



# **A G E N D A**

## **REGULAR MEETING**

### ***Governing Board of the Alameda Corridor Transportation Authority***

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Meeting Date:	September 14, 2023
Time:	10:00 A.M.
Location:	Long Beach City College Liberal Arts Campus Board Room 4901 East Carson Street, Building T1100 Long Beach, CA 90808

The public can attend the meeting in person or view the meeting online via Zoom.  
No Public Comments will be accepted via Zoom.

Zoom access information below:  
<https://us02web.zoom.us/j/5622477111>  
Meeting ID: 562 247 7111  
Passcode: boardmtg

Public Comments about Agenda Items can be made in person during the live meeting at the meeting location or submitted via email.

Email: [PublicComment@acta.org](mailto:PublicComment@acta.org)  
Sender's name and contact information are appreciated.

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#### **A. ROLL CALL**


#### **B. OPENING STATEMENT**

Persons in the audience who wish to address the Governing Board on any agenda item are invited to identify themselves when that agenda item is called. Persons wishing to address the Governing Board on an item not on the agenda but within the subject matter jurisdiction of the Board should ask to be recognized during the agenda item entitled "Public Comment on Non-Agenda Items". Each public speaker will be limited to three minutes to comment on each agenda item.

Members of the public may view the meeting using the Zoom link set forth on the agenda. No Public Comments will be accepted via Zoom.

Public comments will be accepted by email. Please submit your written comments prior to 3:00 p.m. on the day before the scheduled meeting to have your comment read into the record during the meeting, limited to three minutes. Any email received after 3:00 p.m. on the day before the meeting but before the end of the meeting will be included in the minutes of the meeting, limited to one page.

The Governing Board may consider and act upon items as set forth on the agenda. Ordinarily, the Governing Board will not act on any matter which does not appear on the published agenda.



**C. AGENDA ITEMS**

**Reports:**

1. INFORMATION July 2023 Performance Report

**Consent Agenda:**

2. APPROVE Minutes of the July 13, 2023, Regular Board Meeting of the Alameda Corridor Transportation Authority

**Regular Agenda:**

3. APPROVE Creation of Ad Hoc Committee for Finance Planning
4. APPROVE Appointment of J.P. Morgan Securities LLC, RBC Capital Markets, Goldman Sachs & Co. LLC, Siebert Williams Shank & Co. and Samuel A. Ramirez & Company, Inc. to provide Underwriting Services for ACTA's three Proposed Revenue Refunding Bond Financings from 2023 to 2025 and approve appointment of J.P. Morgan Securities LLC and RBC Capital Markets as Dealer Managers of three Tenders during the same period.
5. INFORMATION on an agreement with Shey Harding to assist with Executive Recruiting

**D. CLOSED SESSION**

**E. PUBLIC COMMENT ON NON-AGENDA ITEMS**

**ADJOURNMENT**

As a covered entity under Title II of the Americans with Disabilities Act, the Alameda Corridor Transportation Authority (ACTA) does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its programs, services, and activities. Sign language interpreters, assistive listening devices, and translation services may be provided. To ensure availability, 72-hour advance notice is required. Contact the ACTA Office at (562) 247-7777.

