representation or warranty except those expressly set forth in this Agreement. This Agreement may not be amended, nor any provision or breach hereof waived, except in a writing signed by both Parties.

25. Headings. The headings in this Agreement are included solely for convenience of reference and shall not affect the interpretation of any provision of this Agreement or any of the rights or obligations of the Parties to this Agreement.

26. Word Usage. Unless the context clearly requires otherwise, (a) the words “shall,” “will” and “agrees” are mandatory and “may” is permissive; (b) “or” is not exclusive; and (c) “includes” or “including” are not limiting.

27. Time of the Essence. Time is of the essence in respect to all provisions of this Agreement that specify a time for performance; provided, however, that the foregoing shall not be construed to limit or deprive a Party of the benefits of any grace or use period allowed in this Agreement.

28. Business Days. “Business days” means days Authority is open for business.

29. Governing Law and Choice of Forum. This Agreement, and any dispute arising from the relationship between the Parties to this Agreement, shall be governed by and construed in accordance with the laws of the State of California, except that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in interpreting this Agreement. Any dispute that arises under or relates to this Agreement (whether contract, tort or both) shall be resolved in a superior court with geographic jurisdiction over Authority’s business address located in Hawthorne, California.

30. Attorneys’ Fees. In any litigation or other proceeding by which a Party seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing Party shall be entitled to recover all attorneys’ fees, experts’ fees, and other costs actually incurred in connection with such litigation or other proceeding, in addition to all other relief to which that Party may be entitled.

31. Severability. If a court of competent jurisdiction holds any provision of this Agreement to be illegal, invalid or unenforceable for any reason, the validity of and enforceability of the remaining provisions of this Agreement shall not be affected and continue in full force and effect.

32. Counterparts. This Agreement may be executed in multiple counterparts, all of which shall be deemed an original, and all of which will constitute one and the same instrument.

33. Corporate Authority. Each person executing this Agreement on behalf of his or her Party warrants that he or she is duly authorized to execute this Agreement on behalf of that Party and that by such execution, that Party is formally bound to the provisions of this Agreement.

[SIGNATURE PAGE FOLLOWS]

The Parties, through their duly authorized representatives are signing this Agreement on the date stated in the introductory clause.

Authority:

Contractor:

South Bay Regional Public
Communications Authority
a Joint Powers Authority

By: _____
Name: Mike Saffell
Title: Interim Executive Director

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

By: _____
Name: Jennifer Petrusis
Title: General Counsel

Date:

EXHIBIT A SCOPE OF SERVICES

Mercury Associates, Inc. ("Mercury") shall perform a comprehensive fleet assessment of the Authority's Technical Services Division. The assessment shall include the following:

Task 1: Assess Workflow Management and Processes

Mercury will begin by assessing the Authority's workflow management and processes for upfitting vehicles on behalf of the six (6) cities it serves. Mercury's review will contain, but is not limited to, the following areas:

- **Approval processes:** Mercury will assess whether the current process for obtaining approval is aligned with best practice or whether there are alternative methods which could help retain accountability while streamlining processes overall
- **Responsibility assignment:** Mercury will evaluate where responsibility currently lies for each step of the process to evaluate whether there are opportunities to shift responsibilities between roles within the department or to other departments to maximize efficiency for the fleet team
- **Maintenance processing and prioritization:** Mercury will evaluate the current process for scheduling and prioritizing new builds and repairs to determine if there is a more equitable and efficient way to determine priority
- **Certification processes:** Mercury's team will assess whether the Authority should consider implementing a new or amended certification process to validate the road-readiness of newly upfitted or repaired vehicles
- **Financial workflows:** Mercury will review ordering, billing, monitoring, and procurement processes to determine if there are opportunities to enhance financial workflows to create efficiencies or improve service

Task 2: Evaluate Staffing and Workload

In this task, Mercury will evaluate the current workload and organizational staffing to determine whether the Authority would be better served by a different organizational structure, increased staffing, or reassignment of responsibilities. Mercury will begin by determining the expected workload based on previous work orders and historical data pertaining to vehicle builds and repairs. Mercury will compare this to the capacity of the current staff to support the estimated workload to determine if current staffing is sufficient to support fleet operations.

Where applicable, Mercury will use vehicle equivalency units (VEU) values to support its findings.

Mercury will provide pros, cons, and estimated costs for outsourcing asset build services to an outside vendor once internal capacity has been reached, as well as a list of which ongoing services the Authority may want to consider outsourcing. Finally, Mercury will provide Authority leadership with a direct comparison of the cost of adding additional staff,

reallocating responsibilities, or outsourcing services to support informed decision making moving forward.

Task 3: Review Technology Systems

Mercury will review the Authority's current usage of technology systems for managing work orders to determine if there are opportunities to maximize use of the current system, or whether alternative technology systems should be considered which will better support the Authority's needs. If needed and/or appropriate, Mercury will serve as a liaison between the Authority and its current technology provider(s), Jotform and ESC, to determine if there are opportunities to provide training or utilize additional modules which will allow Authority staff to implement more consistent processes or more effectively manage work orders. If Mercury's review indicates that there are gaps in the Authority's current technology systems, including Jotform and ESC, Mercury will make recommendations for additional systems that may more comprehensively address the organization's overall needs.

Mercury will provide a list of alternative solutions for the Authority's consideration, accompanied by additional detail regarding which of those systems best meet the Authority's previously identified needs, as well as any potential challenges with the recommended systems.

