

MINUTES OF A REGULAR MEETING OF THE ALAMEDA CORRIDOR TRANSPORTATION AUTHORITY GOVERNING BOARD HELD IN THE BOARD ROOM OF THE HARBOR DEPARTMENT ADMINISTRATION BUILDING AT 925 HARBOR PLAZA, LONG BEACH, CALIFORNIA, ON MAY 10, 2012, AT 9:00 A.M.

Members present:

Joe Buscaino, City of Los Angeles
Susan E. Anderson Wise, Port of Long Beach
J. Christopher Lytle, Port of Long Beach
Robin Kramer, Port of Los Angeles
Mike Christensen, Port of Los Angeles

Members absent:

Gary DeLong, City of Long Beach
Don R. Knabe, Los Angeles County
Metropolitan Transportation Authority

Also present:

John T. Doherty, ACTA, Chief Executive Officer
James P. Preusch, ACTA, Chief Financial Officer
April See, ACTA Financial Systems Manager
Tran Nguyen, ACTA Principal Accountant
Charles Gale, ACTA, Co-General Counsel
Heather McCloskey, ACTA, Co-General Counsel

BOARD MEMBER WISE PRESIDED UNTIL THE VOTE ON ITEM #1, AFTER WHICH COUNCILMAN BUSCAINO PRESIDED.

Mr. John Doherty thanked Mr. Charlie Fornelli, Deputy Program Manager from the Alameda Corridor Engineering Team, for his 16 years of service to ACTA. Mr. Doherty stated that Mr. Fornelli is moving on to another important, local assignment and thanked him for his many contributions to ACTA in the planning and construction of the Corridor.

Mr. Doherty stated that Charlie had been with ACTA since 1996 and was a key contributing person in completing the Corridor on time and under budget in 2002 and that he has been instrumental in ACTA's continued success since that time. During the planning and construction of the Corridor, Mr. Fornelli served as Project Controls Manager, leading the scheduling, estimating, Change Order negotiations, and contract administration for over 20 construction contracts valued at \$1.3 billion that comprised the original Alameda Corridor Project. Following the opening of the Corridor in 2002, Mr. Fornelli became the Deputy Program Manager. He has led the engineering, construction management, utility coordination, and right-of-way activities for various

projects. On behalf of ACTA, Mr. Doherty wished Mr. Fornelli much success in his new assignment.

Board Member Wise presented a plaque to Mr. Fornelli.

Charlie Fornelli thanked Mr. Doherty for his kind words and also thanked the ACTA team and stated that it had been a pleasure working with everyone.

1. ELECTION OF VICE-CHAIR TO COMPLETE FY 2012.

Communication from James P. Preusch, Chief Financial Officer, dated May 10, 2012, recommending the Governing Board elect a Vice Chair of the ACTA Governing Board to complete FY 2012, was presented to the Governing Board.

Board Member Lytle motioned, seconded by Board Member Kramer, that Joe Buscaino be elected as Vice Chair of the Governing Board to complete FY 2012. Carried by unanimous vote:

AYES: Members: Kramer, Christensen, Wise, Lytle, Buscaino
NOES: None
ABSENT: Knabe, DeLong

Newly elected Vice Chairperson Buscaino presided for the remainder of the meeting.

2. CLOSED SESSION

At 9:15 a.m., Vice Chairperson Buscaino recessed the Governing Board meeting to hold a closed session pursuant to Government Code Section 54956.9, Subdivision (a), regarding existing litigation (*Crimson Pipeline Management, Inc. et al. v. Herzog Contracting Corporation, et al*).

At 9:55 a.m., the meeting was again called to order by Vice Chairperson Buscaino.

There were no reportable actions from the closed session.

3. BUDGET WORKSHOP – FY 2013 BUDGET – INFORMATION AND DISCUSSION.

Communication from James P. Preusch, Chief Financial Officer, dated May 10, 2012, regarding the FY 2013 Budget Workshop, was presented to the Governing Board for information and discussion.

Mr. Preusch discussed the revenue and budget assumptions for the preliminary FY13 Budget, including the continued reductions in net operating expenses since FY10 (nearly 40%) and the current status of the various ACTA fund accounts. He highlighted

the dependence of the ACTA revenue projections on the FY13 port-provided volume forecasts and how highly sensitive the ACTA debt service shortfall projections are to the accuracy of those projections. He also stated that that the budget in its preliminary form only includes \$75,000 for Washington DC representation and nothing for community and media relations support, awaiting Board input.

On completion of the presentation, Board Member Buscaino asked about the public affairs support, and whether the current public affairs contracts were being eliminated. Mr. Doherty explained that, in the budget discussions at this time last year, there was much discussion as to ACTA's required level of consultant support and whether at some point the ports should provide the community and media relations for ACTA through their staff and consultants. He stated that the community and media relations support had been cut back significantly over the last several years to the current level of \$175,000 per annum. He stated that it is staff's recommendation to continue with this level of public affairs support.

Board Member Christensen requested that before discussing public affairs support further that the outlook for shortfall advances be discussed, as this was relevant to the topic of port-funded ACTA expenses (such as public affairs support) in years where there is to be a shortfall. Mr. Preusch responded that the ports had advanced \$2.95 million each last October and that an additional \$3 million each may be needed this October followed by several years of no shortfalls due to the RRIF refunding. Board Member Christensen later in the meeting to this point added that ACTA and the ports should carefully scrutinize the forecasts for the next several years in light of the financial impacts to ACTA.

Board Member Lytle said that, although he was pleased with staff's continuing efforts to cut costs, he agreed that opportunities to further reduce public affairs costs should be considered where appropriate. He asked for and Mr. Preusch provided an explanation of the contents of ACTA's Professional Services, IT, and Office Expense line items. Mr. Lytle also suggested that ACTA carefully monitor the volume data this year due to recent negative trends and assess the impact to future shortfall contributions by the ports.

Board Member Kramer stated that, because of port volume volatility and the fact that ACTA has transitioned more and more away from a capital program entity to an operating entity, the continued need for and types of support should be carefully considered. In particular, since the port and ACTA mission are similar in Washington DC, support should not be duplicative. Mr. Doherty recommended that the Board consider leaving the Washington DC support in place for at least one more year until ACTA capital work on the SR-47 and its future role are better defined.

Board Member Wise stated that ACTA's efforts in Washington DC should be focused on opportunities in existing and upcoming legislation for further debt restructuring opportunities. She stated that ACTA's needs are different than those of the ports and that ACTA needs its "own eyes and ears". She agreed that ACTA needs

media support for operations emergencies, but with regard to local community support that ACTA and port staffs must cooperate to achieve efficiency and consistency. She also recommended that ACTA and port public affairs staffs discuss the marketing or promoting of the Alameda Corridor as an important asset to shippers especially in light of the Panama Canal expansion impact concerns.

Vice Chair Buscaino asked about the current coordination among ACTA and port staff regarding public affairs. Mr. Doherty introduced Connie Rivera, ACTA's public affairs coordinator, who described the bi-weekly joint staff meetings that take place amongst the parties regarding government relations. Vice Chair Buscaino and Board Member Lytle suggested that the group come to a future board meeting to discuss a coordinated approach to all government/community matters.

Board Member Kramer recommended that staff report back in six months time to again review the need and efficacy of the public and government affairs services as well as to further discuss the ACTA role over the "long haul". She stated this was the most important outcome of the budget hearing.

4. PUBLIC COMMENT.

There was no one present to address the Governing Board.

ADJOURNMENT

At 10:45 a.m., the meeting was adjourned sine die.