

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

**THURSDAY, JANUARY 28, 2021
VIA VIDEOCONFERENCE, 12:00 PM**

Michael Clemson, Chair
David H. Sutton, Vice Chair
Colleen Bentley, Secretary/Treasurer
Jeffrey Price, Director
Sumire Gant, Director



Lea Eriksen, City Representative

Kenneth A. McDonald,
President and Chief Executive Officer

**BOARD MEETING VIA VIDEOCONFERENCE
PURSUANT TO EXECUTIVE ORDER N-29-20 ISSUED BY
GOVERNOR GAVIN NEWSOM**

ZOOM MEETING ID: 974 7423 3062 (PASSWORD: 1963)

ZOOM MEETING LINK:

<https://zoom.us/j/97474233062?pwd=MXZHbWJwdnZQUzVZSEpONXNMN1VvQT09>

REGULAR MEETING - NOON

1. Call to Order. (Colleen Bentley)

Chair Bentley called the meeting to order at 12:02 p.m.

2. Roll Call. (Ivette Dubois)

Commissioners Sumire Gant, Jeffrey Price, Colleen Bentley, David Sutton and
Present: Michael Clemson

3. Employee Recognition. (Ivette Dubois)

Employees of the Month for January 2021:

Roy Norwood, Transit Service Delivery and Planning
Jorge Melendez, Maintenance and Infrastructure
Jeff Bryant, Administrative Staff

INFORMATION ITEM

Ivette Dubois, Board Secretary, presented the Employees of the Month for January 2021.

4. Public Comment.

Chair Bentley read a public comment from Frances Emily Dawson Harris, a member of the public.

Ms. Dawson Harris commended LBT on its COVID-19 communication, specifically the exterior bus signs. She asked LBT to consider providing this information in spanish.

Ms. Dawson Harris also commended LBT on its reliable, safe an exceptional transportation bus and Dial-A-Lift service.

5. President and CEO Report. (Kenneth McDonald)

INFORMATION ITEM

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

In support of LBT's strategic priority to Foster Employee Engagement, and as part of LBT's manager development plan, beginning the month of January, managers will present Board agenda items in their respective departments.

It is the CEO's intent as a part of employee development to have managers present to the Board of Directors.

Three of LBT's managers will present agenda items at the January 28, 2021 Board of Directors meeting.

With the managers presenting, there are some adjustment on the presenters for the Board meeting agenda.

LBT remains committed to ensuring the health, well-being and safety of its employees and the riding public.

With the recent surge in COVID cases in LA County, the CEO has urged all LBT employees to remain vigilant in following safety protocols to protect themselves, coworkers, family and the communities around LBT.

As of December 30, 2020, LBT is providing COVID-19 Rapid Tests on-site at LBT1 and LBT2 every Tuesday and Thursday as part of the agency's COVID Prevention Plan.

The rapid test is an antigen test and consists of a nasal swab with results taking approximately 15-20 minutes.

As of Tuesday, January 26, LBT has tested 658 employees, and 10 have tested positive. LBT is averaging approximately 100 tests each day of testing.

LBT continues to coordinate with the City of Long Beach's Health Department in testing and planning for the vaccine distribution .

The agency continues to promote best practices to limit the spread of the virus, according to CDC guidance, as well as coordinate with the City of Long Beach Department of Health and Human Services.

As part of LBT's Wellness program, LBT is offering virtual classes to its employees, such as:

- live chef demos for healthy recipes;
- fitness classes, such as yoga and stretching; and
- guided meditation for relaxation and stress management

LBT remains committed to ensuring the health, well-being and safety of its Operators and the riding public.

Equally important is the continuance of social distancing.

LBT is planning to install a protective barrier for its Operators.

A barrier would have multiple benefits:

- Serves as protection for the Operator from the transfer of potentially contagious droplets
- Offers a layer of security for the Operators; and
- Provides the ability for LBT to return to front-door boarding

A Cross-Departmental Matrix Team (CDMT) was assembled to assess the type, material, fit, form, design options and pricing of Operator barriers.

