

**LONG BEACH TRANSIT
BOARD OF DIRECTORS MEETING
MINUTES**

**MONDAY, MAY 23, 2016
333 W. OCEAN BOULEVARD
COUNCIL CHAMBER, 12:00 PM**

Maricela de Rivera, Chair
Sumire Gant, Vice Chair
Mary Zendejas, Secretary/Treasurer
Colleen Bentley, Director
April Economides, Director



Nancy Pfeffer, Director
Barbara Sullivan George, Director
Amy Bodek, City Representative
Eric Widstrand, City Representative

President and Chief Executive Officer
Kenneth A. McDonald

REGULAR MEETING - 12:00 P.M.

1. Call to Order. (Maricela de Rivera)
2. Roll Call. (Dave Hernandez)

Commissioners Mary Zendejas, Colleen Bentley, April Economides, Nancy
Present: Pfeffer, Barbara Sullivan George, Sumire Gant and Maricela de Rivera

3. 16-048TR Recommendation to approve the minutes of the regular session meeting held on April 25, 2016. (Maricela de Rivera)

Chair de Rivera thanked Long Beach Transit (LBT) staff for their participation in the Long Beach Lesbian and Gay Pride Parade on May 22, 2016.

A motion was made by Director Sullivan George, seconded by Director Bentley, to approve recommendation. The motion carried by the following vote:

Yes: 7 - Mary Zendejas, Colleen Bentley, April Economides, Nancy Pfeffer, Barbara Sullivan George, Sumire Gant and Maricela de Rivera

4. Employee Recognition. (LaVerne David)

Employees of the Month for May 2016:

Luz Elizarraras, Transit Service Delivery and Planning
David Quintero-Perez, Maintenance and Infrastructure
Fredie Vasquez, Staff

INFORMATION ITEM

Jose Elizarraras, Employee of the Month for Transit Service Delivery (TSD) and Planning, was presented by Enrique Medina, TSD Superintendent.

David Quintero-Perez, Employee of the Month for Maintenance and Infrastructure, was presented by Frank Spalding, Maintenance Manager.

Fredie Vasquez, Employee of the Month for Staff, was presented by Ashley Liang, Accounting Manager.

5. President and CEO Monthly Report. (Kenneth McDonald)

- Safety and Service Quality
- Employee Engagement
- Customer Experience
- Community and Industry Focus

INFORMATION ITEM

(Safety & Service Quality)

Under LBT's focus to Improve Safety and Service Quality:

- LBT kicked off the regular season of its 2016 water taxi service on Saturday, May 21.

LBT began its service during Long Beach Pride weekend. Service will be provided seven days a week through September 5, 2016, which is Labor Day.

Commencing the Friday after Labor Day weekend through the end of service on October 30, LBT will provide weekend service only, which consists of Friday, Saturday and Sunday.

AquaBus service, using LBT's two 35-passenger boats, travels through the Long Beach Harbor between popular waterfront destinations like The Queen Mary, Hotel Maya, and the Aquarium of the Pacific, Pine Avenue Circle and Shoreline Village. Thirty-minute service is offered throughout most of the day, and operates from 11 a.m. until approximately 6 p.m. Sunday through Thursday, and 7:30 p.m. on Friday and Saturday. The cost to ride is \$1 per person one way.

AquaLink service, using LBT's two 70-passenger catamarans, operates the length of the Long Beach coast, from the Long Beach Harbor to Alamitos Bay Landing. Hourly service is offered beginning at 11 a.m. until approximately 6:20 p.m. Sunday through Thursday, and 10:30 p.m. on Friday and Saturday. The AquaLink has four stops: the Aquarium of the Pacific; The Queen Mary; Belmont Pier and Alamitos Bay Landing. The cost is \$5 per person one way.

(Employee Engagement)

In LBT's continued effort to Foster Employee Engagement:

- The week of May 16 and continuing the following week, CEO McDonald along with the Executive Leadership Team held sessions to present and review LBT's 2016 Employee Engagement Survey results.

The sessions allow for interactive discussions amongst employees to better gain an understanding of how LBT can collectively improve its agency and work environment.