Task 4: Provide Ad Hoc Support to Assess Vehicle Readiness and Technician Training

Mercury will engage one of our subject matter experts to assess the Authority's process for determining vehicle readiness and overall technician training to determine if the Authority should implement additional or expanded certification processes to evaluate road readiness or newly upfitted or repaired vehicles, and whether there are opportunities to bolster technician training to improve quality of service long term.

Task 5: Provide Implementation Plan

Mercury will provide an implementation plan with actionable next steps for improvement, alongside a recommended timeline for implementation. Mercury's findings, conclusions, and recommendations will be presented in an Executive Summary developed in Microsoft Word (.doc) with accompanying PowerPoint (.ppt) if desired. Mercury will initially provide a draft for review and comment by the Authority. All written comments and requests for changes, edits, clarifications, etc. from the Authority will be considered. Included in the project deliverable is a working group session conducted remotely to present study findings and recommended action items to the Authority. A formal presentation to an Executive Leadership group is not included at this time since it is not known if it will be required. If the Authority is interested in a more formal executive-level presentation, Mercury will provide a quote for these additional services.

I-1

Attachment 2

MERCURY

South Bay Regional Public Communications Authority *Proposal to Provide Comprehensive Fleet Assessment*

February 2026

REVISED 2/23/2026



Mercury Associates, Inc.

186 Seven Farms Drive, Suite F, PMB #103 • Daniel Island, SC 29492 • (888) 518-3377

MERCURY

2/23/2026

Mr. Mike Saffell, Interim Director
Regional South Bay Public Communications Authority
msaffell@rcc911.org
(310) 925-0107

Mr. Saffell:

Mercury Associates, Inc. ("Mercury") is pleased to submit this proposal to provide fleet consulting services to South Bay Regional Public Communications Authority (SBRPCA or "RCC" for "Regional Communications Center"). Pursuant to our recent discussions, our proposal includes the following areas of review:

- Workflow management and processes for upfitting vehicles on behalf of the six (6) cities SBRPCA serves, including financial workflow for billing, monitoring software, equipment billing, and procurement
- Staffing and workload, including an evaluation of current capacity, additional staffing needs, and outsourcing considerations
- Technology systems, specifically seeking to identify a system which will allow customers to have visibility of work order progress
- Optional ad hoc support to review the readiness of upfitted vehicles and evaluate technician training
- Implementation plan with actionable next steps and timeline

As previously discussed, we anticipate the study will take approximately 8-10 weeks following contract execution to complete. Mercury will begin the study by traveling onsite to observe current processes, meet with key stakeholders, and collect data pertinent to our study. We will continue to maintain close communication with the SBRPCA project team and leadership to ensure expectations remain aligned over the course of our engagement.

Mercury has worked with fleets of all sizes and operating philosophies, including several across the state of California, granting our team ample experience to support this study. Our team offers a unique combination of hands-on fleet experience, fleet management business process evaluation methods, and analytical capability across our advisory services and leadership teams. Unlike other firms providing similar services, all of our advisory professionals have served as professional fleet managers in the public and/or private sector prior to beginning their consulting careers with Mercury. We bring to bear the resources, expertise, and capability to successfully complete this assessment with high quality results, on time and within budget.

Mercury Associates, Inc.

186 Seven Farms Drive, Suite F, PMB #103 • Daniel Island, SC 29492 • (888) 518-3377

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Since incorporation in 2002, Mercury has worked with more than 650 fleet organizations across the world. We appreciate the opportunity to add SBRPCA to this list of valued client partnerships, and we look forward to hearing from you. If you have any questions regarding this proposal, please contact me at (202) 306-8127 or dreichmann@mercury-assoc.com.

Sincerely,

Dan Reichmann

Dan Reichmann
Director of Advisory Services
Mercury Associates, Inc.

Mercury Associates, Inc.

186 Seven Farms Drive, Suite F, PMB #103 • Daniel Island, SC 29492 • (888) 518-3377

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Firm Experience

Founded in 2002, Mercury Associates, Inc. is a well-known and trusted fleet management consulting firm in North America with a combination of technical, analytical, and advisory capabilities and hands-on fleet industry experience that is unmatched in the management consulting field. Notably, Mercury is ideally suited to serve fleet organizations due to the following unique characteristics:

1. **100% Fleet Focused:** One hundred percent of our consulting engagements are specific to the fleet industry. Unlike a generalized consulting firm that might have a surface-level understanding of fleet management processes or outsource recommendations from an external fleet expert, our consultants spend one hundred percent of their time dedicated to helping fleet organizations succeed.
2. **Independent, Objective, Agnostic:** Mercury does not own, resell, or exclusively partner with any external software or service providers, and we are committed to providing objective, unbiased guidance in pursuit of your unique fleet goals. We do not believe in one-size-fits-all solutions, and our sole intent is to assist our clients with identifying the best solutions for their specific fleet needs.

Mercury's mission is to assist organizations in improving the management and operation of their vehicle and equipment fleets. Through providing these services, Mercury is widely considered the premier provider of fleet advisory services. All of our consulting staff members held professional positions in fleet prior to becoming fleet management consultants. Our team brings forth decades of hands-on experience coupled with a single-minded focus on fleet management, helping to explain why Mercury has been retained by over 650 organizations since our founding, including more than 300 in the past six years alone.

