DRAFT MINUTES
Regular Meeting of the Board of Directors
Special Meetings of the Planning and Finance and Audit Committees
Alameda-Contra Costa Transit District
2nd Floor Board Room
1600 Franklin Street
Oakland, CA  94612

Wednesday, February 23, 2011
4:00 p.m. Closed Session (Items 8A-E)
5:00 p.m. Board/Committee Meetings

| Board of Directors: | Elsa Ortiz, President (Director Ward III)  
| Jeff Davis, Vice President (Director Ward V) | Mark Williams, Director Ward IV  
| Joe Wallace, Director Ward I | H. E. Christian Peeples, Director At Large  
| Greg Harper, Director Ward II | Joel B. Young, Director At Large |

The Alameda-Contra Costa Transit District Board of Directors held a Regular meeting on Wednesday, February 23, 2011.

The meeting was called to order at 4:00 p.m. for the purpose of Closed Session. All Board members were present with the exception of Vice President Davis who was absent. The Interim General Counsel announced that the Board would convene in Closed Session to discuss Item Nos. 8A-E listed on the agenda. Closed Session concluded at 5:09 p.m.

At 5:11 p.m., President Ortiz convened the Board of Directors meeting.

1. ROLL CALL

Directors Present: Directors Wallace, Harper, Williams, Peeples, Young, Vice President Davis, President Ortiz.

Directors Absent: None.

2. GENERAL MANAGER’S REPORT

Interim General Manager Mary V. King reported on the following:

- Update on travel to New Brunswick, New Jersey for a presentation to the Women’s Transportation Seminar sponsored by Rutgers University;
- Update on travel to Washington, D. C. for meetings with the Federal Transportation Administration, the Department of Transportation, Senate and Congressional staff members;
- Update on the Bus Rapid Transit Project including 1) the inclusion of $25 million in funding in the President’s 2012 budget; 2) submittal of the FEIS to the Federal Transportation Administration; and 3) a visit by the Vietnam Trade Delegation in March regarding the project;
- Supervision and Transportation Department Merger; and
- Meeting with Mayor Marie Gilmore of Alameda.
3. PUBLIC COMMENT
- Ben Walker, ATU Local 192, commented on run cancellations, a shortage of operators, and safety concerns on Line 376.
- Jane Kramer commented on the Board’s new meeting process and said that the public needed time to hear a discussion and have an opportunity to think about it before the Board votes on it. She requested that the Board go back to hearing items at one meeting and voting on them at another.

4. CONSENT CALENDAR

**MOTION: HARPER/PEEPLES** to approve the Consent Calendar as presented (7-0-0-0).

Ayes: Directors Harper, Peeples, Wallace, Williams, Young, Vice President Davis, President Ortiz – 7
Noes: None – 0
Abstain: None – 0
Absent: None – 0

A. Consider receiving Accessibility Advisory Committee minutes of January 11, 2011 (GM Memo No. 11-051).
B. Consider approving Board of Directors and Standing Committee minutes of February 9, 2011.

5. REGULAR CALENDAR

A. Consider receiving report regarding the customer complaint process (GM Memo No. 11-026a) [Operations Committee recommendation of January 19, 2011, to forward to the Board of Directors without a recommendation for further discussion.]

Customer Services Manager Ken Rhodes presented an overview of the proposed improvements outlined in the staff report and the associated costs.

**Public Comment:**
- Jane Kramer commented on a complaint that she had made in recent months and her experience with customer service, noting that she never received a formal response to the complaint and was never asked if she wanted one. She further commented that if she had received a response, it might have led to mutual respect and problem solving.
- Dollene Jones inquired about the cost of the PBX department versus the outsourced call center. She further referred to an MTC resolution regarding productivity improvements and requested that the Board bring the PBX workers back.

**MOTION: WALLACE/PEEPLES** to receive report regarding the customer complaint process (7-0-0-0).

Ayes: Directors Wallace, Peeples, Harper, Williams, Young, Vice President Davis, President Ortiz – 7
Noes: None – 0
Abstain: None – 0
Absent: None – 0
B. Consider approving changes in the composition, role, and meeting schedule of the Bus Rapid Transit (BRT) Policy Steering Committee (PSC) (GM Memo No. 11-022) [Planning Committee recommendation of January 19, 2011 to approve.]

Director of Planning and Service Development Tina Spencer presented the staff report.

**MOTION: WALLACE/HARPER** to approve changes in the composition, role, and meeting schedule of the Bus Rapid Transit (BRT) Policy Steering Committee as recommended by staff with the exception of Recommendation No. 3 to change the status of the committee from advisory to informational (7-0-0-0).

Ayes: Directors Wallace, Harper, Williams, Peeples, Young, Vice President Davis, President Ortiz – 7

Noes: None – 0

Abstain: None – 0

Absent: None – 0

**RECESS TO STANDING COMMITTEES (as the Committee of the Whole)**

The Board meeting recessed to the Standing Committees at 5:55 p.m.

**ALL COMMITTEES ARE ADVISORY ONLY**

**SPECIAL PLANNING COMMITTEE - Director H. E. Christian Peeples, Chairperson**

Held immediately following the Board Meeting recess.