Beginning in June, sessions will be held for front line Maintenance and Transit Service Delivery employees during the State Mandated Annual Refresher Training (SMART).

(Customer Experience)

Under LBT's priority of Enhancing the Customer Experience:

- On Friday, April 29, LBT participated in Patrick Henry K-8 School's Career Day.

LBT provided a bus and oriented students on how to ride, as well as informed them about LBT services, routes and products.

Additionally, information was provided about the many careers within public transportation.

- On Saturday, April 30, LBT participated in the Green Prize Festival, a one-day event highlighting urban farmers, green chefs, and green technology, at Admiral Kidd Park.

Community Relations staff provided bus and water taxi service information to eventgoers, as well as provided LBT TAP information and assisted with sign-ups for the fare program.

LBT also showcased its new Battery Electric Bus with the support of BYD.

- On Sunday, May 2, LBT took part in the second annual "Long Beach Touch-A-Truck," a free, interactive event, by providing one of its 60-foot articulated, CNG buses.

The event, co-sponsored by Councilwoman Suzie Price and Justin Rudd's non-profit Community Action Team, provided kids of all ages the opportunity to climb aboard and explore more than 110 vehicles such as fire trucks, moving vans, police vehicles, garbage trucks, an ambulance, an RV and many others in addition to LBT's bus.

- On Saturday, May 21 and Sunday, May 22, LBT participated in the 33rd Annual Long Beach Lesbian and Gay Pride events. The theme for this year's celebration was "Solidarity through Pride."

LBT Community Relations staff and several LBT volunteers provided bus and water taxi service information to event goers, as well as provided LBT TAP information and assist with sign-ups for the fare program.

Staff also answered many questions about LBT's services and programs which they received over the two-day event.

On Sunday, LBT had a bus in the parade that carried LBT employees, Board members and their friends and families.

(Community and Industry Focus)

In an effort to strengthen LBT's focus on the community it serves and the transportation industry:

- On Saturday, May 7, Long Beach Transit Board Member Barbara Sullivan George was one of seven honorees recognized at the Soroptimist International of Long Beach, 2016 Women Who Make a Difference Brunch.

Director Sullivan George was recognized for her work in advancing opportunities for women in Economic Development and LBT staff were present celebrating her accomplishment.

On Tuesday, May 17, LBT participated in the Conference Of Minority Transportation Officials (COMTO) Southern California Regional Chapter's Welcome Luncheon for Therese McMillan as the new Chief Planning Officer for LA Metro.

A representation of LBT staff was present at the luncheon to welcome Ms. McMillan to Los Angeles County.

CEO McDonald had the privilege to welcome her on behalf of the Los Angeles County Municipal Operators Association.

Ms. McMillan is the immediate past Acting Administrator for the Federal Transit Administration.

6. 16-047TR Monthly Financial Report. (Lisa Patton)

INFORMATION ITEM

Lisa Patton, Executive Director/Vice President of Finance and Budget, presented the monthly financial report.

Director Sullivan George referred to Interest and Miscellaneous Operating Revenue and stated that LBT is at 441 percent year-to-date. She asked what was included in that figure. Ms. Patton stated that Interest and Miscellaneous Operating Revenue includes Compressed Natural Gas (CNG) tax credits.

Director Sullivan George referred to Dial-A-Lift (DAL) expenses and asked if LBT purchased anything new since expenses are at 115 percent year-to-date. Ms. Patton stated current DAL ridership is higher than LBT staff anticipated. Therefore, DAL expenses are higher than what was budgeted.

Director Sullivan George asked why Dues and Subscriptions are at 151 percent year-to-date. Ms. Patton stated that it is due to the Midtown Business Improvement District fees.

Kenneth McDonald, President and CEO, stated that the Midtown Business Improvement District fees are included in the Fiscal Year 2017 budget.

This TR-Agenda Item was received and filed.

7. 16-049TR Recommendation to approve Long Beach Transit's Statement of Investment Policy. (Lisa Patton)

Lisa Patton, Executive Director/Vice President of Finance and Budget, presented the staff report.

Director Economides asked for more information on commercial paper. Ms. Patton stated that the State of California's Local Agency Investment Fund (LAIF) invests in commercial paper but LBT does not. She added that commercial paper is for agencies that have short-term lending.

