

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

**Minutes of the Finance Committee Meeting of
April 1, 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 2:04 p.m.

2. ROLL CALL BY EXECUTIVE DIRECTOR:

Present: El Segundo (Julissa Solano); Gardena (Khoi Quach); Manhattan Beach (Emy Hanna); Redondo Beach (Lina Carrillo); Torrance (Sheila Poisson, Chair); Executive Director (Ernest Gallo); and Secretary (Krystle Covarrubias).

Absent: Hawthorne; Hermosa Beach.

3. REPORT ON POSTING OF THE AGENDA BY SECRETARY

The agenda was posted to the City of Torrance Public Notice Board on Friday, March 29, 2024 at 9:33 a.m.

4. ORAL COMMUNICATIONS

None.

5. UPDATES FROM EXECUTIVE DIRECTOR

Executive Director Gallo discussed the Motorola Rough Order of Magnitude (ROM) estimate for the Manhattan Beach water tank site relocation to the Chevron refinery and the \$400k UASI grant for the microwave replacement project.

Committee Secretary Covarrubias (Torrance) inquired about the Governance Board's direction on the potential trip to Washington D.C. in May 2024 since travel-related expenditures are not currently accounted for in the budget. It was disclosed that while there is potential interest by several Governance Board members, no official decisions have been made. The trip to Washington D.C. is scheduled for May 14-17, 2024 and follow-up with members would take place at the next INSB Governance Board meeting on April 16, 2024. There are currently no travel arrangements made or trip itinerary details available, but information would likely be obtained at the next ICI meeting scheduled for Thursday, April 4, 2024.

Committee Chair Poisson suggested analyzing the fiscal year 2023-24 (FY23-24) actuals to determine if there is any available funding and would like direction from the Governance Board members on whether the additional travel expenses would yield any grant funding from federal legislators. Executive Director Gallo stated that the expectation was to request and receive about \$3M to \$4M in grant funding and suggested potentially utilizing surplus budget allocated for emergency repairs but it is still unclear what the travel costs would be.

6. CONSENT CALENDAR

6A. Approve minutes from the meeting of February 5, 2024

Motion: Motion by Manhattan Beach, seconded by Gardena.

Vote: Motion carried 5-0 with Hawthorne and Hermosa Beach absent.

7. ACTION/DISCUSSION ITEMS

7A. Discuss revisions to proposed fiscal year 2024-25 budget

Chair Poisson discussed the revisions made to the proposed Special Assessments budget which were mainly due to the Motorola ROM estimate in the amount of \$1,490,999 for the Manhattan Beach water tank site relocation project and while applicable sales taxes were not included in the ROM estimate, they should also be included for budgeting purposes. The revised budget assumes a two-year assessment due to the significant

increase in project costs from \$600k to over \$1.5M as well as the lack of a confirmed timeline for project completion.

Executive Director Gallo said the project would ideally be completed by January 2025 but more likely by June 2025. One of the biggest reasons for the significant cost difference was due to the full development required to relocate the equipment from the Manhattan Beach water tank site to the Chevron refinery and the rising material and labor costs due to the amount of time elapsed since the need for the project was identified. The preliminary project completion timeline and some of the costs associated with the project have not been vetted with Chevron or discussed with Motorola, presuming a sole source award in lieu of a public bidding process. Although there have been verbal discussions about Chevron absorbing the \$110k cost for construction of the custom foundation detailed in Motorola's ROM estimate, there is currently no confirmed agreement in place. In addition, the possibility of Chevron absorbing the \$72k cost associated with their request to include a sound barrier would also need to be confirmed.

Executive Director Gallo also mentioned that the \$400k UASI grant discussed at the previous committee meeting would allow INSB to receive reimbursement for the microwave link equipment replacements but did not have information on project timeline or grant reimbursement schedule. Chair Poisson stated that INSB could not afford the \$1.5M Manhattan Beach water tank site relocation project in FY24-25 unless member cities were willing to be assessed accordingly and that a drawdown from reserves would be necessary to cover the \$400k cost for the microwave link equipment replacements since this activity was not previously planned and budgeted for. Since INSB does not have the ability to cover both projects, she inquired if the microwave link equipment replacement project was a priority.

Executive Director Gallo reiterated that the \$400k UASI grant funding allocation to INSB was already in the pipeline as part of a \$1M grant to ICI and was only pending receipt of the subrecipient agreement to move forward with the microwave link equipment replacements. He further added that it would create an issue with ICI if this project was not to proceed since the \$400k was specifically carved out for INSB and could result in the loss of this available funding. Chair Poisson clarified that budget allocations and expenditures associated with grant-related activities do not occur unless written agreements are in place and INSB is not sufficiently prepared to spend \$400k on the microwave link equipment replacement project and \$1.5M on the Manhattan Beach water tank site relocation project. Executive Director Gallo mentioned that the Manhattan Beach water tank site has not been in place for three years with no apparent issues, but the microwave links will likely fail due to the age of the existing equipment approaching the 10-year useful life cycle. However, it is not clear if the microwave links being proposed for replacement actually belong to INSB.

Chair Poisson proposed to cover the increased Manhattan Beach water tank site relocation cost of approximately \$1,805,181 (\$1,490,999 Motorola ROM estimate; 5% contingency of \$74,550; and \$39,633 in sales tax) and the microwave link equipment replacement project estimated cost of \$400k by increasing the FY24-25 Special Assessment from a total of \$200k (\$28,571 per member city) to a total of \$645.5k (\$92,214 per member city) as well as increasing the Special Assessments for FY25-26 and FY26-27 to a total of \$579.8k per year (\$82,834 per member city per year). These figures account for the \$200k (\$28,571 per member city) already assessed in FY23-24. Reserves would need to be utilized given these proposed budget changes and subsequently replaced with reimbursements from the anticipated UASI grant through ICI.

Motion: Motion by Torrance, seconded by Manhattan Beach.

Vote: Motion carried 5-0 with Hawthorne and Hermosa Beach absent.

8. COMMITTEE MEMBER COMMENTS

None.

9. ADJOURNMENT

The INSB Finance Committee adjourned at 3:36 p.m. The next regular meeting is scheduled for Monday, June 3, 2024.

Motion: Motion by Gardena, seconded by El Segundo.

Vote: Motion carried 5-0 with Hawthorne and Hermosa Beach absent.