

MINUTES OF A REGULAR MEETING OF THE ALAMEDA CORRIDOR TRANSPORTATION AUTHORITY GOVERNING BOARD HELD AT THE LONG BEACH CITY COLLEGE BOARD ROOM, 4901 EAST CARSON STREET, LONG BEACH, CALIFORNIA, ON FEBRUARY 8, 2018 AT 9:30 A.M.

Members present:

Suzie Price, City of Long Beach
Frank Colonna, Port of Long Beach
Janice Hahn, Los Angeles County
Metropolitan Transportation Authority
Edward Renwick, Port of Los Angeles

Alternate Members present:

Tony Gioiello, Port of Los Angeles
Duane Kenagy, Port of Long Beach

Members absent:

Joe Buscaino, City of Los Angeles

Also present:

John T. Doherty, ACTA, Chief Executive Officer
James P. Preusch, ACTA, Chief Financial Officer
Lauren Misajon, ACTA, Co-General Counsel

CHAIR PRICE PRESIDED

The meeting was called to order at 9:39 a.m. Roll call was taken.

CONSENT CALENDAR - ITEM NOS. 1-6

Item 3, ACTA's Investment Policy, was removed from Consent based on a request by Audit Committee Chair Renwick received prior to the meeting. A separate meeting has been arranged between Member Renwick and ACTA staff to answer his questions regarding ACTA's Investment Policy. The item will be brought to the Board at a future meeting.

1. MINUTES - ACTA GOVERNING BOARD SPECIAL MEETING OF NOVEMBER 9, 2017 – APPROVED.

Minutes of the Special Meeting of November 9, 2017 of the Governing Board of the Alameda Corridor Transportation Authority were presented to the Governing Board.

2. MONTHLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED NOVEMBER 30, 2017 – RECEIVED AND FILED.

Communication from James P. Preusch, Chief Financial Officer, dated February 8, 2018, recommending that the monthly financial reports for the period ended November 30, 2017, be received and filed, was presented to the Governing Board.

4. 2018 EMERGENCY FIELD EXERCISE – INFORMATION ITEM.

Communication from John T. Doherty, Chief Executive Officer, dated February 8, 2018, with information regarding the 2018 Emergency Field Exercise to be held on March 11, 2018, was presented to the Governing Board.

5. FISCAL YEAR 2018/2019 (FY2019) PRELIMINARY BUDGET SCHEDULE – INFORMATION ITEM.

Communication from James P. Preusch, Chief Financial Officer, dated February 8, 2018, providing a preliminary schedule of the annual budget including key budget preparation, review, and approval dates, was presented to the Governing Board.

6. STATUS UPDATE – REQUEST FOR PROPOSALS FOR ACTA CONTRACTS – INFORMATION ITEM.

Communication from John T. Doherty, Chief Executive Officer, dated February 8, 2018, providing a summary of Request for Proposals that have been or will be issued to re-compete various ACTA contracts for services, was presented to the Governing Board.

Board Member Colonna motioned, seconded by Board Member Kenagy that Item No. 1 be approved and that Item Nos. 2 and 4-6 be received and filed. Carried by the following vote:

AYES: Colonna, Gioiello, Hahn, Kenagy, Price

NOES: None

ABSENT: Buscaino, Renwick

8. HOMELESS ENCAMPMENTS ON OR ADJACENT TO THE ALAMEDA CORRIDOR – INFORMATION ITEM.

Communication from John T. Doherty, Chief Executive Officer, dated February 8, 2018, regarding the plan to address the homeless encampments on and adjacent to the Alameda Corridor, was presented to the Governing Board.

Ms. Connie Rivera, ACTA's Director of Government and Community Affairs, provided an update on ongoing actions to address the homeless encampments on and adjacent to the Alameda Corridor. She noted that Board Members Hahn and Colonna were instrumental in recommending additional available resources. She stated that on November 21, 2017, Board Member Hahn put forth a motion to the County Board of Supervisors that allowed the County's Office of Homeless Initiative to develop a strategic partnership with ACTA. The

partnership is focusing on implementing best practices and using Measure H-funded services along the Alameda Corridor. The Alameda Corridor will receive services under three Service Planning Areas as assigned by the Los Angeles Homeless Service Authority. Ms. Rivera concluded by providing a summary of the assessment and outreach efforts that have been provided thus far at each of the five encampment areas along the Alameda Corridor.

Board Member Hahn thanked ACTA staff for its coordination with the County of Los Angeles, and stated that she would continue her efforts to support this issue.

(Board Member Renwick arrived at 9:49 a.m.)

After some discussion, there was a consensus from the Board that ACTA is moving in the right direction in working to assist the homeless along the Corridor. Chair Price recommended that ACTA staff explore the possibility of implementing a day work program similar to that of the City of Long Beach to assist the homeless. The City of Long Beach is modeling their work program after programs in Albuquerque, NM and Denver, CO.

Mr. Doherty stated that during construction, ACTA created the Alameda Corridor Conservation Corps, a joint venture of the conservation corps organizations in Long Beach and Los Angeles, which employed and trained youth to work along the route of the Alameda Corridor. He stated that the program was successful and that, as requested, staff would look into the possibility of implementing a work program.

7. ALAMEDA CORRIDOR ENGINEERING TEAM (ACET) – SUPPORT SERVICES - APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated February 8, 2018, recommending that the Board authorize staff to include the engagement of the Alameda Corridor Engineering Team (ACET) in the FY19 budget preparation process for ACTA's continued use of ACET's engineering and specialized services, was presented to the Governing Board.