Our fleet consulting work typically ranges between 40-50 unique clients each year, with fleets with as few as 50 vehicles, to as many as 200,000 vehicles or more. This breadth, depth, and variety of fleet clients gives us a comprehensive and nuanced understanding of the challenges clients are facing in managing and operating their fleets, in a variety of industries, geographic regions, and with different operational goals and philosophies. Subsequently, and as a testament to our team's ability to build trust within our client partnerships, many of our clients either reengage Mercury for implementation services immediately following the original engagement or, in some cases, bring us back many years later to re-evaluate the fleet program and determine the level of improvement accomplished since completion of the previous study.

Finally, Mercury has employees spread throughout the United States and Canada, allowing our team the flexibility to execute work in a timely and affordable manner. Mercury has a long track record of completing projects on time and within the stated project budget. Our fleet-specific resources, including the quality and expertise as our staff, as well as our internal processes and tools, are unmatched in the fleet consulting industry, making our team both uniquely suited and amply equipped to serve as your ideal fleet management partner.

Mercury's Project Team

Our consultants are the strength of our firm and are among the foremost experts in the fleet management field. They tackle challenges that require a degree of technical sophistication and analytical rigor that simply cannot be found anywhere else. They are recognized industry experts in virtually every area of fleet management including shop operations, outsourcing feasibility, organizational structure and staffing levels, replacement planning, facility space planning, fleet sustainability, finance, leasing, maintenance, information technology, chargeback rate development, fuel including alternative fuels, managed maintenance contracts, and safety, among others.

Our proposed project team for this engagement is provided below and represents decades of experience in the fleet industry.



Dan Reichmann, *Project Executive* is Mercury's current Director of Advisory Services, with over 20 years of experience in management roles for the General Services Administration Office of Fleet Management (GSA Fleet) in addition to prior consulting experience. His work with GSA Fleet included providing program support to GSA Fleet vehicles located in all 50 U.S. states, the American territories of Puerto Rico, Guam, and American Samoa, Europe (Germany, Italy, Spain, and Belgium), Japan, Honduras, and Afghanistan. GSA fleet is the U.S. federal government's in-house fleet leasing and management services company, comprised of a fleet of approximately 225,000 vehicles utilized by 75 military and civilian agencies, representing the largest "motor pool" in the world. In addition to his work in fleet management, Dan also worked as a management consultant for 8 years prior to joining GSA Fleet. His current work serves public, federal, and private-sector clients in the areas of fleet management, business process evaluation and reengineering, fleet right sizing and replacement plan development, and fleet management information systems (FMIS) implementation.

Dan holds a bachelor's degree in Economics and History from Georgetown University, a Master of Business Administration degree in Finance from the Smith School of Business at the University of Maryland, and a Master of Science degree in Physiology and Biophysics from Georgetown University.



John Martin, *CAFS, Project Manager*, is a Certified Automotive Fleet Specialist (CAFS) with over ten years of experience in program management and more than seven years in the automotive sector. Before joining Mercury Associates, John worked for the Massachusetts Office of Vehicle Management (OVM), where he served as a Business Specialist before being promoted to Program Manager. In this capacity, he oversaw fleet operations for 37 Executive Branch agencies, implementing key initiatives to enhance efficiency and sustainability.

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John played a pivotal role in launching the state's first telematics program by securing buy-in from senior government officials. In addition to leading this initiative, he successfully negotiated agreements with six collective bargaining units, ensuring collaboration and smooth program implementation. Concurrently, he directed multiple business units in developing a Business Intelligence application that tracked historical and real-time compliance data, which later became a model for the fleet industry. His efforts resulted in a 10% reduction in the size of the executive branch fleet, optimizing operations and reducing costs.

More recently, John has focused on electrifying the Massachusetts state fleet, collaborating with executive branch agencies to transition vehicles to electric and develop policies that support long-term sustainability. His leadership in fleet electrification played a key role in shaping Massachusetts' clean transportation strategy and served as the inspiration for Executive Order 604, which expands the state's commitment to zero-emission vehicles. As a member of the Massachusetts Green Fleet Committee, he has been instrumental in advancing the state's EV adoption efforts.

In addition to his work in fleet management, John serves as the Co-Chair of the NAFA Northeast Regional Council, where he supports fleet professionals by fostering collaboration, sharing best practices, and driving innovation in the industry. John holds a Bachelor of Arts degree in Geography from the University of Massachusetts – Amherst, with a minor in Natural Resource Conservation.



Marcella Boyd, *Fleet Consultant* brings nearly a decade of experience across multiple divisions of Enterprise Mobility, with a strong focus on fleet management in both the private and public sectors. Prior to joining the Mercury team, she worked with Enterprise Fleet Management, partnering with municipal governments, utilities, and private companies to optimize operations, reduce total cost of ownership, and implement sustainable vehicle lifecycle strategies.

Throughout her tenure at Enterprise, Marcella held roles in business development, management, and operations, gaining a comprehensive understanding of fleet leasing, remarketing, maintenance programs, and data-driven asset management. Leveraging this experience, she played a key role in helping clients modernize their fleets by integrating telematics, implementing fuel programs, and enhancing vehicle replacement strategies.

In her most recent role in Denver, Marcella served as a trusted advisor to public and private-sector clients, delivering customized fleet solutions that addressed operational challenges and aligned with long-term business goals. She was instrumental in acquiring and expanding client accounts by tailoring strategies that addressed cost efficiency and industry-specific needs. In addition to managing large-scale fleet portfolios, she worked closely with stakeholders on budget forecasting, vehicle procurement and upfitting, including public entities with complex purchasing requirements. Marcella is passionate about helping organizations adopt innovative, results-driven fleet solutions.

