

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

**MONDAY, JANUARY 22, 2018
333 W. OCEAN BOULEVARD
COUNCIL CHAMBER, 12:00 PM**

Sumire Gant, Chair
Colleen Bentley, Vice Chair
Maricela de Rivera, Secretary/Treasurer
Adam Carrillo, Director
Michael Clemson, Director



Mary Zendejas, Director
Eric Widstrand, City Representative
Lea Eriksen, City Representative

Kenneth A. McDonald,
President and Chief Executive Officer

REGULAR MEETING - NOON

1. Call to Order. (Sumire Gant)

Chair Gant called the meeting to order at noon.

2. Roll Call. (Ivette Dubois)

Commissioners Adam Carrillo, Michael Clemson, Maricela de Rivera, Colleen
Present: Bentley and Sumire Gant

Commissioners Mary Zendejas
Excused:

3. 18-001TR Recommendation to approve the minutes of the regular session meeting held on December 11, 2017. (Sumire Gant)

A motion was made by Director de Rivera, seconded by Vice Chair Bentley, to approve recommendation. The motion carried by the following vote:

Yes: 5 - Adam Carrillo, Michael Clemson, Maricela de Rivera,
Colleen Bentley and Sumire Gant

Excused: 1 - Mary Zendejas

4. Employee Recognition. (LaVerne David)

Employees of the Year for 2017:

Gustavo Prado, Jr., Transit Service Delivery and Planning
Romie Watkins, Maintenance and Infrastructure
Samantha Ihlenfeldt, Staff

Employees of the Month for January 2018:

Ricardo Perez, Transit Service Delivery and Planning
Ruben Rodriguez, Maintenance and Infrastructure
Fredie Vasquez, Staff

INFORMATION ITEM

LaVerne David, Executive Director/VP, Employee and Labor Relations, presented the 2017 Employees of the Year (EOY) and Employees of the Month (EOM) for January 2018.

Gustavo Prado, Transit Service Delivery and Planning's (TSDP) 2017 EOY, was presented by China Gipson, Superintendent, TSD.

Romie Watkins, Maintenance and Infrastructure's (M&I) 2017 EOY, was presented by Frank Spalding, Manager, Maintenance.

Samantha Ihlenfeldt, Staff 2017 EOY, was presented by Lee Burner, Executive Director/VP, TSDP.

Fredie Vasquez, Staff EOM for January 2018, was presented by Terry Coon, Manager, Accounting.

Ms. David acknowledged Ricardo Perez, TSDP EOM for January 2018, and Ruben Rodriguez, M&I EOM for January 2018, who were not present.

5. Board Advisory Committees Report

- Finance and Operations. (Michael Clemson)
- Policy and Governance. (Mary Zendejas)

INFORMATION ITEM

Chair Gant motioned to move agenda item 5, Board Advisory Committees Report, to the following Board of Directors meeting on February 26, 2018. The motion carried by a unanimous vote.

6. 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 (LBT) 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.

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

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

INFORMATION ITEM

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

Improve Safety and Service Quality

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

- During the month of January, LBT's Safety department conducted a safety blitz campaign concentrated around the theme of 'defensive driving.'

On Fri., Jan. 12 at the Transit Gallery, Operators were provided with the '5 Keys to Safety' pamphlets and lapel pins, as well as information on defensive driving to help avoid a preventable accident.

- Also in January, LBT's Safety department conducted a safety campaign with our Maintenance workers related to working safely with chemicals.

LBT's Maintenance department was going on 158 days without a preventable accident as of January 22, 2018.

- In support of LBT's STAR Initiative, the following activities were conducted:
 - o The public was able to participate in an online survey (LBTSTAR.com/survey) from January 9 through January 30, to provide feedback regarding the proposed transit improvements;
 - o Four out of five planned Phase 3 community meetings were held as follows:
 - Tue., Jan. 16 @ the Downtown Long Beach Main Library;
 - Tue., Jan. 16 @ the Signal Hill Youth Center;
 - Wed., Jan. 17 @ the El Dorado Park Senior Center; and
 - Sat., Jan. 20 @ the Silverado Park Community Center
 - o The fifth and final community meeting would be held on Sat., Jan. 27 @ the Michelle Obama Neighborhood Library.
- On Sunday, Jan. 7, LBT, in participation with the City of Long Beach, concluded a 51-day run of providing a free bus shuttle connecting the Metro Blue Line Wardlow Station with Long Beach Airport. The pilot program, called "Blue Line 2 Airline," garnered 543 boardings throughout its run.
- Also on Sunday, Jan. 7, LBT concluded a 25-day run of providing AquaLink service to the annual "CHILL" attraction at the Queen Mary. Both AquaLink vessels registered 2,138 boardings.