The cross-departmental team consisted of representatives from the following departments:

- Maintenance and Infrastructure;
- Transit Service Delivery and Planning;
- Organizational Development and Administration, which includes Safety and Training;
- Finance and Budget; and
- Customer Relations and Communications

LBT looked at different types of barriers and installed three plexiglass and polycarbonate barrier enclosures on four different buses.

Between November 30 to December 14, 312 Operators drove the four buses with different barriers and completed a survey.

Based on Operator feedback, adjustments were made to the barriers and a second survey was conducted from December 23, 2020 to January 6, 2021.

The team is currently finalizing survey results to make an informed decision on which barrier to purchase.

Installing the barriers will be the agency's first step for LBT to return to front-door boarding and revenue collection.

As mentioned at the December 10 Board meeting, Long Beach Transit is working as a member of an ad-hoc committee exploring a free fare initiative led by LA Metro.

This effort is called the Fareless System Initiative (or FSI), a study and consideration of eliminating transit fares in LA County.

As a reminder, the following are the goals of the Fareless System Initiative (or FSI).

The first is rethinking public transportation as a city or county public entity, such as libraries, parks and emergency services (like police or fire) that is provided to residents at an indirect cost to them.

The second is Congestion Relief, this initiative will focus on reducing congestion by encouraging people to get out of their cars and ride transit at no cost.

The third is Equity/Economic Parity.

The initiative is focusing on areas most heavily impacted by gaps in equity and parity throughout the county, where more than 40% of household are low-income and 10% have no access to a vehicle.

As LBT looks at the cost for eliminating fare, it considered our Fiscal Year 2020 Operating Revenue of \$106.44 million.

LBT determined the cost analysis utilizing Fiscal Year 2020 budget numbers, to focus on financial data prior to the pandemic.

Starting with the FY 2020 Operating budget, if LBT was to eliminate fare without any other changes, \$14.28 million in fare revenue would need to be replenished in order to meet the organization's pre-pandemic budget needs.

The elimination of fare would leave Long Beach Transit with \$92.16 million dollars in revenue.

Hence, this is the baseline for our cost analysis.

In order to evaluate the impact of the fareless system initiative on LBT, three major factors were considered looking forward to the next five years:

- A historical 3.5% annual growth in subsidy revenue based on previous years analysis
- A 7.5% Inflation rate that LBT has seen in previous years, related to:
 - o Wage increases
 - o Healthcare expenses
 - o Retirement costs
 - o Fuel and energy prices
 - o Parts and supplies expenditures
 - o Materials usage; and
 - o Market inflation
- And a 5% annual ridership increase

With the implementation of the fareless system initiative, and LBT not collecting revenue, the agency will have cost savings from the elimination of fare collection.

On an average year, LBT spends \$0.42 million dollars in fare related expenses, such as:

- fare processing;
- software support;
- farebox maintenance;
- vault parts; and
- money room staffing

At the initial implementation of the FSI, the \$14.28 million dollar loss in fare revenue is reduced by \$0.42 million due to fare elimination cost savings, requiring LBT to fill the need of a budget gap of \$13.86 million dollars.

In Year 1, LBT would see a gap of \$18.56 million dollars.

In previous years, LBT has seen a 3% increase in subsidy revenue. So the agency would have an increase from \$92.16 to \$95.42 million dollars in Year 1.

LBT's expenses, which historically have grown 7.5%, would climb from \$106.02 to \$113.97 million dollars in Year 1.

LBT did not consider ridership growth for Year 1.

To be able to run the system with the elimination of fare, the funding needed in Year 1 would be \$18.56 million driven completely by the organization's 7.5% operational expenditure increases

In Year 2 LBT estimates seeing a 5% ridership growth.

Staff chose 5% ridership growth for the cost analysis. This is the only unknown that cannot be predicted from historical data.

If ridership should increase by 5%, there would be an estimated \$4.37 million dollar increase in expenses for:

- Buses;
- Vehicle Maintenance activities;
- Personnel;
- Operators,
- Mechanics; and
- Security:
- Transit Ambassadors or
- Police

In Year 2 the budget gap grows to \$28.11 million dollars.

Starting with simply replacing LBT's fare revenue sources, there will be a \$13.86 million dollar deficit.

