

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 JUNE 13, 2013, AT 9:00 A.M.

Members present:

Joe Buscaino, City of Los Angeles
Gary DeLong, City of Long Beach
Don R. Knabe, Los Angeles County
Metropolitan Transportation Authority
Robin Kramer, Port of Los Angeles
Geraldine Knatz, Port of Los Angeles
Susan E. Anderson Wise, Port of Long Beach
J. Christopher Lytle, Port of Long Beach

Members absent:

None

Also present:

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

CHAIRPERSON BUSCAINO PRESIDED.

The meeting was called to order at 9:08 a.m.

1. ELECTION OF ACTA CHAIR AND VICE CHAIR FOR FY2014.

Communication from John T. Doherty, Chief Executive Officer, dated June 13, 2013, recommending the Governing Board elect a Chair and Vice-Chair of the ACTA Governing Board for FY2014, was presented to the Governing Board.

Board Member Knabe made a single motion, seconded by Board Member Wise, that Gary DeLong be elected as Chair and that Joe Buscaino be elected as Vice-Chair of the Governing Board for FY2014. Carried by unanimous vote.

2. FY 2014 BUDGET – ADOPTED

Communication from James P. Preusch, Chief Financial Officer, dated June 13, 2013, recommending adoption of the final FY 2013/2014 (FY14) Budget and appropriate cash spending of \$117,294,382, was presented to the Governing Board.

Chairperson Buscaino asked if reductions in administrative and operational costs are anticipated in the coming years. Mr. Preusch informed the Board that there may be more nominal reductions but at this time ACTA is at a baseline to continue to provide the essential services of the Corridor.

Chairperson Buscaino asked about the growth needed by both ports to avoid shortfall advances. Mr. Preusch informed the Board that, using current port projections, a shortfall advance would be required on October 1, 2016 of about \$5 Million shared between the ports. This is based on relatively flat growth and the use of an available debt service reserve fund. However, if there is a 4-5% annual growth in TEU's, that would forego any future shortfall advance. In 2021/2022, there is also a refunding opportunity brought about by certain bonds that become callable in 2017 that would further mitigate shortfall potential.

Board Member DeLong inquired about the amount of deficit through FY2017 that would be covered by the debt service reserve fund. Mr. Preusch responded that \$5 Million to \$8 Million will be applied in each of the next few years from the debt service reserve to help meet the debt service obligations.

Board Member Knatz asked about a Right of Way transfer issue regarding the rail lines owned by the two Ports in the vicinity of the Ports.

Mr. Arthur Goodwin, ACTA Director of Planning, informed the Board that the transfer in question is the responsibility of the two Ports to handle and not ACTA's.

Board Member Knatz asked about whether further personnel cutbacks would take place to achieve targets presented to the Board two years ago. Mr. Doherty informed the Board that the current ACTA staffing level proposed for FY14 was perhaps as low as could be achieved but that staff will present information about further consolidations in senior management as well as relocation of office opportunities and different ways to engage ACET support depending on Caltrans program responsibilities.

Board Member DeLong motioned, seconded by Board Member Lytle, that Item No. 2 be approved. Carried by the following vote:

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

CONSENT CALENDAR - ITEMS NOS. 3-17

3. MINUTES - ACTA GOVERNING BOARD REGULAR MEETING OF MARCH 14, 2013 – APPROVED.

Minutes of the regular meeting of March 14, 2013 of the Governing Board of the Alameda Corridor Transportation Authority were presented to the Governing Board for approval.

4. MONTHLY FINANCIAL REPORTS FOR THE PERIOD ENDED APRIL 30, 2013– RECEIVED AND FILED.

Communication from James P. Preusch, Chief Financial Officer, dated June 13, 2013, recommending that the monthly financial reports for the period ended April 30, 2013, be received and filed, was presented to the Governing Board.