Vice Chair Gant asked for confirmation that LBT's Statement of Investment Policy remains unchanged as it states in the cover letter. Ms. Patton confirmed that it remains unchanged.

Director Bentley referred to page six of the policy and asked for clarification regarding the separation of duties and if it is strictly enforced.

Ms. Patton confirmed that the separation of duties is strictly enforced. She stated that one group of LBT staff reconciles the bank deposits and another group deposits the money. She added that it is key to have separation of duties in order to avoid confusion. She further stated that the funds are managed externally by Halbert Halgrove.

A motion was made by Director Pfeffer, seconded by Director Zendejas, to approve recommendation. The motion carried by the following vote:

Yes: 7 - Mary Zendejas, Colleen Bentley, April Economides, Nancy Pfeffer, Barbara Sullivan George, Sumire Gant and Maricela de Rivera

8. 16-051TR Recommendation to authorize the President and CEO to enter into a contract with TPSCO, Inc., to update Ellipse brand enterprise software which supports LBT's daily operations of its financial, administrative and maintenance functions, for a total authorization not to exceed \$496,520. (Kenneth McDonald)

Kenneth McDonald, President and CEO, presented the staff report.

Director Sullivan George stated that she recalls Ellipse being mentioned in the past. She asked if this software is considered to be state of the art and if it is the only software available to LBT. She further asked if top transit agencies use Ellipse software.

CEO McDonald stated that Ellipse software works well for Maintenance and Purchasing. He added that LBT has used this software for a long time but that the software has not been updated. He stated that this upgrade will make Ellipse software user-friendly and more compatible with LBT operations.

CEO McDonald stated that the Ellipse project has three phases. The first phase is the Ellipse software upgrade, the second phase is data cleansing and the third phase is re-evaluating the software and finding the best solution. He added that Ellipse software is necessary for LBT's daily operations.

Director Sullivan George asked why LBT cannot purchase another software.

CEO McDonald stated that LBT has not decided whether it is going to continue using Ellipse software in the future. He added that before that decision is made, LBT needs to upgrade its Ellipse software in order to make it more user-friendly for employees.

Director Economides asked for clarification as to why CEO McDonald is presenting the staff report.

CEO McDonald stated that he is taking full responsibility for initially stopping the project until LBT could properly assess and make a recommendation to move forward.

Director Economides asked if the Ellipse software upgrade was a team decision. CEO McDonald confirmed that it was a team decision. He stated that there is an Executive Steering Committee for Ellipse which includes Patrick Pham, Lisa Patton, Rolando Cruz, Debra Johnson and himself. He added that the Executive Steering Committee makes decisions as a team.

Secretary/Treasurer Zendejas asked what companies are using Ellipse software

successfully. CEO McDonald stated that LBT is operating successfully using Ellipse software.

Director Sullivan George asked what impact does the Ellipse software upgrade have on LBT customers. CEO McDonald stated that this would be an internal issue, not external. He added that if LBT did not have Ellipse, staff would be working with pen and paper.

Director Bentley asked how long the contract with TPSCO, Inc. would last. CEO McDonald stated that the software upgrade will take nine months.

Director Bentley asked if the nine months include all phases. CEO McDonald stated that the nine months is how long the first phase will take. He added that at this time, he is not able to tell how long phases two and three will take.

Director Bentley asked if phases two and three would go over the not-to-exceed amount stated in the Board report. CEO McDonald confirmed that it would. Director Bentley further asked if phases two and three would go to the Board for approval. CEO McDonald confirmed that both phases would require Board approval. He added that the second phase will be data cleansing and the third phase would be the approach for a new Enterprise Resource Planning (ERP) system.

Director Economides thanked staff and stated that it sounds like CEO McDonald and his staff made a thoughtful decision. CEO McDonald thanked her and stated that it was the first time there was an Executive Steering Committee for the project. He added that staff met regularly and worked together to make the best decisions for LBT.

Chair de Rivera stated that during the course of her term, Ellipse has been presented to the Board a number of times. She stated that it is nice to see the project moving forward and seeing the light at the end of the tunnel.