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Brad Smith, *Subject Matter Expert* has over 30 years of experience in roles of increasing responsibility as a fleet maintenance and management expert first with the U.S. Army, and continuing to a decorated civilian career. During the last five years of his service, Brad performed command maintenance evaluation inspections that resulted in millions of dollars being saved through teaching and implementing sound maintenance practices. After retiring from the Army, Brad managed a diverse group of fleets from school transportation to heavy equipment, to fire apparatus, and to emergency medical services (EMS). During these tenures, Brad was awarded the National Association of Fleet Administrators (NAFA) Fleet Excellence Award in 2020, named to the 100 Best Fleets in the Americas twice, and has been asked to speak and share his experience at several meetings and conferences. Brad is an Automotive Service Excellence (ASE) Master Certified Technician and holds Emergency Vehicle Technician (EVT) certifications as well as a Master of Science degree in Organizational Leadership from Grantham University.



Sarah Hollis, *Senior Analyst* is a Senior Consultant with Mercury with more than 16 years of experience in fleet management consulting. She has primary responsibility for the development and maintenance of several of Mercury's analysis and decision support tools, including our fleet replacement planning and cost modelling program, CARCAP (Capital Asset Replacement Cost Analysis Program™); our optimal vehicle replacement cycle analysis tool, ORCA; and the company's eVAM solution suite for conducting fleet rightsizing studies. Sarah has worked on more than 100 fleet utilization and rightsizing, replacement, and benchmarking projects during her career, including several large projects for the State of California Department of General Services encompassing as many as 48,000 vehicles and pieces of equipment. She has managed surveys of as many as 36,000 vehicle operators for a single fleet rightsizing study. Sarah holds a Bachelor's degree in Computer Science from the University of Houston.



Shane Mattax, *Analyst* serves as a member of the Data Analytics team, applying his strong analytical background derived from his studies as well as additional experience through an internship with the Frederick County Treasury Department to support a wide array of transportation and fleet organizations. His project work includes financial evaluation, replacement planning, asset lifecycle optimization, rate model development for capital and operating costs, and right-sizing studies. Shane holds a Bachelor of Arts in Economics with a minor in Technology Entrepreneurship from the University of Maryland.

Project Overview

Project Understanding and Approach The goal of this study is to conduct a comprehensive assessment of SBRPCA fleet facilities and workflows to determine if there are opportunities to increase efficiency, improve service quality, or maximize cost savings. Currently, SBRPCA, or the Regional Communications Center (RCC) is owned by three (3) cities including Gardena, Hawthorne, and Manhattan Beach, and services six (6) cities, including Culver City, El Segundo, and Hermosa Beach in addition to the aforementioned cities. SBRPCA is responsible for the upfitting and repair for assets belonging to six (6) different police departments and three (3) fire departments which respond to approximately 300,000 incidents annually. SBRPCA estimates that the process of upfitting a vehicle takes approximately 80 hours, or two (2) weeks, managed by six (6) total full-time and one (1) part-time technician, in addition to necessary repairs on vehicles and installed systems. Based on the nearly 60 full builds that have occurred since July 1, 2025, in addition to regular repairs, rough estimates would indicate that additional staff are needed to address the full maintenance workload.

Our assessment will seek to evaluate SBRPCA workflow processes, staffing and workload, and technology systems to identify opportunities for improvement. We have also provided an option for additional ad hoc support to review the process of determining readiness of the upfitted vehicles and evaluate technician training. Our review will culminate in a final deliverable with actionable next steps for improvement, along with a timeline for implementation.

Site Visits and Stakeholder Engagement Mercury's approach to fleet management consulting is characterized by a combination of high-touch client engagement, unmatched industry expertise, and premium service. Consequently, our approach does not seek to merely gather data, plug it into a system, and provide generic results. Rather, we make a concerted effort to travel onsite to meet our client partners face to face, evaluate the condition of vehicles, and assess the operational landscape firsthand. During this time, we will also meet with representatives of user departments, as appropriate or directed, to obtain their unique perspective of their use and need for fleet assets and the fleet program in general, which will help ensure our recommendations are feasible and directly applicable to SBRPCA's unique challenges and goals pertaining to fleet.

Project Management Mercury takes a collaborative approach to all of our consulting engagements in an effort to ensure that the recommendations we make are practical, actionable, and tailored to the needs of the fleets we serve. Following contract execution, and prior to conducting the tasks outlined in the Work Plan below, members of our project team will meet with the RCC's designated project team to conduct a project kick-off meeting. The primary objectives of the meeting will be to introduce the members of both project teams to one another and to confirm both parties' understanding of project parameters including but not limited to goals and objectives, scope, approach, timeline, critical success factors, and deliverables. In addition to specifically initiating the project through this task, Mercury will also monitor the progress of the project throughout the duration of the engagement and subsequent tasks. We will schedule and hold project calls at a cadence to be determined with the SBRPCA project team,

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and we will set regular checkpoints aligned with the project timeline to ensure we remain on schedule and expectations remain aligned. Mercury will provide analysis and recommendations, while all policy and implementation decisions will remain with the RCC.