5. QUARTERLY INVESTMENT REPORT - RECEIVED AND FILED.

Communication from James P. Preusch, Chief Financial Officer, dated June 13, 2013, recommending that the provided quarterly report on ACTA's Investments, as per ACTA's Investment Policy, be received and filed, was presented to the Governing Board.

6. WILLIS INSURANCE SERVICES OF CALIFORNIA INC. – AMENDMENT TO CONTRACT CO761 FOR BROKER OF RECORD SERVICES– APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated June 13, 2013, recommending:

- 1) Authorization for the Chief Executive Officer or Chief Financial Officer to execute an amendment to Contract CO761 with Willis Insurance Services of CA Inc. for insurance brokerage services, extending the contract term through June 30, 2013 and increasing the contract amount by \$100,000.

was presented to the Governing Board.

7. CERRELL ASSOCIATES – AMENDMENT TO AGREEMENT NO. 730 FOR MEDIA RELATIONS – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated June 13, 2013, recommending:

- 1) Authorization for the Chief Executive Officer or Chief Financial Officer to execute an amendment to Agreement No. 730 with Cerrell Associates, Inc. for media relations services extending the term through June 30, 2014 in the fixed amount of \$60,000 including expenses.

was presented to the Governing Board.

8. MANATT, PHELPS & PHILLIPS – AMENDMENT TO AGREEMENT NO. 693 FOR FEDERAL ADVOCACY FOR FY14 – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated June 13, 2013, recommending:

- 1) Authorization for the Chief Executive Officer or Chief Financial Officer to execute an amendment to Agreement No. 693 with Manatt, Phelps & Phillips (MPP) for federal advocacy services, extending the term one-year through June 30, 2014 at the total not-to-exceed sum of \$60,000 including expenses.

was presented to the Governing Board.

9. AUDIT SERVICES – CONTRACT WITH VASQUEZ & COMPANY, LLP AND BAZILIO COBB FOR FY14-FY16 – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated June 13, 2013, recommending:

- 1) Authorization for the Chief Executive Officer or Chief Financial Officer to execute three-year agreements with Vasquez & Company, LLP and Bazilio Cobb for internal audit support services for FY14 through FY16, as endorsed by the Audit Committee; and
- 2) Allocate funds up to \$80,000, as appropriated in the FY14 Budget, to the individual agreements, and issue amendments shifting unused amounts amongst agreements as necessary during the fiscal year.

was presented to the Governing Board.

10. IBI GROUP– AMENDMENT TO AGREEMENT NOS. 719 AND 783 FOR ACTA SYSTEMS SUPPORT AND MAINTENANCE EFFORTS – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated June 13, 2013, recommending authorization for the Chief Executive Officer or Chief Financial Officer to execute an amendment to Agreement CO719 with IBI for a one-year term extension through June 30, 2014 at an increased contract value not-to-exceed \$104,500 for support and maintenance of ACTA's Revenue Assessment and Verification System and PierPass Validation System, was presented to the Governing Board.

11. ALAMEDA CORRIDOR ENGINEERING TEAM (ACET) – FY14 ANNUAL CONTRACT WORK ORDERS (CWO) – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated June 13, 2013, recommending:

- 1) Authorization for the Chief Financial Officer to Issue annual Contract Work Orders (CWOs) and corresponding Change Orders (COs) to Amended Agreement No. C0027 with the Alameda Corridor Engineering Team for FY14 in the aggregate amount of \$2,523,368 allocated as follows: \$1,652,818 for ACTA Support, \$83,090 for the Pacific Coast Highway Project, and \$787,460 for SR-47 Project; and
- 2) Reallocate FY14 CWO amounts amongst the CWO's during the fiscal year provided the overall aggregate amount is not increased.

was presented to the Governing Board.