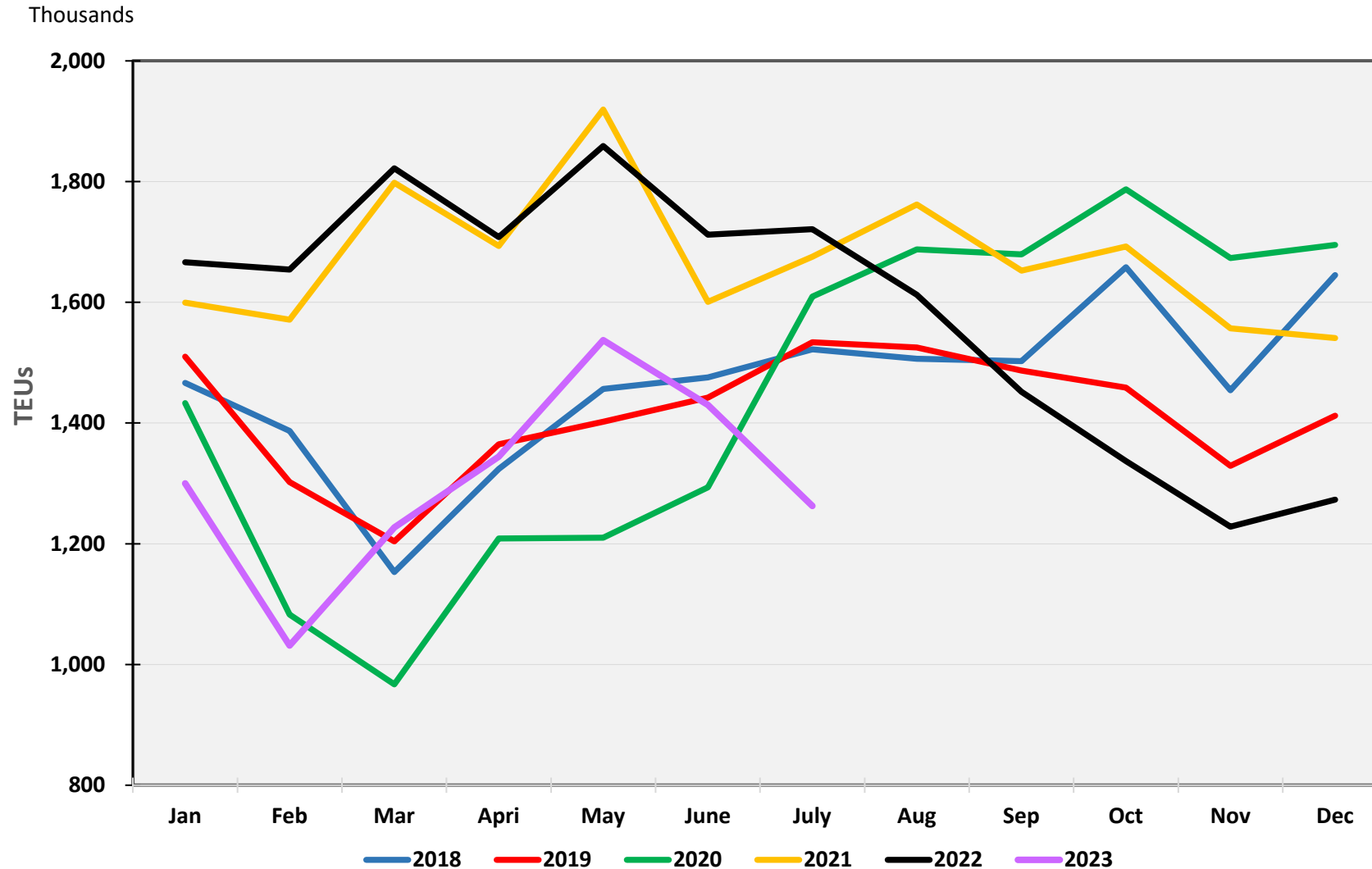
# *Item 1*

## **Performance Report July 2023**

## Port Container Throughput (TEUs) – July 2023

	POLA		POLB		Combined	
	Jul-23	% Change*	Jul-23	% Change*	Jul-23	% Change*
<b>Imports</b>	364,208	-25.0%	271,086	-27.9%	635,294	-26.3%
<b>Exports</b>	110,372	6.2%	90,134	-17.6%	200,506	-6.0%
<b>Total Loaded</b>	474,580	-19.5%	361,220	-25.6%	835,800	-22.2%
<b>Empty</b>	209,711	-39.4%	217,030	-27.7%	426,741	-34.0%
<b>Total</b>	684,291	-26.8%	578,250	-26.4%	1,262,541	-26.7%
	YTD	% Change*	YTD	% Change*	YTD	% Change*
<b>Imports</b>	2,493,763	-22.9%	2,018,027	-28.9%	4,511,790	-25.7%
<b>Exports</b>	691,768	-5.3%	785,229	-4.2%	1,476,997	-4.8%
<b>Total Loaded</b>	3,185,531	-19.6%	2,803,256	-23.3%	5,988,787	-21.4%
<b>Empty</b>	1,636,139	-31.4%	1,507,672	-29.5%	3,143,811	-30.5%
<b>Total</b>	4,821,670	-24.1%	4,310,928	-25.6%	9,132,598	-24.8%

