June 1, 2020

INTEROPERABILITY NETWORK of the SOUTH BAY
JOINT POWERS AUTHORITY
MINUTES OF THE FINANCE COMMITTEE MEETING
JUNE 1, 2020
MEETING HELD VIA ZOOM LINK TO COMPLY WITH GOVERNOR NEWSOM'S EXECUTIVE ORDER N-29-20, DURING COVID-19 PANDEMIC

1. Meeting called to order at 2:03 PM

2. Roll Call – Members in Attendance:

   - Hermosa Beach – Xochitl Tipan
   - Torrance – Eric Tsao
   - Gardena – Ray Beeman
   - Manhattan Beach – Libby
   - Hawthorne, El Segundo, Redondo Beach – absent
   - Meeting Host – Ernest Gallo (Torrance)
   - No other participants

3. Posting of the Agenda - Gardena posted meeting notice

4. Approval of the Minutes of May 4, 2020

   - Gardena motioned to approve minutes; Hermosa Beach second; 4 yes 0 no

5. Action Items

   a. Propose an interim investment allocation model for current

      - Ernest Gallo explained need to remove water tank antennas and proposed reimbursement plan. Gardena motioned to approve Plan B; HB second; 4 yes 0 no

   b. Propose a revised cost allocation model to the Board (overdue)

      - Ernest Gallo explained proposed new allocation model. Group asked for more time to consider and asked that spreadsheet be shared. Gallo will email sheet to group and place on agenda for July's Finance meeting.

6. Discussion Items

   a. Discuss MB project options and funding sources

      - Ernest Gallo explained current project timeline and two cost options. Group elected to take no action and await Governance Board direction before discussing funding methods.

   b. Discuss a replacement plan target amount

      - Ernest Gallo explained proposed new system replacement plan. Group asked for more time to consider. Will be placed on agenda for July's Finance meeting.

7. Meeting adjourned at 2:30 PM.

Next meeting tentatively scheduled for July 6, 2020.

ITEM 5a

Interoperability Network of the South Bay
Cost Allocation Study

Weighted Factor:							15%	50%	35%	
Base Budget:							$ 243,000	$ 243,000	$ 243,000	
	Pecentages						Cost			
	Units		Usage		Membership		Units	Usage	Membership	
Members	# of Units	% of Total	# of PTTs	% of Total	# of Votes	% of Tota				
El Segundo	210	8.197%	34,280	8.299%	1	14.286%	$ 2,988	$ 10,083	$ 12,150	$ 25,221
Gardena	220	8.587%	69,880	16.917%	1	14.286%	$ 3,130	$ 20,554	$ 12,150	$ 35,834
Hawthorne	250	9.758%	85,490	20.696%	1	14.286%	$ 3,557	$ 25,146	$ 12,150	$ 40,853
Hermosa Beach	135	5.269%	26,150	6.331%	1	14.286%	$ 1,921	$ 7,692	$ 12,150	$ 21,762
Manhattan Beach	400	15.613%	49,900	12.080%	1	14.286%	$ 5,691	$ 14,678	$ 12,150	$ 32,518
Redondo Beach	341	13.310%	57,750	13.981%	1	14.286%	$ 4,851	$ 16,987	$ 12,150	$ 33,988
Torrance	1,006	39.266%	89,620	21.696%	1	14.286%	$ 14,313	$ 26,361	$ 12,150	$ 52,823
	2,562	100.000%	413,070	100.000%	7	100.000%	$ 36,450	$ 121,500	$ 85,050	$ 243,000

Includes future PW unit quantities for Redondo and Torrance as reported to tech group.

Last reported CAD data used in place of PTT quantities. Actual PTT quantities will be significantly larger, but probably proportionate.