A motion was made by Director Zendejas, seconded by Director Bentley, to approve recommendation. The motion carried by the following vote:

Yes: 7 - Mary Zendejas, Colleen Bentley, April Economides, Nancy Pfeffer, Barbara Sullivan George, Sumire Gant and Maricela de Rivera

9. 16-050TR Recommendation to adopt the Operating and Capital budgets for Fiscal Year 2017. (Kenneth McDonald)

Director Economides asked if there is any hope that in the future, the state will increase investment in mass transit. CEO McDonald stated that LBT hopes so and always tries to advocate for more funds. He added that LBT may be helped by proposed Los Angeles County ballot measure.

Director Sullivan George asked if the Executive Committee has reviewed the Operating and Capital budgets for Fiscal Year (FY) 2017. CEO McDonald confirmed that the budgets had been reviewed by the Executive Committee.

Director Sullivan George asked if there was an increase in salaries for LBT staff. CEO McDonald stated that there was minimal increase budgeted at two percent. Director Sullivan George commended staff on maintaining the budget as it is with minimal increases.

Director Pfeffer referred to CNG fuel tax credits and asked what was the outlook as LBT looks further into alternative fuel. Ms. Patton stated that LBT budgeted \$440,000 in fuel tax credits.

Director Pfeffer noted that there was a discussion in the FY17 Budget Book regarding the Job Access and Reverse Commute (JARC) program ending. She asked how that affects LBT. Ms. Patton stated that the JARC grant funds routes for two years. After the two years have passed, LBT will evaluate if it makes sense to continue the route. She added that LBT has two JARC grant funded routes, one that has ended and one that is continuing.

Director Pfeffer referred to the Belmont Shore employees' incentive program, a program in which employees who work in Belmont Shore receive free bus passes, and asked how long the program has been running. She further asked if LBT can implement the program in other locations. Ms. Patton stated that the program has been in existence for five years and LBT is reimbursed by the revenue collected from the parking meters in Belmont Shore.

Director Sullivan George stated that it saddens her every time she sees a decrease in Proposition A funds. She added that every year she hears there are negotiations but does not see an increase in funds. CEO McDonald stated that negotiations are moving in the right direction.

Director Bentley stated that the FY 17 Budget Book, including the graphs and charts, was well done. She referred to page vii and asked if LBT is reimbursed for displaying buses or participating in parades. She further asked how much revenue LBT receives from filming opportunities. CEO McDonald stated that

LBT participates in the parades to enhance community and industry focus, one of LBT's strategic priorities. He added that LBT generated revenue from allowing filming of an episode of CBS drama series, Stalker, at LBT2. He added that LBT's External Affairs Manager is researching how to generate more revenue through filming opportunities. He further added that filming is not easy due to the nature of LBT's continuous operations.

Vice Chair Gant referred to the revenue section and noted that there is an increase in senior cash fares. She asked why LBT is assuming 50 percent less in passes and an increase in cash fares.

CEO McDonald stated that LBT has a senior pass and LBT is increasing its outreach to seniors to inform them on how they can efficiently ride the LBT system.

Vice Chair Gant further asked if seniors can transfer to a rail line or Los Angeles County Metropolitan Authority (Metro) bus with the pass. Ms. Patton stated that an LBT pass only works on LBT buses.

Vice Chair Gant referred to the local municipalities contribution and asked how the amount of contribution received from other cities is decided. CEO McDonald stated that LBT has an agreement with the cities of Lakewood, Bellflower and Signal Hill to supply transit services to their residents.

Vice Chair Gant asked if LBT provides transit services to the City of Carson. CEO McDonald stated that LBT has a JARC route that is in Carson. Vice Chair Gant stated she likes the JARC program and is glad it expands LBT services. She stated that one of the JARC grant routes services the Villages at Cabrillo. CEO McDonald stated that LBT is working with the Villages at Cabrillo to provide service in front of the complex instead of on the main street.