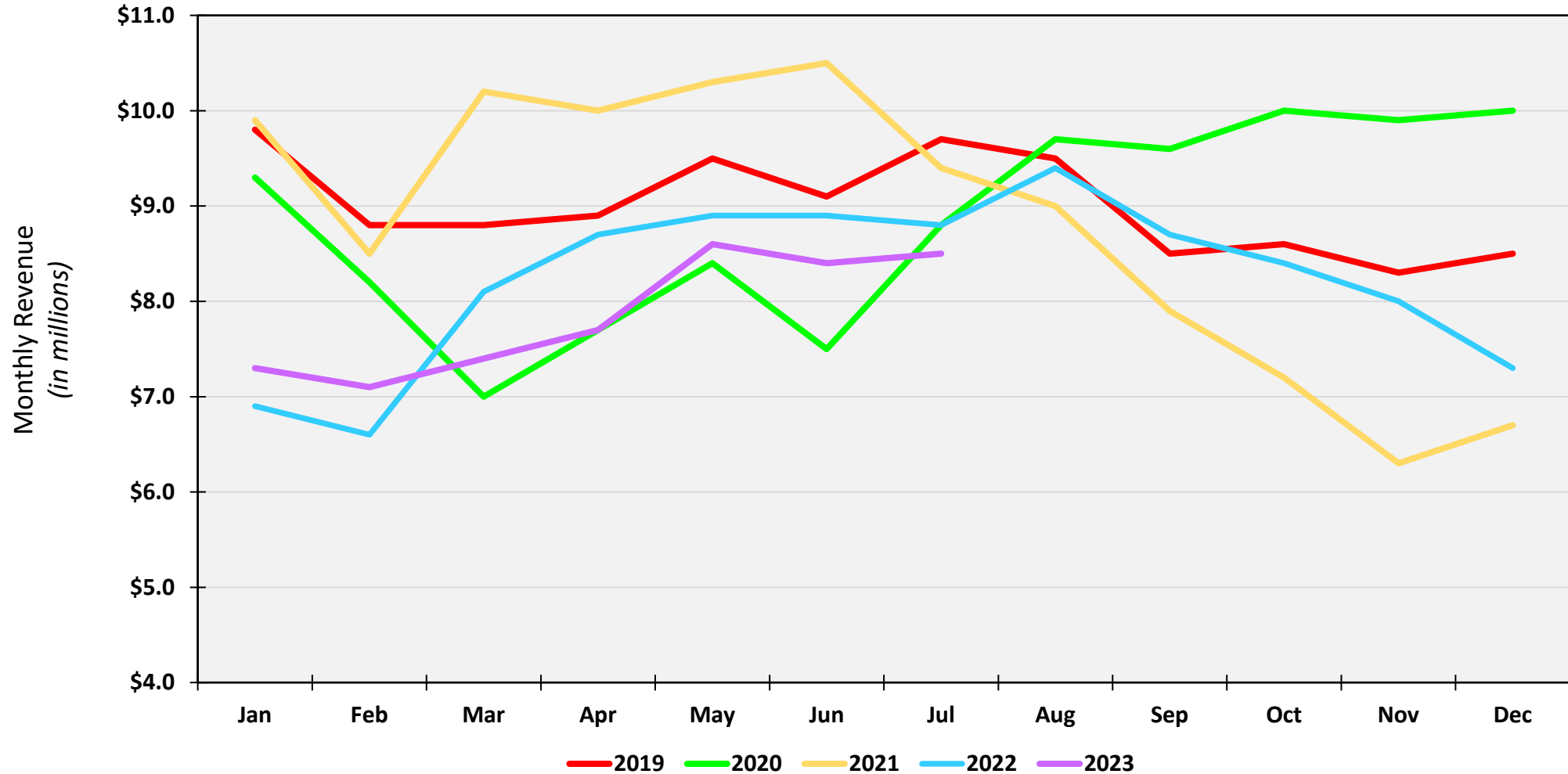
# SP Bay Port TEUs Trends through July 2023