LBT and Urban Commons, a Los Angeles-based real estate and development firm, are working towards expanding this public-private partnership to provide AquaLink service for more Queen Mary events throughout the year.

Foster Employee Engagement

In LBT's continued effort to Foster Employee Engagement:

- On Wed., Dec. 13, LBT held its annual Employee Recognition Celebration for all LBT employees at LBT1 and LBT2. The event featured a holiday meal, music and holiday cheers.
- Employees from various departments were recognized in the following areas:
 - o Service Awards - recognizing employees with milestone service years in increments of five years;
 - o Safety Awards - recognizing employees with specific years without any preventable accidents;
 - o Perfect Attendance - recognizing employees without any miss-outs or uncounted absences;

- o Employees of the Year - the announcement of the selection for the highly prestigious honor to three employees who went beyond the normal call of duty representing Maintenance, Transit Service Delivery and Staff

Enhance Customer Experience

Under LBT's priority of Enhance Customer Experience:

- On Mon., Jan. 8, LBT extended its Customer Service Phone Line hours, originally from 7 a.m. until 6 p.m., now from 7 a.m. until 8 p.m. Monday through Friday.

Sunday hours were added from 10 a.m. until 4 p.m. and Saturday hours remain from 8 a.m. until 5 p.m. These additional hours provide customers with greater options to engage with LBT representatives through the peak hours, as well as on Sundays.

- On Tuesday, January 18, LBT participated in the CSULB International Student Orientation and Resource Fair.

Community Relations staff promoted LBT's U-Pass program; and assisted students with TAP card sign-ups and transit planning.

Promote Community and Industry Focus

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

- On Saturday, December 23, LBT participated in the final holiday event of the year, the Code 3 Toy Giveaway.

The event was the culmination of LBT's holiday toy drive, where an LBT bus was stuffed with donated items and then caravanned to pre-selected homes in neighborhoods of north and west Long Beach.

Community Relations staff, as well as Long Beach Fire and Long Beach Police volunteers helped distribute donated toys to lucky families, as well as their neighbors.

- On Tuesday, January 9, LBT participated in the State of the City Address event held at the Long Beach Performing Arts Center.

The event featured an LBT Battery-Electric Bus staged in front of the venue, where Community Relations staff promoted LBT products and services to increase ridership and revenue.

- On Saturday, January 13, Chair Gant and Vice Chair Bentley, as well as the Executive Leadership Team, led an LBT contingent of employees, volunteers, friends, family, and some students from Roosevelt Elementary, at the 30th Annual Martin Luther King Jr. Peace & Unity Parade held in Long Beach.

LBT rolled a bus featuring a banner of MLK Jr. and an inspirational quote on the sides of the bus. This year's parade theme was "Standing on the Shoulders of Giants."

8. 18-002TR Monthly Financial Report. (Lisa Patton)

INFORMATION ITEM

Lisa Patton, Executive Director/VP, Finance and Budget, presented the monthly financial report.

Vice Chair Bentley referred to the Recruitment Advertising and asked if positions were being filled due to the increase in spending.

Ms. Patton stated that LBT's Human Resources department had launched a new campaign to attract employees to fill open positions in various departments. She noted that the Human Resources department had a yearly budget and there could be expenses one month and no expenses another month.

Ms. David stated that LBT was hosting a job fair on Wednesday, January 24, 2018.

Secretary/Treasurer de Rivera referred to the Blue Line 2 Airline and asked if it was a successful pilot program.

CEO McDonald stated there were 543 customers and noted that LBT had expected a larger number.

This TR-Agenda Item was received and filed.

9. 18-003TR Quarterly Investment Report (Lisa Patton)

INFORMATION ITEM

Ms. Patton presented the Quarterly Investment Report.

This TR-Agenda Item was received and filed.

- 10. 18-004TR** Fiscal Year 2017 Retirement Plan Financial Statements for Contract and Salaried Employees. (Lisa Patton)

INFORMATION ITEM

Ms. Patton presented the staff report.