Weighting Rational:
Units - Lesser impact to system performance. Half or more of a member's inventory may be idle due to shifts. Small allocation used to discourage idle system assets.
Usage - Greatest impact to system operation. Usage can be volatile and vastly disproportionate to unit quantities. Primary driving characheristic of system's overall capacity and need to add channel capacity.
Membership - Base participant fee. All parties have equal

ITEM 5b

INSB Replacement Cost Model

Cost Model Inputs

10 year useful life (base period)
15 year useful life (SUA enhanced period - primary equipment)
20 year useful life (SUA enhanced period - support equipment)

$	6,000,000	project costs (labor and materials)
$	4,000,000	primary equipment (radio transmitter, controllers, etc)
$	2,000,000	support equipment (power supplies, antennas, etc)

$	3,000,000	hardware costs (assuming 50% of project is labor)
$	2,000,000	primary equipment (radio transmitter, controllers, etc)
$	1,000,000	support equipment (power supplies, antennas, etc)

Cost Model Outputs

Full Project Value

$	266,667	primary equipment cost / SUA enhanced useful life
$	100,000	support equipment cost / SUA enhanced useful life
$	366,667	total per year cost

Hardware Only Value

$	133,333	primary equipment cost / SUA enhanced useful life
$	50,000	support equipment cost / SUA enhanced useful life
$	183,333	total per year cost

ITEM 5c

Discuss and outline basic JPA investment policy.

ITEM 5d

INSB Subscriber Cost Basis

Member Costs

	Annual Costs [1]	Field Units	Unit Cost Annual	Unit Cost Monthly	
El Segundo	$ 20,165	210	$ 96.02	$ 8.00	excluding PW units
Gardena	$ 41,107	220	$ 186.85	$ 15.57	excluding PW units
Hawthorne	$ 50,293	250	$ 201.17	$ 16.76	excluding PW units
Hermosa Beach	$ 15,384	135	$ 113.95	$ 9.50	excluding PW units
Manhattan Beach	$ 29,358	400	$ 73.39	$ 6.12	excluding PW units
Redondo Beach	$ 33,972	165	$ 205.89	$ 17.16	
Torrance	$ 52,722	1,006	$ 52.41	$ 4.37	
	$ 243,000	2,386			
		Average:	$ 132.81		

Associate Cost [2]

License Fee [5]	$ 5.00	40	$ 200.00	one-time charge

Recurring	Annual Costs	Field Units	Unit Cost Annual	Unit Cost Monthly
System Fee	$ -	40	$ -	$ -
Roaming Fee [4]	$ -	40	$ -	$ -
Mark-Up	$ -	40	$ -	$ -
			$ -	$ -

Subscriber Cost (PS) [3]

License Fee [5]	$ 5.00	40	$ 200.00	one-time charge

Recurring	Annual Costs	Field Units	Unit Cost Annual	Unit Cost Monthly	
System Fee	$ 240.00	40	$ 9,600.00	$ 800.00	
Roaming Fee [4]	$ 75.00	40	$ 3,000.00	$ 250.00	ICI pass through cost
Mark-Up	$ -	40	$ -	$ -	
Talk Group Adds	$ 5.00	2	$ 400.00	$ 33.33	
			$ 12,600.00	$ 1,050.00	

Subscriber Rate (non-PS) [3]

License Fee [5]	$ 5.00	40	$ 200.00	one-time charge

Recurring	Annual Costs	Field Units	Unit Cost Annual	Unit Cost Monthly
System Fee	$ 240.00	40	$ 9,600.00	$ 800.00
Roaming Fee [4]	*not included*	40		$ -
Mark-Up	$ 60.00	40	$ 2,400.00	$ 200.00
Talk Group Adds	$ 5.00	2	$ 400.00	$ 33.33
			$ 12,000.00	[redacted]

1 = Based on FY18/19 assessment percentages
2 = Non-member participant who uses/shares existing INSB talkgroup(s)
3 = Non-member participant who requires their own talkgroup(s)
4 = Pass-through fee to ICI Systems for wide area roaming (public safety only)