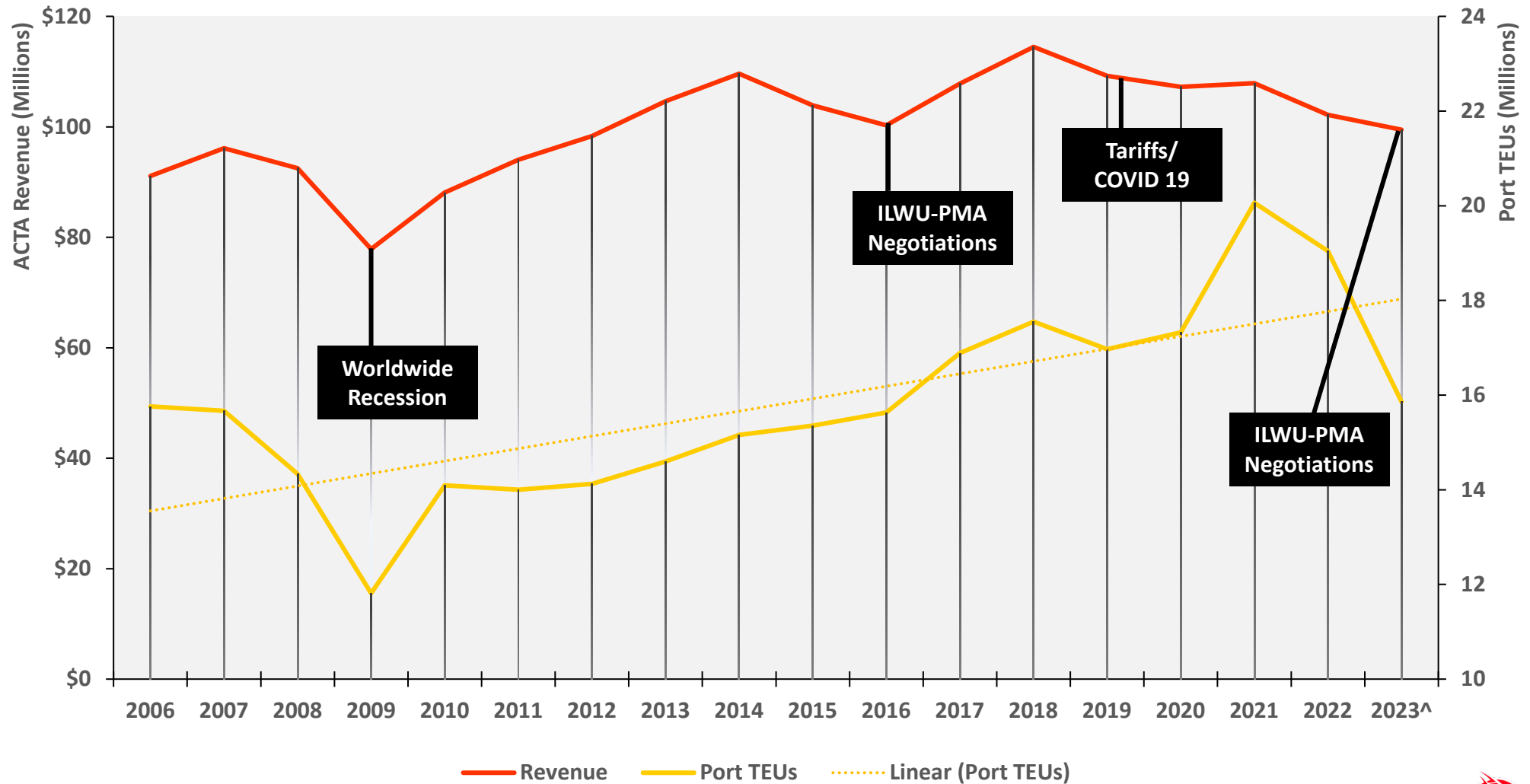
## Alameda Corridor Performance July 2023

	July 2023	CY23	FY24
<b>Revenue</b>	\$8.5 M	\$55.1 M	\$8.5
Change from 2022	- 3.8 %	- 3.2 %	- 3.8 %
<b>TEU's</b>	380,608	2,434,360	380,608
Change from 2022	- 13.6 %	- 9.3 %	- 13.6 %

# Corridor Revenue Performance CY2019 to CY2023



# ACTA Revenue & Port TEUS



^ Projected Total



MINUTES OF A REGULAR MEETING OF THE ALAMEDA CORRIDOR TRANSPORTATION AUTHORITY GOVERNING BOARD HELD AT LONG BEACH CITY COLLEGE LIBERAL ARTS CAMPUS BOARD ROOM, 4901 E. CARSON STREET, BUILDING T1100, LONG BEACH, CALIFORNIA 90808 ON JULY 13, 2023 AT 10:00 A.M.

**A. ROLL CALL**

Members present:

Michael Cano, Los Angeles County Metro  
Frank Colonna, Port of Long Beach  
Edward Renwick, Port of Los Angeles  
Suely Saro, City of Long Beach

Alternate members present:

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

Members absent:

Tim McOsker, City of Los Angeles

Also present and participating:

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

**B. OPENING STATEMENT**

VICE CHAIR SARO PRESIDED AS CHAIR.

The meeting was called to order at 10:04 a.m. The opening statement was read into the record.

Chair Saro stated that the reports would be presented prior to Closed Session.

**D. AGENDA ITEMS**

**Reports**

1. MAY 2023 CORRIDOR PERFORMANCE

Michael Leue presented the Corridor performance statistics through May 2023.

(Board Members Cano and Renwick arrived at 10:06 a.m.)

2. GROUNDWORK FOR INCREASING CARGO TRANSPORTATION BY RAIL

Michael Leue presented the groundwork necessary for increasing cargo transportation by rail. Vice Chair Saro stated that she would be interested in having Mr. Leue present the information to the SCAG Transportation Committee.

**C. CLOSED SESSION**

At 10:58 a.m., Vice Chair Saro recessed the Governing Board meeting to conduct a Public Employee Performance Evaluation for the Chief Executive Officer (Government Code Section 54957).

At 11:35 a.m., the meeting was again called to order. Ms. Heather McCloskey, ACTA Co-General Counsel, announced that the Governing Board conducted a Public Employee Performance Evaluation for the Chief Executive Officer. She stated the Governing Board requested that the Board Secretary move forward with Item 7 for the Board’s consideration.

