

**Interoperability Network of the South Bay
Joint Powers Authority**

**Minutes of the Finance Committee Meeting of
February 5, 2024**

**Katy Geissert Civic Center Library Community Meeting Room
3301 Torrance Blvd. Torrance, CA 90503**

1. CALL MEETING TO ORDER BY CHAIR

Meeting called to order at 2:05 p.m.

2. ROLL CALL BY EXECUTIVE DIRECTOR:

Present: El Segundo (Julissa Solano); Gardena (Raymond Beeman); Hermosa Beach (Joanne Loeza); Manhattan Beach (Emy Hanna); Redondo Beach (Lina Carrillo); Torrance (Sheila Poisson); Executive Director (Ernest Gallo).

Absent: Hawthorne.

3. REPORT ON POSTING OF THE AGENDA BY SECRETARY

The agenda was posted to the City of Torrance Public Notice Board on Friday, February 2, 2024 at 1:30 p.m.

4. ORAL COMMUNICATIONS

None.

5. UPDATES FROM EXECUTIVE DIRECTOR

6. CONSENT CALENDAR

6A. Approve minutes from the meeting of January 23, 2023.

Motion: Motion by Gardena, seconded by Torrance.

Vote: Motion carried 6-0 with Hawthorne absent.

7. ACTION/DISCUSSION ITEMS

7A. Approve Proposed Fiscal Year 2024-25 Budget

Chair Poisson (Torrance) noted that the percentage allocations for the Special Assessments related to the Manhattan Beach water tank relocation project were corrected to be equally distributed amongst members as approved by the Governance Board. The percentage allocations for the annual Member Assessments and Reserves Assessments would remain as approved by the Governance Board.

Executive Director Gallo explained that the increases in the expenditure budget were related to rising insurance and maintenance costs as well as the increased number of subscribers resulting in higher roaming fees incurred.

Chair Poisson mentioned that the capital reserve balance did not account for the \$600k budget related to the Manhattan Beach water tank relocation project since no expenses have been incurred to date.

Executive Director Gallo commented that expenses related to the Manhattan Beach water tank relocation project will likely be realized in FY24-25 and can possibly carry over into FY25-26. He also noted that the project costs will exceed the initial \$600k estimate and that he has reached out to Motorola for a Rough Order of Magnitude to establish a budget accordingly.

Chair Poisson inquired about when we would receive the Rough Order of Magnitude estimate for the project.

Executive Director Gallo could have an estimate by the end of February 2024.

Chair Poisson clarified that there could be an impact to the Special Assessments budget depending

on Motorola's Rough Order of Magnitude estimate to complete the project.

Chair Poisson also inquired about whether the capital replacement reserves projections of \$2.5M by FY28-29 needed to be adjusted.

Executive Director Gallo confirmed the number would suffice based on the proportion of the technology-related inventory. He also mentioned a trip to Washington D.C. in May 2024 to request a \$3.0M appropriation to potentially offset equipment replacement costs in FY25-26.

Chair Poisson deferred approval of the proposed FY24-25 budget to a future meeting once Motorola could provide the Rough Order of Magnitude estimate related to the Manhattan Beach water tank relocation project.

7B. Approve Grant Allocation of \$400,000 for Microwave/Network Replacements

Executive Director Gallo noted that INSB has been approved to receive a \$400k reimbursement grant but that the subrecipient agreement has not been finalized. These funds would be used to replace microwave and network equipment for two (2) out of eight (8) to twelve (12) links.

Chair Poisson inquired of the \$400k for microwave and network replacements would be in addition to the \$600k already budgeted for the Manhattan Beach water tank relocation project in FY24-25. She also noted that if the \$1.0M was to be appropriated, the reserve balance would drop down to \$174k which is about 25% of the operating budget.

Chair Poisson motioned to receive concurrence from the Finance Committee to include the grant allocation of \$400k for microwave and network replacements for discussion at the INSB Governance Board meeting scheduled for February 20, 2024.

Motion: Motion by Torrance, seconded by Gardena.

Vote: Motion carried 6-0 with Hawthorne absent.

7C. Discuss Strategies to Address Rising Insurance Premium Costs

Discussion regarding rising insurance premiums for INSB's crime, liability, excess liability, and property insurance policies, with the property insurance policy seeing the highest increases.

7D. Discuss Purchase of Insurance Coverage via Association Memberships

Discussion regarding rising insurance premiums for INSB's crime, liability, excess liability, and all-risk property insurance policies, with the all-risk property insurance policy seeing the highest increases. Consideration to move insurance coverage with Alliant Insurance.

7E. Discuss Assembling Risk Management Team

Executive Director Gallo requested to meet with risk management representatives from each member city regarding cybersecurity coverage.

8. COMMITTEE MEMBER COMMENTS

None.

9. ADJOURNMENT

The INSB Finance Committee adjourned at 11:40 a.m. The next regular meeting is scheduled for Monday, April 1, 2024.

Motion: Motion by Gardena, seconded by Manhattan Beach.

Vote: Motion carried 4-0 with El Segundo, Hawthorne, and Hermosa Beach absent.