

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 MARCH 12, 2020 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:

James P. Preusch, ACTA, Interim Chief Executive Officer
Heather McCloskey, ACTA, Co-General Counsel
Lauren Misajon, ACTA, Co-General Counsel

COUNCILMEMBER PRICE PRECIDED AS CHAIR.

The meeting was called to order at 9:47 a.m. Roll call was taken.

1. CLOSED SESSION

At 9:48 a.m., Chair Price recessed the Governing Board meeting to hold a conference with labor negotiator Stanton Chase pursuant to Government Code Section 54957 to consider the appointment and employment of ACTA's Chief Executive Officer.

At 10:19 a.m., the meeting was again called to order.

Ms. Heather McCloskey, ACTA Co-General Counsel, announced there were no reportable actions from closed session.

CONSENT CALENDAR - ITEM NOS. 2-5

2. MINUTES - ACTA GOVERNING BOARD SPECIAL MEETING OF FEBRUARY 12, 2020 – RECEIVED AND FILED.

Minutes of the Special Meeting of February 12, 2020 of the Governing Board of the

Alameda Corridor Transportation Authority were presented to the Governing Board.

3. MINUTES - ACTA GOVERNING BOARD SECOND SPECIAL MEETING OF FEBRUARY 12, 2020 – RECEIVED AND FILED.

Minutes of the Second Special Meeting of February 12, 2020 of the Governing Board of the Alameda Corridor Transportation Authority were presented to the Governing Board.

4. MONTHLY FINANCIAL REPORTS AS OF DECEMBER 31, 2019 – RECEIVED AND FILED.

Communication from James P. Preusch, Interim Chief Executive Officer, dated March 12, 2020, recommending that the monthly financial reports as of December 31, 2019, be received and filed, was presented to the Governing Board.

5. RAILWORKS TRACK SERVICES, INC. – FIRST AMENDMENT TO AGREEMENT NO. C0885 – MAINTENANCE SERVICES – APPROVED.

Communication from James P. Preusch, Interim Chief Executive Officer, dated March 12, 2020, recommending the approval of the proposed First Amendment to Agreement No. C0885 with RailWorks Track Services, Inc. for maintenance services on the Alameda Corridor to replace the provisions for flat rate charges for certain signal, communications and AEI Reader maintenance services with a provision for charges based upon time and materials incurred; and authorize the Interim Chief Executive Officer to execute said amendment, was presented to the Governing Board.

Board Member Colonna motioned, seconded by Board Member Kenagy that Item Nos. 2 - 4 be received and filed and Item No. 5 approved as recommended. Carried by the following vote:

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

NOES: None

ABSENT: Buscaino

6. RESOLUTION NO. JPA 20-3 – APPOINTMENT AND SALARY – ACTA CHIEF EXECUTIVE OFFICER – APPROVED.

Communication from Honorable Suzie A. Price, ACTA Board Chair, dated March 12, 2020, recommending the approval of Resolution No. JPA 20-3 for the appointment of a Chief Executive Officer of the Alameda Corridor Transportation Authority, JPA effective the date of the first day that the Chief Executive Officer reports to work and establish the CEO's compensation package, was presented to the Governing Board.

Chair Price motioned that the Governing Board of ACTA adopt Resolution JPA 20-3 appointing Mr. Michael Leue, as ACTA's Chief Executive Officer effective the date of the first day that Mr. Leue reports to work; and that the Governing Board of ACTA authorize the Chief Executive Officer's compensation to be an annual salary of \$290,000, an annual automobile allowance of \$5,400, and all other employee benefits offered to salaried Fair Labor Standards Act exempt employees but with an adjustment to the Chief Executive Officer's biweekly vacation accrual rate for years zero through three of service at 5.23 hours, and years four or more at 6.15 hours.

The motion was seconded by Board Member Kenagy.

Chair Price asked for Board member support and welcomed Mr. Leue to the ACTA team. She stated that as the chair of the Succession Planning Committee, she was involved in every stage of the executive management search process. She added that she'd had the opportunity to review Mr. Leue's background, training, and experience and believes he will provide excellent leadership to ACTA at this significant time in the history of the Ports and goods movement. She asked if other members of the Board had comments.

Board Member Renwick thanked Chair Price for her leadership as well as the other members of the committee. He stated that it was an amazing process bringing on a great executive search firm who ultimately reached out to 150 candidates nationwide. He added that an excellent candidate was selected and he fully supports Mr. Leue.

Board Member Kenagy stated that he'd known Mr. Leue for more than 20 years and Mr. Leue had always been a consummate professional, exhibiting leadership, doing work for both Ports, and delivering work products that ACTA and the Ports relied on. He offered his support for the recommendation.