Craig Cross, Managing Director, and Brian Spinelli, Senior Wealth Manager, from Halbert Hargrove, LBT's provider of Fiduciary Investment Management and Wealth Advisory Services, provided a presentation on LBT's FY 2017 Retirement Plan Financial Statements for Contract and Salaried Employees.

Director Carrillo referred to slide 3 of the presentation and referred to the statement 'advisor carries responsibility of selecting, monitoring and replacing investments' and asked if that was a reactive or proactive measure.

Mr. Spinelli stated that it was a proactive measure. He added that Halbert Hargrove met with LBT's pension committee on a quarterly basis to discuss the expected rate of return and areas of opportunity. He stated that LBT's pension committee would need to approve a change in policy if it was required.

Vice Chair Bentley referred to the risks that were expected to increase, and asked if Halbert Hargrove had a prediction as to when those risks would arise.

Mr. Spinelli stated there was no way to know, however, markets tend to return to normal behavior. He stated that the current projected standard deviation was 18, which meant the market could swing plus or minus 18. He noted that historical averages for standard deviation was six, plus or

minus. He added that it has been an easy environment for investors to take risks. He further stated that markets tend to return back to their average standard deviation.

Vice Chair Bentley asked if LBT would invest in cryptocurrency in the future. Mr. Spinelli stated LBT would not invest in cryptocurrency for now.

Chair Gant asked why salaried employees had a six percent rate of return while contract employees had a 6.5 rate of return.

CEO McDonald stated that LBT negotiated with the Amalgamated Transit Union (ATU), Local 1277, for a 6.5 percent rate of return for contract employees. He noted that ATU agreed to go from a 7.5 percent rate of return to 6.5 percent, and was not willing to go below 6.5 percent. He added that LBT would need to renegotiate to go to a 6 percent rate of return for contract employees.

This TR-Agenda Item was received and filed.

- 11. 18-005TR** Actuarial Valuation of Retirement Plans for Contract and Salaried Employees as of July 1, 2017. (Lisa Patton)

INFORMATION ITEM

Ms. Patton presented the staff report.

David Venuti, President of Venuti & Associates, provided a presentation on LBT's Actuarial Valuation of Retirement Plans for Contract Employees as of July 1, 2017.

Chair de Rivera asked how LBT's open positions affected the agency's retirement plans. Ms. Patton stated that the agency was paying less towards the retirement plans as less money was being earned than expected due to the unfilled positions. She noted that employees on the California Public Employees' Pension Reform Act of 2013 (PEPRA) were paying a larger share than those who were hired prior to PEPRA. She further added that staff hired after April 2011 were not contributing or accruing future benefits as they were not part of the retirement plan.

City Representative Eriksen asked if the change in assumption from 6.5 to 6 percent was implemented in one year, or phased out during a

five-year period. Mr. Venuti stated that the change in assumption was calculated in a single year.

Chair Gant asked if the contribution for employees and the agency increases when the rate of return decreases from 6.5 to 6 percent. Mr. Venuti stated that the contribution would increase for both the agency and the employee due to less of the benefits being paid out by investment earnings. He added that under the contract plan, the employee portion was a formula based upon total contribution, therefore, if the total contribution increases, employee share increases.

Director Carrillo referred to the 64.47 funded percentage on slide 3 of the presentation and asked if LBT was accounting for the funded percentage to continue to grow and if there was a measurement that indicated the expectations of reaching a 100 funded percentage. Mr. Venuti stated that if all actuarial assumptions were exactly realized, the plan would be fully funded over a 30-year period.

Mr. Venuti provided a presentation on LBT's Actuarial Valuation of Retirement Plans for Salaried Employees as of July 1, 2017.

Vice Chair Bentley asked for confirmation that the salaried retirement plan was closed to new employees and the contract retirement plan was open to new employees. CEO McDonald confirmed her statement.

This TR-Agenda Item was received and filed.

- 12. 18-013TR** Fiscal Year 2017 Comprehensive Annual Financial Report. (Lisa Patton)

INFORMATION ITEM

Ms. Patton presented the staff report.

Director Clemson asked if LBT understood the reason behind the nation's declining transit ridership.

CEO McDonald stated that LBT was part of the Regional Ridership Improvement Task Force (RRITF), of which he was Chair. He added that RRITF hired a consultant to research and present a report on why there had been a decline in ridership throughout Los Angeles (LA) County. He noted that RRITF was working on retaining, reclaiming and

recruiting new customers to the transit system.