Mr. Doherty provided background information on the four options for continuing support services provided by ACET, which options were initially presented to the Governing Board at its February 13, 2014 meeting. Mr. Doherty also provided information on each of the ACET positions, and asked for direction from the Board as to its preferred option for FY19.

Chair Price stated her support of Option 2 (extending the ACET contract on a year-by-year basis), because it provides continued flexibility. Board Member Hahn recommended that Option 3 (converting some ACET positions to ACTA positions) be given consideration in order to provide full-time ACTA positions. Board Member Colonna suggested comparing the cost of consultant vs. staff positions. In response, Board Member Renwick stated that the consultant cost is about twice that of staff, but cautioned that permanent positions may not be necessary after 2020 and could result in more cost in the long term. He stated that he supports a combination of Option 2 and Option 3, depending on whether the need is there after 2020 for some of the positions.

Mr. Doherty suggested and the Board concurred that staff would do its FY19 budget planning based on the status quo, but would also prepare a qualitative and quantitative analysis for Board review for converting positions in the future.

Board Member Renwick motioned, seconded by Supervisor Hahn that Item No. 7 be approved. Carried by the following vote:

AYES: Colonna, Gioiello, Hahn, Kenagy, Price, Renwick

NOES: None

ABSENT: Buscaino

9. ACTA INSURANCE POLICY – RENEWAL – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated February 8, 2018, recommending that the Board authorize the Chief Financial Officer to: 1) negotiate and accept the recommendations of Willis Towers Watson (Willis), ACTA's Broker of Record, for placement of required insurance for the period April 15, 2018 through April 14, 2019; and 2) to bind insurance, on behalf of ACTA, in accordance with the recommendations of Willis, was presented to the Governing Board.

Mr. Preusch provided an overview of the 2018 renewal timeline, and 2016 vs. 2017 coverage and premiums. He stated that much of the premiums are directly paid by the railroads and that the railroads, therefore, are part of the review and approval process once the Willis recommendation is received.

Board Member Renwick asked why there was a drop in premium for Corridor Property in 2017. Mr. Preusch stated that the insurance market was highly competitive last year and that when the new premium quotations are received, he anticipates an increase between 2%-5%. Board Member Renwick asked whether the 2017 decrease was due to lowering the coverage. Mr. Preusch responded that it was not, and that occasionally when premiums drop, coverage is actually added. He stated that earthquake coverage was increased the last couple of years.

Board Member Colonna asked the status of the loss runs. Mr. Preusch responded that there were few incidents.

Board Member Colonna motioned, seconded by Board Member Renwick that Item No. 9 be approved. Carried by the following vote:

AYES: Colonna, Gioiello, Hahn, Kenagy, Price, Renwick

NOES: None

ABSENT: Buscaino

10. ALAMEDA CORRIDOR ENGINEERING TEAM – FY17 CLOSOUT CHANGE ORDERS 64 AND 46 – AGREEMENT NO. 27 – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated February 8,

2018, recommending that the Board authorize the Chief Executive Officer or Chief Financial Officer to issue Change Orders to Contract Work Orders (CWO) with the Alameda Corridor Engineering Team (ACET) for FY17 final adjustments in the aggregate decreased amount of \$159,970, was presented to the Governing Board.

Mr. Doherty provided background information on the Change Orders to Contract Work Orders with ACET for FY17 final adjustments. Chair Price asked whether the Base amount of \$1.7M is an ongoing typical amount. Mr. Doherty responded that it was.

Board Member Renwick asked for confirmation that when the audits are performed, the auditors are grossing-up. Mr. Preusch confirmed that was correct.

Board Member Kenagy motioned, seconded by Board Member Colonna that Item No. 10 be approved. Carried by the following vote:

AYES: Colonna, Gioiello, Hahn, Kenagy, Price, Renwick

NOES: None

ABSENT: Buscaino

11. DECEMBER PERFORMANCE – INFORMATION ITEM.

Mr. Doherty gave an update of Corridor performance statistics including train counts, revenue and cargo volume for CY2017. Concerns continue regarding loss of ACTA market share due to increased transload activity and discretionary cargo trends.

Board Member Renwick suggested that ACTA look for ways to make short-haul rail between the Ports and Inland Empire attractive for the railroads.

(Board Member Hahn left meeting at 10:49 a.m.)

Mr. Doherty stated that a study was conducted in 2004 regarding the economics of short-haul rail to the Inland Empire, and it was determined that short-haul rail was too costly as compared to trucking, requiring a subsidy to be competitive. He stated that the Ports, together and separately, have re-examined the economics considering the increase in trucking rates over the years. He agreed with Board Member Renwick that short-haul service could provide substantial ACTA revenue, if an inland terminal were economically and environmentally viable and if a suitable location and capital funding were found, Mr. Doherty added that other states are doing similar short-haul rail analyses.

Board Member Colonna concurred that increased use of on-dock rail, such as that from short-haul rail, would benefit ACTA in the future.

Mr. Doherty concluded his presentation with a graphic on debt service in relation to several different revenue growth scenarios.

12. PUBLIC COMMENT

13. CLOSED SESSION

At 10:57 a.m., Chair Price recessed the Governing Board meeting to hold a conference with legal counsel regarding significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9 of the Government Code, (one case).

At 12:10 p.m., the meeting was again called to order.

Ms. Lauren Misajon, ACTA Co-General Counsel, announced there were no reportable actions from the closed session.

14. ADJOURNMENT

At 12:13 p.m., the meeting was adjourned sine die.