Roll call was taken. The following members were present: Vice Chair Saro, Board Members Cano, Colonna, Gioiello, Kenagy and Renwick.

**D. AGENDA ITEMS**

**Consent Agenda**

**3. MINUTES - ACTA GOVERNING BOARD REGULAR MEETING OF JUNE 1, 2023 – APPROVED.**

Minutes of the Regular Meeting of June 1, 2023, of the Governing Board of the Alameda Corridor Transportation Authority, were presented to the Governing Board.

**4. MONTHLY FINANCIAL REPORTS AS OF APRIL 2023 FINANCIAL REPORT – RECEIVED AND FILED.**

Communication from Kevin L. Scott, Chief Financial Officer, dated July 13, 2023, recommending that the monthly financial reports as of April 30, 2023, be received and filed, was presented to the Governing Board.

No public comment was received on the Consent Agenda.

Board Member Cano motioned, seconded by Board Member Colonna that the minutes of the June 1, 2023, Regular Meeting of the Alameda Corridor Transportation Authority be approved as submitted and that the Monthly Financial Reports as of April 30, 2023, be received and filed. Carried by the following vote:

AYES: Cano, Colonna, Gioiello, Kenagy, Renwick, Saro

NOES: None

ABSENT: McOsker

**Regular Agenda**

**5. ELECTION OF ACTA CHAIR AND VICE CHAIR FOR FY24 – APPROVED.**

Communication from Michael C. Leue, Chief Executive Officer, dated July 13, 2023, recommending the Governing Board to elect a Chair and Vice Chair of the ACTA Governing Board for FY24, was presented to the Governing Board.

No public comment was received on Item No. 5.

Board Member Colonna made a motion, seconded by Board Member Renwick, that Councilmember Saro be elected as Chair. Roll call was taken and carried by the following vote:

AYES: Cano, Colonna, Gioiello, Kenagy, Renwick, Saro

NOES: None

ABSENT: McOsker

- 6. FAYE BUSINESS SYSTEMS GROUP, INC. – AMENDMENT NO. 1 TO AGREEMENT NO. C0892 – WEB DESIGN, DEVELOPMENT & SUPPORT SERVICES – APPROVED.

Communication from Michael C. Leue, Chief Executive Officer, dated July 13, 2023, recommending the approval of the proposed first amendment to Agreement No. C0892 with Faye Business Systems Group, Inc. for web design, development, and support services; to add \$50,000 in additional funding; modify the scope of services and rates; and add 3 years to the term with a not-to-exceed compensation amount of \$125,000 for a six-year term, was presented to the Governing Board.

No public comment was received on Item No. 6.

AYES: Cano, Colonna, Gioiello, Kenagy, Renwick, Saro

NOES: None

ABSENT: McOsker

- 7. RESOLUTION NO. JPA 23-4 – CHIEF EXECUTIVE OFFICER – SALARY AND BENEFITS PACKAGE ADJUSTMENTS – APPROVED.

Communication from Kevin L. Scott, Chief Financial Officer, dated July 13, 2023, was presented to the Governing Board recommending the Governing Board discuss and vote on any adjustments to the Chief Executive Officer’s (CEO) salary and benefits package, based on the performance evaluation of the CEO in closed session, and that the Governing Board approve an increase to ACTA Annual Budget in the amount of any increase approved in the CEO salary or benefits package.

No public comment was received on Item No. 7.

Board Member Renwick motioned seconded by Board Member Kenagy that Resolution JPA 23-4 be approved with a merit adjustment in the amount of 3%; and a cost-of-living adjustment in the amount of 4.5%, effective July 1, 2023; and a car allowance adjustment in the amount of 7.5%, effective July 1, 2023 for the ACTA CEO, and the Governing Board approves an amendment to increase the FY23/FY24 ACTA Budget in the amount of \$23,798. Roll call was taken and carried by the following vote:

AYES: Cano, Colonna, Gioiello, Kenagy, Renwick, Saro

NOES: None

ABSENT: McOsker

**D. PUBLIC COMMENT ON NON-AGENDA ITEMS**

There were no requests by the public to address the Governing Board.

**ADJOURNMENT**

At 11:46 a.m., the meeting was adjourned sine die.

# M E M O

## *Alameda Corridor Transportation Authority*

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To: Governing Board

Meeting Date: September 14, 2023

From: Michael C. Leue, Chief Executive Officer  
Kevin L. Scott, Chief Financial Officer

Subject: APPROVE Creation of Ad Hoc Committee for Finance Planning

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### **Recommendation:**

The Governing Board Chair will present and lead a discussion on the creation of an Ad Hoc Committee for Finance Planning and the nomination and Board approval of three Governing Board members to serve on the Ad Hoc Committee.