CEO McDonald stated that the consultant was halfway through their undertaking. He noted that the RRITF had been working with the Southern California Association of Governments (SCAG) who conducted a similar study that would be published in a report on January 31, 2018. He further stated that the RRITF's report would be published in the summer of 2018. CEO McDonald stated that the RRITF was working with SCAG to identify the causes in declining ridership and work on policies and activities to help improve ridership in LA County.

CEO McDonald stated that once the RRITF's report was finished, he would present it to LBT's Board of Directors.

This TR-Agenda Item was received and filed.

13. 18-007TR Fiscal Year 2017 Single Audit Report. (Lisa Patton)

INFORMATION ITEM

Ms. Patton presented the staff report.

This TR-Agenda Item was received and filed.

14. 18-008TR 2018 Legislative Program. (Debra Johnson)

INFORMATION ITEM

Debra Johnson, Deputy CEO, presented the staff report.

Vice Chair Bentley referred to slide 4 and asked if the alternative fuel excise tax renewal would be re-established. Deputy CEO Johnson stated that a bill had just been reintroduced and if it came to fruition, it would be retroactive.

Vice Chair Bentley asked for clarification on the expansion of LBT's water taxi service. Deputy CEO Johnson stated that LBT would look at expanding its water taxi service incrementally by possibly using public-private partnerships.

This TR-Agenda Item was received and filed.

- 15. 18-009TR** Public Comments Regarding Route 22 Extension Project. (Debra Johnson)

INFORMATION ITEM

Deputy CEO Johnson presented the staff report.

Vice Chair Gant and Director Clemson thanked LBT for its outreach efforts in support of the Route 22 Extension Project.

This TR-Agenda Item was received and filed.

- 16. 18-010TR** Recommendation to adopt a resolution:

1. Authorizing the President and CEO to submit a funding request to the California Department of Transportation for Senate Bill 1 State Transit Assistance State of Good Repair funds in order to obligate allocated funding for Long Beach Transit's capital projects

2. Certifying that Long Beach Transit will comply with State Transit Assistance State of Good Repair Recipient Certifications and Assurances, and authorize the President and CEO to execute all required documents and any amendments with the California Department of Transportation

(Debra Johnson)

Deputy CEO Johnson presented the staff report.

Secretary/Treasurer de Rivera asked if the \$31.6 million that was allocated to LA County was split equally among transit agencies. Deputy CEO Johnson stated that the money went through the Los Angeles County Metropolitan Transportation Authority (Metro), the regional transportation planning agency, and was formula-driven based on various aspects, such as ridership.

A motion was made by Director de Rivera, seconded by Vice Chair Bentley, to approve recommendation. The motion carried by the following vote:

Yes: 5 - Adam Carrillo, Michael Clemson, Maricela de Rivera, Colleen Bentley and Sumire Gant

Excused: 1 - Mary Zendejas

17. 18-011TR Recommendation to authorize the President and CEO to enter into a contract with VectorUSA for the replacement of Long Beach Transit's intercom system for a total authorization amount not to exceed \$152,226. (Patrick Pham)

Patrick Pham, Executive Director/VP, Information Technology, presented the staff report.

A motion was made by Vice Chair Bentley, seconded by Director de Rivera, to approve recommendation. The motion carried by the following vote:

Yes: 5 - Adam Carrillo, Michael Clemson, Maricela de Rivera, Colleen Bentley and Sumire Gant

Excused: 1 - Mary Zendejas

18. 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 (LBT) 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.

19. Board Requests.

Director Carrillo requested LBT staff outline a path for potential mobile payment with the utilization of a smartphone, identify a process to achieve mobile payment and provide a timeline.

CEO McDonald provided an update on Director Clemson's request regarding sustainability.

He stated a memorandum would be sent to the Board within 40 days.

20. 18-012TR Adjourn. The next regular meeting will be held on February 26, 2018.
(Sumire Gant)

Meeting adjourned at 2:15 p.m.

**A motion was made by Director de Rivera, seconded by
Director Clemson, to approve recommendation. The motion
carried by the following vote:**

Yes: 5 - Adam Carrillo, Michael Clemson, Maricela de Rivera,
Colleen Bentley and Sumire Gant

Excused: 1 - Mary Zendejas

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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