Data Collection Our team understands that clear, comprehensive data is paramount to accurately conducting our analyses. Thus, our approach also includes a formal request for information (RFI) once the project has been initiated. The RFI will be in the form of a checklist which identifies the documentary material that we would like to obtain to conduct the analysis and a detailed inventory and roster template developed in Microsoft *Excel*. Once received, we will review all documentary material and data provided for completeness and follow up, if necessary, on any missing or erroneous items. Where data gaps exist, Mercury will document assumptions and validate findings through interviews and site observations.

Work Plan

Task 1: Assess Workflow Management and Processes

Our team will begin by assessing SBRPCA's workflow management and processes for upfitting vehicles on behalf of the six (6) cities it serves. Our review will contain, but is not limited to, the following areas:

- **Approval processes:** Mercury will assess whether the current process for obtaining approval is aligned with best practice or whether there are alternative methods which could help retain accountability while streamlining processes overall
- **Responsibility assignment:** We will evaluate where responsibility currently lies for each step of the process to evaluate whether there are opportunities to shift responsibilities between roles within the department or to other departments to maximize efficiency for the fleet team
- **Maintenance processing and prioritization:** Mercury will evaluate the current process for scheduling and prioritizing new builds and repairs to determine if there is a more equitable and efficient way to determine priority
- **Certification processes:** Our team will assess whether SBRPCA should consider implementing a new or amended certification process to validate the road-readiness of newly upfitted or repaired vehicles
- **Financial workflows:** Mercury will review ordering, billing, monitoring, and procurement processes to determine if there are opportunities to enhance financial workflows to create efficiencies or improve service

The results of this evaluation will serve as the foundation for developing specific recommendations for actionable improvements to upfitting and repair management processes which will reduce costs and/or improve the quality and effectiveness of both fleet management activities and the vehicles and equipment themselves that comprise the fleet.

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We will determine *how* processes currently are performed through a combination of documentation review, employee interviews, focus group meetings, and site visits. Our team recognizes that successful fleet maintenance management is not determined by policy alone, and we acknowledge that the way processes and procedures are supposed to be performed and the way they are actually performed can differ. Thus, we will assess the adequacy of both the *definition*, as expressed in regulations, rules, policies, procedures, forms, etc. and the *execution* of fleet management processes in accordance with these requirements and guidelines.

Ultimately, our evaluation approach will not seek to merely differentiate good practices from bad, but to identify the factors unique to SBRPCA – whether political, organizational, managerial, operational, administrative, fiscal, technological, educational, or other – that explain why some practices are strong and others weak. This will allow us to develop recommendations for improvement that are not generic or academic in nature, but of *direct applicability* to the needs, objectives, conditions, and capabilities of the RCC fleet.

Task 2: Evaluate Staffing and Workload

In this task, Mercury will evaluate the current workload and organizational staffing to determine whether SBRPCA would be better served by a different organizational structure, increased staffing, or reassignment of responsibilities. We will begin by determining the expected workload based on previous work orders and historical data pertaining to vehicle builds and repairs. We will compare this to the capacity of the current staff to support the estimated workload to determine if current staffing is sufficient to support fleet operations.

Where applicable, we will use vehicle equivalency units (VEU) values to support our findings. This benchmarking technique allows us to compute and compare certain metrics for different fleets by expressing the size of a fleet comprised of many different types of assets in terms of the equivalent number of passenger vehicles. Each class is given a VEU value that reflects the amount of maintenance and repair labor hours it is estimated to require in one year, in proportion to the amount of such effort typically required by a passenger vehicle (rated at 1.0 VEU). The following graphic illustrates how this technique works:

Sample Vehicle Equivalent Unit Values

Vehicle Classification	Sample	VEU Value
Sedan, mid-size, administrative use		1.0
Pickup truck, LD		1.5
Backhoe, MD		4.5

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Street Sweeper, HD		8.5
Aerial Ladder Truck		10.5

Since SBRPCA does not directly own the assets it services, this technique may not be applicable in all cases. However, this method can support our findings in addition to assessing the overall RCC workload.

Ultimately, our goal will be to provide solutions to support the current system, whether that includes recommendations for additional staffing, adjusted roles and responsibilities, or outsourcing considerations. As part of this task, we will provide pros, cons, and estimated costs for outsourcing asset build services to an outside vendor once internal capacity has been reached, as well as a list of which ongoing services SBRPCA may want to consider outsourcing. Finally, we will provide RCC leadership with a direct comparison of the cost of adding additional staff, reallocating responsibilities, or outsourcing services to support informed decision making moving forward.

Task 3: Review Technology Systems

Mercury will review SBRPCA's current usage of technology systems for managing work orders to determine if there are opportunities to maximize use of the current system, or whether alternative technology systems should be considered which will better support SBRPCA's needs. If needed and/or appropriate, Mercury can serve as a liaison between SBRPCA and its current technology provider(s), Jotform and ESC, to determine if there are opportunities to provide training or utilize additional modules which will allow RCC staff to implement more consistent processes or more effectively manage work orders. Through our initial conversations, we note that one of SBRPCA's primary goals is to implement a system which allows customer visibility of progress, which will streamline communication regarding upfitting and repair timelines. If our review indicates that there are gaps in SBRPCA's current technology systems, including Jotform and ESC, we will make recommendations for additional systems that may more comprehensively address the organization's overall needs.