Director Economides referred to the revenue generated by the Toyota Grand Prix (Grand Prix) of Long Beach and asked if LBT receives revenue from other events, such as marathons. CEO McDonald stated that LBT will not see the same kind of benefits with other events. He added that the Grand Prix closes down a major part of Long Beach. There is no other city event that has the same impact on driving. Director Economides stated that there are other opportunities to make transit available for other events.

CEO McDonald stated that LBT is looking at possibly forming a partnership with Ballast Point Brewing and Spirits (Ballast Point) in its new location at Alamitos Bay. He added that the partnership would allow Ballast Point customers to take the AquaLink or AquaBus due to constrained parking in the area.

CEO McDonald thanked LBT staff for their efforts. He thanked Rhea Morillos for putting the FY Budget Book together under Lisa Patton's guidance.

Chair de Rivera appreciating hearing about the countywide coalition to delve into the downward ridership trend. She stated that the decrease in ridership also environmentally impacts the region.

Director Bentley asked if the Board of Directors for other municipal agencies have met to collaboratively work on issues. CEO McDonald stated that LBT has not worked with LA Metro's Board of Directors.

A motion was made by Director Sullivan George, seconded by Director Pfeffer, to approve recommendation. The motion carried by the following vote:

Yes: 7 - Mary Zendejas, Colleen Bentley, April Economides, Nancy Pfeffer, Barbara Sullivan George, Sumire Gant and Maricela de Rivera

10. Closed Session.

- 1) Conference with Legal Counsel - Anticipated Litigation
Pursuant to Cal. Gov. Code § 54956.9(d)(2) (one case)
- 2) Conference with Legal Counsel - Existing Litigation
Pursuant to Cal. Gov. Code § 54956.9(d)(1)
Ribakoff v. City of Long Beach, et al. (Case No. BC610000)
- 3) Personnel Matter: President and CEO Evaluation
Pursuant to Cal. Gov. Code § 54957(b)

Chair de Rivera recommended to move into closed session.

Meeting went into closed session at 1:33 p.m.

Meeting reconvened at 2:52 p.m. Director Sullivan George and Director Pfeffer left the meeting at this time.

Vincent Ewing, General Counsel, announced that the Board met in closed session on agenda item 10-1. He stated there was no reportable action taken.

He further stated that the Board met in closed session on agenda item 10-2. He stated there was no reportable action taken.

Chair de Rivera stated that the Board met in closed session on agenda item 10-3 and the President and CEO Kenneth McDonald will remain in that position.

Commissioners Mary Zendejas, Colleen Bentley, April Economides, Sumire Gant

Present: and Maricela de Rivera

Commissioners Nancy Pfeffer and Barbara Sullivan George

Excused:

11. Public Comment.

Any member of the public may approach the podium and, upon recognition by the Chair, state his or her name and proceed to address the Board on any item within the subject matter jurisdiction of the Long Beach Transit Board of Directors, provided that no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to three minutes, unless different time limits are set by the Chair, subject to the approval of the Board.

There were no public comments.

12. Board Requests.

Secretary/Treasurer Zendejas requested that LBT staff follow up on the possibility of considering public participation in the beginning of Board meetings.

Debra Johnson, Deputy CEO, stated that staff received the request at the April 25, 2016 Board meeting and stated that the request is currently being reviewed. She added that the Board will receive a memorandum from the CEO with staff's recommendation.

13. 16-052TR Adjourn. The next regular meeting will be held on June 27, 2016.
(Maricela de Rivera)

A motion was made by Director Economides, seconded by Director Zendejas, to approve recommendation. The motion carried by the following vote:

Yes: 5 - Mary Zendejas, Colleen Bentley, April Economides, Sumire Gant and Maricela de Rivera

Absent: 2 - Nancy Pfeffer and Barbara Sullivan George

Note:

The City of Long Beach intends to provide reasonable accommodations in accordance with the Americans with Disabilities Act of 1990. If special accommodation is desired please call the City Clerk Department 48 hours prior to the meeting at (562) 570-6101.

(*The City Clerk's office is closed on weekends. To assure proper accommodations, please call by 4:30 p.m. on the Friday prior to the meeting.)

(For Telecommunication Device for the Deaf, please call (562) 570-6626. Inquire at the City Council Chamber Audio Visual Room for Assistive Listening Device.)

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