12. LEGAL SERVICES – NEW AGREEMENTS – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated June 13, 2013, recommending:

- 1) Authorization for the Chief Executive Officer or Chief Financial Officer to execute five-year agreements in substantially the form attached with Alston & Bird, LLP; Bergman, Dacey, Goldsmith, PLC; Gibbs, Giden, Locher, Turner, Senet & Wittbrodt, LLP; Keesal, Young & Logan, LLP; Nixon Peabody, LLP; Nossmann LLP; Olivarez Madruga, P.C; O'Melveny & Myers, LLP; Polsinelli, LLP; and Theodora Oringer, P.C.;
- 2) Issue an amendment to Jones-Day for legal services under an existing agreement; and
- 3) Allocate funds up to \$600,000, as appropriated in the FY14 Budget, to the individual agreements, and issue amendments shifting unused amounts amongst agreements as necessary during the fiscal year.

was presented to the Governing Board.

13. BANKING RESOLUTION & DESIGNATION OF AUTHORIZED AUTHORITY REPRESENTATIVES – ADOPTION OF RESOLUTION – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated June 13, 2013, recommending that the Governing Board adopt the Banking Resolution and Designation of Authorized Authority Representatives, was presented to the Governing Board.

14. NORTH AMERICAN EMERGENCY MANAGEMENT – AMENDMENT TO AGREEMENT NO. 337 FOR EMERGENCY PREPAREDNESS PLANNING –

APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated June 13, 2013, recommending the authorization for the Chief Executive Officer or Chief Financial Officer to execute an amendment to Agreement No. 337 with North American Emergency Management (NAEM) for emergency preparedness planning and annual field exercises in the amount of \$50,000 and extend the term through June 30, 2015, was presented to the Governing Board.

15. DAVID DUTHIE – AMENDMENT TO CONSULTANT SERVICE AGREEMENT NO. 714 FOR UTILITY COORDINATION SERVICES – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated June 13, 2013, recommending the authorization for the Chief Executive Officer or Chief Financial Officer to execute an amendment to Agreement No. 714 with David Duthie for utility coordination services extending the term through June 30, 2014 and increasing the contract value by \$25,000, was presented to the Governing Board.

16. BUTTERFIELD COMMUNICATIONS, INC. – AGREEMENT NO. 729 FOR PUBLIC AFFAIRS SUPPORT - APPROVED

Communication from John T. Doherty, Chief Executive Officer, dated June 13, 2013, recommending the authorization for the Chief Executive Officer to have ACTA staff perform community relations activities for FY14 without the outside consultant support now provided by Butterfield Communications, Inc. under Agreement No. 729 for a one-year trial period, was presented to the Governing Board.

17. FY13 BUDGET APPROPRIATION ADJUSTMENTS – APPROVED.

Communication from James Preusch, Chief Financial Officer, dated June 13, 2013, recommending the appropriation of an additional \$80,000 to the Benefit Account and \$2,044,000 to the Capital Account for FY13 Budget adjustments, was presented to the Governing Board.

Board Member Knatz asked about the length of the agreements for legal services in Item No. 12. Mr. Doherty informed Board Member Knatz that the agreements are cancelable at any time.

Board Member Knabe motioned, seconded by Board Member DeLong, that the communications be received and filed and that Items Nos. 3-17 be approved as recommended. Carried by the following vote:

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

18. PERFORMANCE UPDATE– INFORMATION ITEM.

Mr. John Doherty presented the April 2013 Performance Update.

Board Member Knabe asked whether the decline in volumes at the railroad off-dock facilities should be of concern. Mr. Doherty replied that the decline is in fact a good sign as it reflects better use of the on-dock facilities for assembling trains.

19. PUBLIC COMMENT

There was no one present to address the Governing Board.

20. CLOSED SESSION

Mr. Charles Gale, ACTA Co-General Counsel, informed the Board that closed session was not necessary and that it was listed primarily as a precautionary matter in connection to the budget item. Mr. Doherty reiterated that the approval of the budget for FY14 increased the total not to exceed contract value for the oil release from \$6.4M to \$7.45M.

21. ADJOURNMENT

At 9:40 a.m., the meeting was adjourned sine die.