It is important to note here that one of Mercury's strengths as a consultancy is our objectivity. We do not endorse or re-sell any specific technology platforms or external fleet management solutions. Rather, our goal is always to help our clients identify the solution that best fits their needs. Thus, our deliverable for this portion of the project will be a list of alternative solutions for SBRPCA's consideration, accompanied by additional detail regarding which of those systems best meet RCC's previously identified needs, as well as any potential challenges with the recommended systems.

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Optional Task 4: Provide Ad Hoc Support to Assess Vehicle Readiness and Technician Training

If desired, Mercury will engage one of our subject matter experts to assess SBRPCA's process for determining vehicle readiness and overall technician training. If SBRPCA chooses to proceed with this optional task, Brad Smith, whose biography is listed in the Project Team section of this proposal, will leverage his experience with emergency fleets to determine if RCC should implement additional or expanded certification processes to evaluate road readiness or newly upfitted or repaired vehicles, and whether there are opportunities to bolster technician training to improve quality of service long term.

Task 5: Provide Implementation Plan

The previous tasks will culminate in an implementation plan with actionable next steps for improvement, alongside a recommended timeline for implementation. Our Project Team's findings, conclusions, and recommendations will be presented in an Executive Summary developed in Microsoft Word (.doc) with accompanying PowerPoint (.ppt) if desired. Our deliverable will be developed in draft initially for review and comment by the client's project team. All written comments and requests for changes, edits, clarifications, etc. will be considered.

Included in the project deliverable is a working group session conducted remotely to present study findings and recommended action items to the client's project team. A formal presentation to an Executive Leadership group is not included at this time since it is not known if it will be required. If the client is interested in a more formal executive-level presentation, we will provide a quote for these additional services.

Project Investment

Mercury proposes to conduct Tasks 1-3 and Task 5 as described herein for a firm fixed price of \$64,325. Our pricing includes all costs for members of the Mercury team to travel onsite to conduct observations, meet with key stakeholders, and collect data pertinent to our study.

The total cost for Optional Task 4 is \$21,050. Should SBRPCA wish to engage Mercury for the full scope of work, the total project cost for Tasks 1-5 is \$85,375. Our proposed cost for Optional Task 4 assumes the base scope of work (Tasks 1-3 and Task 5) will be completed.

We recognize that this is not an insignificant cost for our services. We would like to highlight that the intent of this work will be to enhance and maintain a program that will be sustainable following the end of Mercury's engagement, and to ensure that SBRPCA has the safest, most reliable fleet and facilities to ensure that service to the citizens is of the highest caliber possible. Having a program that attracts talented staff, retains great teams, and supports the internal stakeholders is our goal. Furthermore, our clients often find that our recommendations pertaining to the efficiency of their fleet operations, if implemented, will lead to savings significant enough to offset the cost of our services. This is best demonstrated by the fact that many of our clients re-engage Mercury following our initial study to evaluate additional areas of their fleet operations or to serve as a long-term partner.

J-1

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

FEBRUARY 17, 2026

A. CALL TO ORDER

The Executive Committee and User Committee convened in a regular joint session at 2:04PM on Tuesday, February 17, 2026, in the second-floor conference room of the South Bay Regional Public Communications Authority at 4440 West Broadway, Hawthorne, CA.

B. ROLL CALL

Present: City Manager Clint Osorio, City of Gardena
City Manager Talyn Mirzakhani, City of Manhattan Beach
City Manager Vontray Norris, City of Hawthorne
Chief Todd Fox, Gardena Police Department
Chief Eric Lane, Hawthorne Police Department
Chief Jesse Alexander, Manhattan Beach Fire Department
Chief Rachel Johnson, Manhattan Beach Police Department

Also Present: Mike Saffell, Interim Executive Director
Shannon Kauffman, Operations Manager
Vanessa Alfaro, Finance Manager
Megan Cunningham, Administrative Services Manager
Cristina Manley, Executive Assistant
Jennifer Petrusis, General Counsel RWG
Laura Kalty, Liebert Cassidy Whitmore

C. PUBLIC DISCUSSION

None.

D. EXECUTIVE COMMITTEE CONSENT CALENDAR

1. Minutes from January 20, 2026
APPROVE
2. Check Register – January 2026
RECEIVE AND FILE
3. VESTA 911 Extended Maintenance
APPROVE
4. Professional Services Agreement with Arroyo Background Investigations to Provide Ongoing Investigations
APPROVE AND AUTHORIZE EXECUTIVE DIRECTOR TO EXECUTE ON BEHALF OF THE AUTHORITY

MOTION: City Manager Norris moved to approve the Executive Committee Consent Calendar Items 1-4. The motion was seconded by City Manager Mirzakhani and passed by a vote of 3-0.

E. ITEMS REMOVED FROM THE CONSENT CALENDAR

None.

F. EXECUTIVE COMMITTEE GENERAL BUSINESS

1. Fiscal Year 2026-2027 Five-Year Capital Improvement Plan
PROVIDE DIRECTION

Finance Manager Alfaro provided a report on the Five-Year Capital Improvement Plan. In August 2024, the Board of Directors adopted a resolution establishing a Capital Improvement Plan and its first 5-year CIP. The five-year CIP is reviewed each year to identify and reprioritize capital projects.

- Plan focuses on improving infrastructure in IT, telecommunications, and facilities.
- The complete five-year CIP includes 25 individual projects totaling nearly \$3 million, funded by the authorities Enterprise Fund Undesignated fund balance.
- CIP project for fiscal year 2027 total \$943,400.
- The authority's undesignated fund balance is projected to be about \$7.3 million for the fiscal year ending June 30, 2026.
- Sufficient funds are available to fund needed CIP projects over the next five years.

