

MINUTES OF A SPECIAL MEETING OF THE ALAMEDA CORRIDOR TRANSPORTATION AUTHORITY GOVERNING BOARD HELD VIA TELECONFERENCE IN ACCORDANCE WITH THE GOVERNOR'S EXECUTIVE ORDER N-29-20, ON APRIL 15, 2021 AT 2:30 P.M.

Members participating via teleconference:

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

Alternate Members participating via teleconference:

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

Members absent:

Suzie Price, City of Long Beach

Also participating via teleconference:

Michael Leue, ACTA, Chief Executive Officer
Kevin Scott, ACTA, Chief Financial Officer
Heather McCloskey, ACTA, Co-General Counsel
Maria Melendres, ACTA, Governing Board Secretary

CHAIR BUSCAINO PRESIDED AS CHAIR.

The meeting was called to order at 2:33 p.m. Roll call was taken.

CONSENT CALENDAR - ITEM NOS. 1-2

1. MINUTES - ACTA GOVERNING BOARD REGULAR MEETING OF MARCH 11, 2021 – APPROVED.

Minutes of the Regular Meeting of March 11, 2021 of the Governing Board of the Alameda Corridor Transportation Authority were presented to the Governing Board.

2. MONTHLY FINANCIAL REPORTS AS OF DECEMBER 31, 2020 – RECEIVED AND FILED.

Communication from Kevin L. Scott, Chief Financial Officer, dated April 15, 2021, recommending that the monthly financial reports as of December 31, 2020, be received and filed, was presented to the Governing Board.

Board Member Hahn motioned, seconded by Board Member Colonna that Item No. 1 be approved and Item No. 2 be received and filed. Roll call was taken and carried by the following vote:

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

NOES: None

ABSENT: Price

3. JANUARY 2021 CORRIDOR PERFORMANCE – INFORMATION ITEM.

Mr. Michael Leue gave an update on Corridor performance statistics through January 2121.

Board Member Hahn stated that ACTA's share of the ports' TEU's has been decreasing since 2006. She asked if there was anything ACTA could do to increase its revenue, including the potential for short-haul rail or an inland port. Mr. Leue responded first with the caveat that revenue is holding fairly steady and ACTA is meeting its obligations. The past downward trend in ACTA capture rate has been due to logistics of e-commerce with transloading through warehouses. During COVID-19, transloading increased further as did local consumption, both of which are currently handled by trucks, which ACTA does not capture. Certainly, the downward decrease in the capture rate is a concern to ACTA, and the primary opportunity to reverse that trend is implementation of short-haul rail to handle a portion of the transload and local cargo that is currently being moved by truck. Short-haul rail, also known as shuttle trains or inland port concept, would provide benefits of reduced truck traffic on regional freeways and also increase usage of the Alameda Corridor.

Board Member Renwick added that he agreed that it's concerning and that it's a long-term problem. The ports have lost market share, which has affected ACTA. One of the goals in bringing the new management team was to develop short-haul rail to the inland empire and from the central valley. Mr. Renwick would like to see a plan be brought back to the board focusing in these areas.

Board Member Hahn stated that ACTA has looked at the inland port and shuttle train projects in the past and that now would be a good time to look at these projects again. A major federal infrastructure bill is being considered and ports and goods movement would be great projects for an infrastructure bill.

Chair Buscaino stated that we have to be ready when the infrastructure bill moves forward. Mr. Leue stated that ACTA would do a deep dive into the past studies of short-haul rail, evaluate the market trends and their potential to improve short-haul rail feasibility, and offer to take the lead as ACTA continues to work with both ports. A report on the deep-dive effort will be brought back to the board.

4. CALTRANS SERVICES CONTRACT 07R375 FOR FLAGGING SERVICES & CALTRANS AGREEMENT 0721RRC00377 FOR PRELIMINARY ENGINEERING REVIEW- DOLORES YARD PROJECT – APPROVED.

Communication from Michael C. Leue, Chief Executive Officer, dated April 15, 2021

recommending the approval of: 1) Caltrans Service Contract 07R375 for ACTA to provide flagging services in support of Caltrans' Structural Drainage Project at I-405 over Dolores Yard, estimated cost reimbursable to ACTA of \$588,750; and 2) Caltrans Service Contract 0721RRC00377 for ACTA to provide preliminary engineering review in support of Caltrans' Structural Drainage Project at I-405 over Dolores Yard, estimated costs reimbursable to ACTA of \$31,250; and authorize the Chief Executive Officer or Chief Financial Officer to execute the agreements, was presented to the Governing Board.

Board Member Renwick asked if ACTA was receiving over-head fees for these services. Mr. Leue responded that these services were being performed by consultants and contractors. Mr. Renwick added that ACTA should receive compensation for the time associated with preparing the contract when working with other agencies on these projects. Mr. Leue stated that ACTA would estimate the amount of overhead costs and that future contracts would include an additional markup for administrative duties of the contract.

Board Member Hahn motioned, seconded by Board Member Renwick that Item No. 4 be approved as recommended. Roll call was taken and carried by the following vote:

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

NOES: None

ABSENT: Price

5. PRELIMINARY FY 2022 DRAFT BUDGET – INFORMATION ITEM.

Communication from Kevin L. Scott, Chief Financial Officer, dated April 15, 2021, providing the preliminary FY 2022 draft budget, was presented to the Governing Board.

Board Member Hahn stated that one piece in the budget that we have control over is the administrative expenses. She asked why salaries, office expenses, legal, government affairs and professional services have all increased. Mr. Scott responded that the increases are driven by inflation and extra efforts this year to accomplish bond refinancing. He added that when you compare budget-to-budget, the costs are going down. When you compare budget-to-actuals, the actuals have been lower than budget, as has occurred the last ten years.

Board Member Renwick added that historically, ACTA management underspends budget by 10%. He stated that it would be best to have a budget that we believe in. He agreed that the cost increases are a lot on a small budget. However, ACTA is unique in that it receives \$120 Million in revenue and administrative expenses are only 1% of that number. ACTA is losing approximately \$20 Million in this budget; but, even if the budget was cut by 50%, ACTA would still lose money. This emphasizes the need for refinancing and developing a way to increase revenues, while still managing the administrative expenditures.

6. INVESTMENT BANKING & UNDERWRITING SERVICES – SELECTION OF INVESTMENT BANKING POOL – APPROVED.

Communication from Kevin L. Scott, Chief Financial Officer, dated April 15, 2021, recommending approval of a pool of fourteen investment banking firms for a period of five years to provide investment banking and underwriting services, was presented to the

Governing Board.

Board Member Renwick recused himself from voting due to a conflict of interest.

Board Member Kenage motioned, seconded by Board Member Gioiello that Item No. 6 be approved as recommended. Roll call was taken and carried by the following vote:

AYES: Buscaino, Colonna, Gioiello, Hahn, Kenagy

NOES: None

ABSENT: Price

7. RECOGNITION OF THE RETIREMENT OF JANICE PUTMAN, ADMINISTRATIVE
MANAGER – INFORMATION ITEM.

Mr. Leue thanked Ms. Putman for the service she provided to the Alameda Corridor Transportation Authority (ACTA) for the past 21 years. Ms. Putman received accolades from all members of the Board.

8. PUBLIC COMMENT ON NON-AGENDA ITEMS

9. ADJOURNMENT

At 3:25 p.m., the meeting was adjourned sine die.