### **Discussion:**

ACTA is evaluating finance plans for anticipated upcoming bond financing and will keep the Ad Hoc Committee informed as the process progresses. The proposed committee would be expected to meet a limited number of times for briefings by the Chief Financial Officer and other members of ACTA's financing team. The first meeting will be a briefing on the proposed structure of the financing and subsequent meetings would be to review status of the bond financing process.

The Committee membership will be selected and approved by the Governing Board (potential nominees might include Board Members Renwick, Colonna and Cano to achieve Port and County representation). The committee will provide advice to the financing team and offer informed opinions when bond financing proposals are brought to the Governing Board. The committee will exist only until the on-going financing is completed, which is projected no later than 2026, after which time the committee's work will be concluded and the Ad Hoc Committee will be discontinued.

### **Budget Impact**

There is no direct impact to the Program Budget. The Ad Hoc Committee will not make decisions on financing.

### **Co-General Counsel Review:**

ACTA's Co-General Counsel has reviewed this Board Report and there are no legal issues at this time.


# M E M O

## *Alameda Corridor Transportation Authority*

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To: Governing Board

Meeting Date: September 14, 2023

From: Kevin L. Scott, Chief Financial Officer 

Subject: APPROVE Appointment of J.P. Morgan Securities LLC, RBC Capital Markets, Goldman Sachs & Co. LLC, Siebert Williams Shank & Co. and Samuel A. Ramirez & Company, Inc. to provide Underwriting Services for ACTA's three Proposed Revenue Refunding Bond Financings from 2023 to 2025 and approve appointment of J.P. Morgan Securities LLC and RBC Capital Markets as Dealer Managers of three Tenders during the same period.

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### **Recommendation:**

Staff requests approval of investment banking firms selected from ACTA's previously Board-approved team for 2022 bond transactions to undertake tenders and negotiated sale of bonds in 2023, 2024 and 2025. The firms proposed for the underwriting team of the negotiated sales are: J.P. Morgan Securities LLC as Book Running Senior Manager; RBC Capital Markets as Co-Senior Manager; and Goldman, Sachs & Co. LLC, Siebert Williams Shank & Co., and Samuel A. Ramirez & Company, Inc. as Co-Managers. Staff requests approval of J.P. Morgan Securities LLC and RBC Capital Markets as Dealer Managers of tenders.

### **Background:**

At the September 10, 2020 ACTA Governing Board meeting, the Chief Financial Officer reported that ACTA faced shortfalls in revenues versus debt service in the years ahead. Left unaddressed, ACTA would need to receive shortfall advances from the Ports of Los Angeles and Long Beach in order to fully pay its debt service. ACTA would also need voluntary Port Advances from the Ports for annual replenishment of the Reserve Fund and payment of administrative expenses. Combined, these advances would have annually averaged \$38.8 million between 2022 to 2025 and \$110.7 million between 2026 and 2037. Based on economic forecasting, the proposed restructuring of ACTA's debt would eliminate the need for these port advances.

Last year, ACTA and its financing team developed a two-step plan of finance to address the shortfalls. Part one was in 2022 to restructure a portion of its debt so as to eliminate the short-term shortfalls (2022 to 2025) and part two, in 2026, to reduce longer-term shortfalls (2026 to 2037). In July of 2022, ACTA successfully completed the first transaction. This financing involved tendering ("buying back") bonds which were not callable and issuing refunding ("refinancing") debt to fund the purchase of the tendered bonds. The refunding debt was structured to mature after 2037, but before the expiration of the Use and Operating Agreement in 2062, in order to create cashflow savings between 2022 and 2037.

Since July 2022, the confirmed revenue trend and uncertain interest rate outlook now leads staff to recommend a programmatic tendering and issuance of bonds annually from 2023 to 2025, rather than waiting until 2026 to undertake a single large transaction to restructure the bonds.

Under the annual transaction plan, ACTA would tender and refund a series of bonds of approximately \$215/\$110/\$55 million in 2023, 2024 and 2025, respectively. These amounts could change depending upon market conditions and/or the success of each tender. This programmatic approach would leave a much smaller restructuring to market in 2026, thereby reducing market access risk for the 2026 financing.

**Discussion:**

Investment banks play a key role in ACTA's financing team, acting as underwriters to assist in the structuring, marketing and distribution of the bonds. A negotiated sale allows flexibility in terms of the pricing process and timing and helps reduce risk to ACTA as underwriting firms are able to solicit investor demand in advance of the sale, which supports obtaining the lowest possible cost for the proposed ACTA financing. In a negotiated sale, the underwriters are responsible for underwriting any unsold bonds. The banks' market reach, access, and understanding of the needs of the tax-exempt and taxable investor base provide a direct benefit to ACTA in the form of wide distribution and efficient cost of borrowing. Since ACTA is offering both taxable and tax-exempt bonds, marketing efforts will target both international and domestic investors.