City Manager Osorio inquired about the authorities adopted unbalanced fund level. Finance Manager Alfaro explained that the authority has a 10% reserve requirement.

MOTION: City Manager Norris moved to approve the Executive Committee General Business item 1. The motion was seconded by City Manager Mirzakhanian and passed by a vote of 3-0.

2. Fiscal Year 2026-2027 Preliminary Budget

PROVIDE DIRECTION

Finance Manager Alfaro provided an overview of the Authority's main revenue sources and expenses categories as follow:

Authority's Main Revenue Sources

- Assessment revenue from member cities account for 50% and Contract cities account for 41%.
- 90% is in the form of non-assessment revenue such as reimbursement for vehicle outfitting parts or other reimbursable services mostly from member and contract cities, and investment earnings.

Authority's Main Expense Categories

- Salaries and benefits make up 72% of the budget.
- Supply services and equipment make up 26%.
- Capital outlay approximately 2%.
- Operations department approximately 59% of budgeted costs, with administration at 23% and technical services at 17%.

Cost Allocation Policy

- 90% of the authority's revenues are in the form of assessments.
- The policy was adopted by the Board of Directors in 2019 after a comprehensive cost of service study.
- It ties assessment as closely as possible to the services provided to member and contract cities.
- Staff develops the preliminary budget for the upcoming fiscal year, and these costs are separated into three main categories: administrative costs, operations costs and technical service costs.

Proposed Assessments for Member Cities for Fiscal Year 2027

- Gardena's assessment is 2.6 million, a \$141,000 increase from the fiscal year

2026, or about 5.6%.

- Hawthorne's assessment is 3.2 million, a \$213,000 increase or 7%.
- Manhattan's Beach assessment is 2.1 million, a \$157,000 increase or about 7.8%.

Proposed Assessments for Contract Cities

- Culver City's assessment is 3.2 million, about a \$164,000 increase.
- El Segundo's assessment is 2.3 million, a \$153,000 increase.
- Hermosa Beach's assessment increases about \$57,000 to \$959,000
- Altogether with assessments of about 14.6 million and non-assessment revenue of about 1.4 million.
- Revenues are estimated to be about 16.1 million, an increase of 1 million or 6.7% compared to revenue projections last fiscal year.

Proposed Budget for Fiscal Year 2027

- The proposed budget for fiscal year 2027 is about 15.3 million.
- Salaries and benefits are expected to increase approximately \$328,000 or 3%.
- Supplies, services and equipment are expected to increase by \$689,000 or 20%.
 - o The annual CAD subscription fee has the biggest impact.
 - o Staff is recommending a 50% phase in approach for the fee which is reflected here in this preliminary budget.
 - o The CAD fee is about \$660,000, the increase in this category includes \$330,000 for that fee.
 - o The other 50% of the CAD fee would be covered by an appropriation from undesignated enterprise fund balance.
 - o Notable increase in the recruitment budget and consulting budget which together with CAD fee are about \$500,000 cost increase.
- Overall represents about \$1 million increase or 7% increase from last year's adopted budget.
- Revenues are estimated to be 16 million and expenses 15.3 million with revenues over expenses of about \$740,000.

Fund Balance Projections

- Projections over the next five years expect revenues over expenditures to average about \$740,000 each fiscal year.
- The Board approved a revision to the budget policy that allows ongoing funding of pension and OPEB of unfunded liabilities using budgetary surplus and unrestricted available fund balance each fiscal year.
- Staff projects a \$7.8 million fund balance for fiscal year 2027.
- The available balance or undesignated balance for fiscal year 2027 after the required 10% operating and capital reserve is projected to be about 6.2 million.

City Manager Osorio inquired about salaries and benefits, funding for 100% and expectation of hire 25 new hires. Finance Manager Alfaro explained that funding for 50 full time operators and seven full time supervisors. Interim Executive Director Saffell explained that'll take between 12-18 months to get 25 new hires online to where they count as watch. The workforce has been augmented with part timers. There will be double paying while these people are being trained. Overtime is being used to augment the shortage of staff.

City Manager Osorio requested the salary savings for the vacated positions. Finance Manager Alfaro explained that the overtime doesn't cover budget for PERS contributions or medical insurance, not the full extent of full time operators.

City Manager Norris inquired about incorporate MOUs in this forecast. Finance Manager Alfaro explained that known MOU changes are projected and accounted for. Unknown MOU changes use a 3-4% CPI increase, but fiscal year 2027 includes similar figures to approved groups.

MOTION: City Manager Norris moved to approve the Executive Committee General Business item 2. The motion was seconded by City Manager Mirzakhanian and passed by a vote of 3-0.

3. Executive Director's Update Versaterm CAD Project
RECEIVE AND FILE

Operations Manager Kauffman and Bill Romesburg provided information on a CAD update. Milestone 5 (building the production environment) was projected to be done January 2nd but is still in progress. Milestone 5 needs to be completed for functional acceptance testing (milestones 7-9) to begin.