Board Member Colonna also welcomed Mr. Leue to ACTA and stated that he believes Mr. Leue will be a great asset to the organization.

Board Member Gioiello concluded Board member remarks by stating that he has also known Mr. Leue for many years. He stated that he appreciates the support Mr. Leue has provided to the Ports through his expertise in rail knowledge, and is happy to see him move forward in the next chapter of his career at ACTA.

Chair Price invited Mr. Leue to address the Governing Board. Mr. Leue thanked the Governing Board for their vote of confidence in him. He stated that he looks forward to working with the Board, and with ACTA staff to meet the daily demands of running the Corridor. He also looks forward to setting a higher goal of increasing cargo movements through the Corridor, and to innovate programs with stakeholders, not only because it will generate revenue to meet the bond commitment, but because of the benefit to the communities. He added that he acknowledges the current environment and trials of the current global economy but he's confident in the premier gateway status of the Ports of Los Angeles and Long Beach and the cargo growth that will continue. He said that his start date would be April 22, 2020 and that he looks forward to working with Mr. Preusch in the transition.

Chair Price stated that the Governing Board believes strongly in practices that are consistent with protecting the environment and encouraged Mr. Leue to transition to a clean air vehicle when purchasing a car, if he doesn't already have one.

Roll call was taken.

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

NOES: None

ABSENT: Buscaino

Items 7 and 8 were presented together. Mr. Preusch provided background information regarding the Alameda Corridor Dispatching and the Police and Security Services Agreements. He stated that in order to have the two agreements executed by October 14, 2020, they need approval by early August 2020. In regards to the Alameda Corridor

Dispatching Agreement, Mr. Preusch stated that both railroads would like to be the dispatcher, which has caused delay in the process. In regards to the Police and Security Services Agreement, Union Pacific performed the policing activities since 2002. However, because of recent cutbacks and the increase in trespassing and encampment issues on the Corridor, the number of policing staff Union Pacific provides, may not be adequate. Therefore, going forward, a third party may be selected to provide the policing service. This is an option in the existing agreement.

Board Member Renwick asked whether the railroads pay for these services. Mr. Preusch responded that the railroads completely fund the services and that they provide them as part of the agreement.

7. ALAMEDA CORRIDOR DISPATCHING AGREEMENT – SIXTH AMENDMENT – APPROVED.

Communication from James P. Preusch, Interim Chief Executive Officer, dated March 12, 2020, recommending the approval of the Sixth Amendment and authorization of the Interim Chief Executive Officer to execute the Sixth Amendment to extend the term of the Alameda Corridor Dispatching Agreement between ACTA, the BNSF Railroad Company, and Union Pacific Railroad Company, for up to six months through October 14, 2020, was presented to the Governing Board.

Board Member Kenagy motioned, seconded by Board Member Hahn that Item No. 7 be approved as recommended. Carried by the following vote:

AYES: Colonna, Gioiello, Hahn, Kenagy, Price, Renwick
NOES: None
ABSENT: Buscaino

8. POLICE AND SECURITY SERVICES AGREEMENT – SIXTH AMENDMENT – APPROVED.

Communication from James P. Preusch, Interim Chief Executive Officer, dated March 12, 2020, recommending the approval of the Sixth Amendment and authorization of the Interim Chief Executive Officer to execute the Sixth Amendment to extend the term of the Alameda Corridor Police and Security Services Agreement, between ACTA, the BNSF Railroad Company, and Union Pacific Railroad Company, for up to six months through October 14, 2020, was presented to the Governing Board.

Board Member Renwick motioned, seconded by Board Member Kenagy that Item No. 8 be approved as recommended. Carried by the following vote:

AYES: Colonna, Gioiello, Hahn, Kenagy, Price, Renwick
NOES: None
ABSENT: Buscaino

9. DECEMBER 2019 CORRIDOR PERFORMANCE – INFORMATION ITEM.

Mr. Preusch gave an update of the year to date performance on the Corridor. Also discussed were the effects that Covid-19 have on current cargo at both Ports. He stated he doesn't anticipate a need for shortfall advances by the Ports in October 2020. However,

this is tentative as these times are uncertain and unpredictable due to Covid-19.

Board Members Renwick asked that Mr. Preusch meet with both Ports to look at various scenarios that may require shortfall advances for cash planning purposes. Mr. Preusch responded that he would.

Board Member Hahn concurred with Mr. Renwick's request. She also asked whether ACTA's investments are being affected by the current market. Mr. Preusch responded that ACTA's investments are in interest bearing instruments and are secure. Mr. Renwick added that ACTA has an extremely conservative portfolio.

10. PUBLIC COMMENT ON NON-AGENDA ITEMS

11. ADJOURNMENT

At 10:46 a.m., the meeting was adjourned sine die.