In May 2021, the Governing Board established a pool of fourteen investment banking firms to provide underwriting and banking services, valid for a term of five years. Given that ACTA is an infrequent issuer, it is important for both ACTA and the investment bankers to market ACTA's bonds to a wide audience, in order to lower the overall cost of the bonds.

The proposed team was selected in 2021 from the existing pool of underwriters based on their responses to a competitive solicitation, followed by interviews. The post-2022 financing was to take place as a single event in 2026 but economic and market conditions now indicate that it would be more advantageous for ACTA to undertake multiple financings from 2023 through 2025, preceding the 2026 issuance. This revision to the financing plan makes the upcoming programmatic tenders and issuances function as an extension of the 2022 financing. Given the success of the 2022 financing and the commonalities of the upcoming financings with 2022, staff recommends approval of the following firms for the proposed 2023 through 2025 programmatic bond issuances: J.P. Morgan Securities LLC as Book Running Senior Manager; RBC Capital Markets as Co-Senior Manager; and Goldman, Sachs & Co. LLC, Siebert Williams Shank & Co., and Samuel A. Ramirez & Company, Inc. as Co-Managers. Investment banks are also key to the successful completion of tenders. Their knowledge of investor appetite for sale of bonds and accurate quantitative pricing of tenders is essential to the transactions. Staff recommends J.P. Morgan Securities LLC and RBC Capital Markets as Dealer Managers for the tender offers. Staff is not recommending a new competitive process for selection of these roles because the proposed annual programmatic financings are a continuation of the 2022 transactions. Additionally, J.P. Morgan and RBC Capital were the only firms that presented the idea of programmatic transactions to ACTA.

The investment banks will work with ACTA staff and the other members of ACTA's financing team, which will include PFM Financial Advisors LLC and Frasca LLC as ACTA's financial advisors, O'Melveny & Myers LLP as bond counsel, Nixon Peabody, LLC as special tax counsel and Sheppard, Mullin, Richter & Hampton LLP as disclosure counsel.

The total costs for the investment banking, bond counsel, tax counsel, disclosure counsel and financial advisory services and other miscellaneous costs for the 2023 to 2025 tenders and refundings are estimated to be approximately \$3.1 million based on three tender/bond transactions totaling approximately \$380 million. These costs will be paid from the proceeds of the bond issuance.

After the Governing Board approves the investment banking team, ACTA staff and the entire financing team will work to finalize the financing structure and documents for the 2023 transaction. Staff will present the final plan and transaction bond documents, including a bond purchase agreement between ACTA and J.P. Morgan Securities LLC as Senior Manager, to the Governing Board for approval at a future public meeting.

**Budget Impact**

There is no direct impact to the Program Budget.

**Co-General Counsel Review:**


ACTA's Co-General Counsel has reviewed this Board Report and there are no legal issues at this time.