Bill Romesburg explained that Versaterm submitted the invoice for task completion on milestone 5, but the interfaces are not complete. Functional testing can't happen until after the production environments have to include all the interfaces. Versaterm "screwed up" by agreeing to this contract term. This is being used to encourage Versaterm to finish the interfaces. Milestone 6 functional acceptance testing, which has been ongoing during the configuration process. This process will take another two months, through May. After that, training will begin in preparation for the July go-live. Versaterm has been communicating with agencies, police and fire administration, and end users on mobile data technology (MDT). They are gathering feedback on what users want to change. Versaterm has also set up conversation with IT representatives and records managers from each agency. The project is still on track for a July go-live, and the budget and functionally are correct.

Milestone 5 ETA – The interfaces should be finished by the end of May, they can be tested by June 1st. The production environment is up, but it doesn't have all the interfaces built into it yet.

Go-Live – is in July. There are options to go-live: standalone cutover or running systems in parallel. The plan is to do a complete cutover with no parallel system. Tiburon will be kept running for supervisors and records for historical lookups. A testing environment will be available at the same time as Tiburon.

Upcoming Meetings – Fire Department MDC meeting to discuss GUI and functionality. Police CAD meeting with individuals from each city to discuss CAD updates. Follow-up meeting scheduled with Fire departments regarding additional MDC items, Executive Police CAD update, and police MDC presentation.

Chief Fox inquired of whether the current modems can handle the new MDC environment. Bill Romesburg explained the MDC environment has not been loaded yet. The minimum hardware requirements were given to IT several months ago. There is a meeting with IT coming up to discuss these items.

MDC Meeting Target Audience – The concern is that the people who use the MDC in the field should have more involvement.

Each department should assign someone who is IT-oriented, familiar with the GUI, and who knows the application well to work on the MDC. Discussion on disposition codes. Versaterm allows tagging things with keywords, which can bring up calls without needing specific disposition codes. Versaterm has been accommodating requests and making changes during meetings, aiming to mirror Tiburon's layout initially before expanding with more features.

Chief Johnson acknowledges significant World Cup involvement from early June to the end of July, which will limit training capabilities. Interim Executive Director Saffell mentioned the influx of new dispatchers between June which will pose training challenges.

Upcoming meetings:

Fire Executive CAD project update – February 18, 2026

Technical Meeting with Technical staff with all cities – February 24, 2026

Records Management Meeting

Police Executive CAD project Update Meeting – March 4, 2026

4. Executive Director's Update on Technical Services

RECEIVE AND FILE

Administrative Services Manager Cunningham provided an update on Technical Services.

Fleet Inventory Update:

- Three more builds completed since mid-January, bringing the total to 59.
- Four vehicles are currently being built.
- Thirty-one vehicles have been obtained but not yet delivered.
- Seven vehicles are at city facilities, waiting to be brought for builds.

5. Executive Director's Update on Staffing

RECEIVE AND FILE

Administrative Services Manager Cunningham provided a staffing update.

Staffing as of February 2026:

- One temporary employee
- Nine part-time employees
- Twenty-three full-time employees
- Three supervisors (one retirement)

Plans to supplement training:

- One temporary employee starting in early March
- A full-time employee starting in early March
- Part-time employee starting in early March

Recruitment Update (January 18 – February 17)

- 411 applications received, bringing the total since December to 809
 - 301 people were scheduled to test, with 205 taking the test and 51 passed.
 - 14 Candidates are actively in backgrounds
 - Instagram stats: 1500+ new followers, totaling 3500+ since December, 368,000+ ad views this month, 786,000_ since December
 - ZipRecruiter: Almost 3000 job views, 1160 applied, totaling 4600 job views and almost 1800 applications since December
 - Current staffing: 23 full—time, 9 part-time, and 1 temporary employee
- Interim Executive Director explained the background checks and testing.

Testing capacity has increased from two stations to eight, allowing more people to be tested. The success rate on the written test is around 20%. The goal is to have 30 people in backgrounds by May 1st. Expectation to see new staff beginning of March, with 8-10 by April 1st.

City Manager Mirzakhaniah suggested to tag the city's various Instagram accounts in social media posts for reposting.

6. Executive Director's Update on FY 2024-2025 Annual Financial Report
RECEIVE AND FILE

Interim Executive Director Saffell provided an update on the annual financial report is typically present to the Executive Committee by February, but it will be included in the March meeting due to the implementation of new accounting standards.

G. **USER COMMITTEE CONSENT CALENDAR**

1. Minutes for January 20, 2026
APPROVE

MOTION: Chief Fox motioned to approve Item-1. The motion was seconded by Chief Johnson and passed by a vote of 4-0.

H. **ITEMS REMOVED FROM CONSENT CALENDAR**

None.

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

City Manager Norris inquired about future recruitment strategies. Interim Executive Saffell explained the "full court press" approach will slow down and become more methodical, but constant recruitment is necessary due to attrition.

Interim Executive Director Saffell discussed alternates for meetings. Reaching out to alternates, including city managers, to stand in when needed. An update on this will be provided. Leadership academies are still offered.

J. **CLOSED SESSION**

The Executive Committee entered closed session at 2:44PM and returned at 4:01PM with no reportable action taken.

1. CONFERENCE WITH LABOR NEGOTIATOR
Pursuant to Government Code Section 54957.6
Agency Designated Representatives: Executive Director and Liebert, Cassidy Whitmore
Employee Organization: The California Teamsters Public, Professional and Medical Employees Union Local 911
2. PUBLIC EMPLOYEE APPOINTMENT
Pursuant to Government Code Section 54957(b)(1)
Title: Executive Director

K. **ADJOURNMENT**

The meeting was adjourned at 4:01PM.