Year over year, the budget gap would increase, and depending on the increase in ridership, LBT will need additional funding of approximately \$62.14 million by Year 5.

LA Metro has delayed taking this item to its Board of Directors.

LBT will continue to fine tune these numbers presented as the project progresses.

Director Gant suggested that the FSI report be its own agenda item.

NOTICE TO THE PUBLIC

All matters included on the Consent Calendar are considered routine by the LBT Board of Directors and will be enacted by one motion. There will be no separate discussion of these items unless a member of the Board of Directors or the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

CONSENT CALENDAR (6)

Passed the Consent Calendar

A motion was made by Director Price, seconded by Chair Clemson, to approve Consent Calendar Item 6. The motion carried by the following vote:

Yes: 5 - Sumire Gant, Jeffrey Price, Colleen Bentley, David Sutton and Michael Clemson

6. [21-001TR](#) Recommendation to approve the minutes of the regular session meeting held on December 10, 2020.

REGULAR CALENDAR

7. [21-002TR](#) Monthly Financial Report. (Lisa Patton)

INFORMATION ITEM

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

This TR-Agenda Item was received and filed.

8. [21-003TR](#) Fiscal Year 2020 Single Audit Report. (Lisa Patton)

INFORMATION ITEM

Rhea Morillos, Comptroller, Finance and Budget, presented the staff report.

This TR-Agenda Item was received and filed.

9. [21-004TR](#) Fiscal Year 2020 Comprehensive Annual Financial Report. (Lisa Patton)

INFORMATION ITEM

Ms. Patton presented the staff report.

This TR-Agenda Item was received and filed.

10. [21-005TR](#) Calendar Year 2021 Legislative Program. (Tracy Beidleman)

INFORMATION ITEM

Tracy Beidleman, Manager, Government Relations, Capital Planning and Grant Programs, presented the staff report.

This TR-Agenda Item was received and filed.

11. [21-006TR](#) Recommendation to authorize the President and CEO to enter into a three-year contract, with two, one-year options with City National Bank for banking depository and merchant services for a total authorization amount not to exceed \$180,000. (Lisa Patton)

Ashley Liang, Treasurer, Finance and Budget, presented the staff report.

Director Gant stated that she hopes LBT will include a Disadvantaged Business Enterprise goal on all procurements moving forward.

CEO McDonald stated that staff was working on a presentation regarding an overview of LBT's DBE Program.

This TR-Agenda Item was approve recommendation.

Yes: 5 - Sumire Gant, Jeffrey Price, Colleen Bentley, David Sutton and Michael Clemson

12. 21-007TR Election of Officers. (Colleen Bentley)

Individual votes were taken during this time to appoint the Chair, Vice Chair and Secretary/Treasurer. The results are noted below:

David Sutton nominated Michael Clemson to serve as Chair, Jeffrey Price seconded the motion.

Colleen Bentley nominated David Sutton to serve as Vice Chair, Jeffrey Price seconded the motion.

Sumire Gant nominated Colleen Bentley to serve as Secretary/Treasurer. Jeffrey Price seconded the motion.

Colleen Bentley thanked CEO McDonald, Ms. Dubois, LBT's Executive Leadership Team, and LBT staff, including Heidi Valdes, Assistant to the President and CEO, for their assistance while she served as Chair.

She thanked LBT's Board for serving with her this last year through the pandemic.

CEO McDonald congratulated the new Board Officers for being elected.

13. Board Requests.

Vice Chair Sutton asked for an update on the 4801 Airport Plaza Drive building.

Vice Chair Sutton requested for an update on what LBT has in store for its customers and what the agency's plan was to reassure customers that the agency has clean, reliable and safe service in the near future as businesses begin to open.

- 14.** 21-008TR Adjourn. The next regular meeting will be held on February 25, 2021.
(Colleen Bentley)

This TR-Agenda Item was approve recommendation.

Note:

Long Beach Transit intends to provide reasonable accommodations with the Americans with Disabilities Act of 1990. If special accommodation is desired, please call the Board Secretary's Office 72 hours prior to the meeting at 562.599.8554.

Long Beach Transit is an entity which is separate and distinct from the City of Long Beach.