# M E M O

## Alameda Corridor Transportation Authority

To: Governing Board

Meeting Date: September 14, 2023

From: Michael C. Leue, Chief Executive Officer 

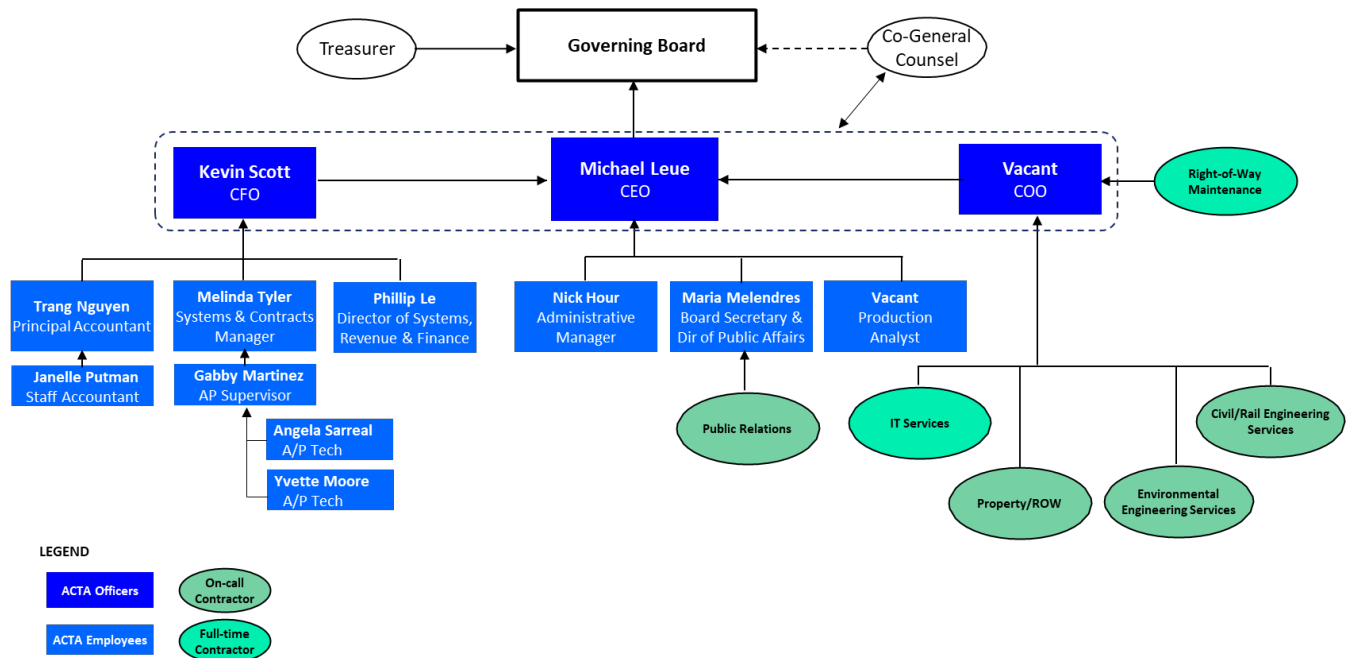
Subject: INFORMATION on an agreement with Shey Harding to assist with Executive Recruiting

### Introduction

At the April 2023 Governing Board Meeting, ACTA's CEO presented an organization transition plan. In support of the transition, the CEO proposed to contract with an Executive Search firm to assist with ACTA staff hiring. In August 2023 the CEO entered into an agreement with Shey Harding within the CEO delegated contracting authority.

### Discussion

In April 2023, ACTA's management recommended moving forward with a plan which will result in increasing ACTA's staff by two positions and engaging engineering firms through competitive selection procedures for as-needed/on-call engineering services as depicted in the example organization chart below.



Hybrid Organization Chart



ACTA's management recommended hiring a Chief Operating Officer (COO) to support the CEO in providing leadership and expertise in railroad maintenance and operations with the ability to provide management of maintenance-of-way activities, engineering contractor activities, safety programs and dispatching performance. The COO would also provide leadership in transportation/logistics planning studies to increase utilization of rail for goods movement. Individuals with such railroad expertise are in high demand, but ACTA is hopeful that the professional standing, benefits package and opportunity for growth will attract the envisioned candidate.

ACTA's management also recommended hiring a Production Analyst (PA) to support the data analysis related to our revenue assessment and verification system and operations assessments, as well as production of data presentation graphics, reports and Board meeting packages. This position will also assist with contract documents.

Executive Recruiters play a key role in the hiring of high-level staff for ACTA. The selected firm will provide the following services:

- Review Job Bulletin, discuss with ACTA and recommend improvements
- Research comparable pay scales, discuss with ACTA and recommend salary range for advertised position
- Research job boards, industry publications and other opportunities to recommend strategy to advertise the position
- Collect and screen applications to create a pool of qualified candidates
- Arrange with applicants and conduct interviews with ACTA selection committee
- Support ACTA staff with presentation of selected COO to ACTA Governing Board
- Review Job Bulletin and research comparable pay scales for a second position that ACTA is currently calling Production Analyst

The process of hiring new staff is anticipated to occur over the next three months. The CEO engaged an executive recruiting firm for the COO hiring. The executive recruiting firm was selected through a modified RFP process, due to the smaller size of the contract value, by screening firms currently in on-call pools with the Port of Los Angeles or Port of Long Beach. These pools, created through competitive selection procedures at each port, totaled 11 firms.

After a preliminary review of qualifications, the CEO contacted three firms, Avery James, Inc., JCS Recruitment LLC, Shey Harding Associates, Inc. to request project proposals and pricing for executive recruiting assistance to fill the COO position. Shey Harding was the highest ranked firm of the three proposing firms, with a scope and budget that aligned well with ACTA's needs. The agreement compensation is below the \$50,000 threshold for the CEO's authority to enter into an agreement without Board approval. The CEO awarded Shey Harding the agreement in late August 2023. The CEO and CFO met with representatives of the firm and advertising for the COO position has begun.

### **Budget Impact**

The agreement is within the FY 2023/2024 Board approved budget for outside contracting services and there is no direct impact to the Program Budget.



September 14, 2023  
**ITEM #05**

**Co-General Counsel Review**

ACTA's Co-General Counsel has reviewed this Board Report and there are no legal issues at this time.