The Planning Committee convened at 5:55 p.m. All Committee members were present.

**Public Comment** (for items not on the agenda)

No public comment was offered.

**Consent Items:**

A-1. Consider approving the Planning Committee minutes of January 19, 2011.

**MOTION: ORTIZ/WALLACE** to forward to the Board’s Consent Calendar Addenda recommending approval (7).

**Briefing/Action Items:**


Director of Planning and Service Development Tina Spencer presented the staff report.

**MOTION: WALLACE/ORTIZ** to forward to the Board’s Consent Calendar Addenda recommending receipt (7).

Senior Transportation Planner Robert del Rosario presented the staff report.

**MOTION:** WALLACE/WILLIAMS to forward to the Board’s Consent Calendar Addenda recommending receipt (7).

The Planning Committee meeting concluded at 6:13 p.m.

**SPECIAL FINANCE AND AUDIT COMMITTEE - Director Greg Harper, Chairperson**
Held immediately following the Planning Committee Meeting

The Finance and Audit Committee convened at 6:13 p.m. All Committee members were present.

**Public Comment** (for items not on the agenda)
No public comment was offered.

**Consent Items:**

**MOTION:** WALLACE/PEEPLES to forward to the Consent Calendar Addenda recommending receipt/approval as indicated (7).

B-1. Consider approving the Finance and Audit Committee minutes of January 19, 2011.

B-2. Consider receiving the FY 2010-11 Second Quarter Board/Officer Travel and Meeting Expense Report (DS Memo No. 11-039).


**Briefing/Action Items:**

B-7. Consider receiving update on the status of the Finance/Human Resources (FHR) System implementation (GM Memo No. 11-042).

Chief Financial Officer Lewis Clinton presented the staff report.

Members of the Committee requested that future reports address the following: 1) the budget for the project and schedule for completion of outstanding activities critical to
fully implementing every aspect of the project; 2) how user complaints are being addressed; 3) the development of employee skill sets necessary to provide technical (IT) support; and 4) the length of time consultants will need to be involved in the project.

Vice President Davis voted no because he would have preferred to have the report carried over to the next Board meeting for further discussion.

**MOTION: ORTIZ/WALLACE** to forward to the Board’s Consent Calendar Addenda recommending receipt; Vice President Davis - No (6-1).

B-8. Consider recommending approval of a three month extension of the Air Products and Chemicals, Inc. contract for a temporary mobile hydrogen fueling station at AC Transit’s Seminary Division (GM Memo No. 10-238a). [Request for immediate action pursuant to Board Policy 100, Section 5.5.4.]

Director of Alternative Fuels Policy Jaimie Levin presented the staff report.

**MOTION: YOUNG/PEEPLES** to forward to the Board’s Consent Calendar Addenda for immediate action recommending approval (7).

B-9. Consider recommending adoption of **Resolution No. 11-003** authorizing the Interim General Manager, or her designee, to file and execute applications and funding agreements with the California Emergency Management Agency for allocation of Fiscal Year 2010-11 Transit System Safety, Security & Disaster Response Account Funds (GM Memo No. 11-032). [Request for immediate action pursuant to Board Policy 100, Section 5.5.4.]

Manager of Capital Development, Legislation and Grants Kate Miller presented the staff report.

**MOTION: ORTIZ/YOUNG** to forward to the Board’s Consent Calendar Addenda recommending approval (7).

B-10. Consider receiving the FY 2010-11 Second Quarter Financial Performance Report and recommend adoption of **Resolution No. 11-004** amending the second quarter of the second year of the FY 2009-10 and FY 2010-11 Biennial General Fund Operating and Capital Budget (GM Memo No. 11-046).

Chief Financial Officer Lewis Clinton presented the staff report.

**MOTION: YOUNG/ORTIZ** to forward to the Board’s Consent Calendar Addenda recommending adoption of **Resolution No. 11-004** as presented (7).

B-11. Consider receiving report on the budgeting model, including approval of the principles set forth by staff for the FY 2011-12 and 2012-13 budget development process (GM Memo No. 11-049).

[A revised report was provided in the red folders for the Committee’s consideration.]
Chief Financial Officer Lewis Clinton presented the staff report. Chief Transportation Officer Kathleen Kelly presented an overview of the strategies provided in GM Memo No. 11-046 (pg. 10) that staff will be looking at to help reduce the District’s deficit. Director of Planning and Service Development Cory LaVigne reported that staff is refining a wider set of goals to bring back to the Board for consideration as part of the Short Range Transit Plan (SRTP).

Public Comment:
Jane Kramer commented that the Board needed to stabilize the budget and expand ridership, adding that people needed to be asked about the type of service they want.

**MOTION:** ORTIZ/YOUNG to forward to the Board’s Consent Calendar Addenda recommending receipt and approval of the principles; Chairman Harper and Vice President Davis - No (5-2).


There was no presentation of the staff report.

**MOTION:** HARPER/WALLACE to continue to the upcoming Board of Directors meeting for discussion (7).


[A Revised Attachment 3 to the GM Memo was provided in the red folders for the Committee’s consideration.]

There was no presentation of the staff report.

**MOTION:** HARPER/WALLACE to continue to the upcoming Board of Directors meeting for discussion (7).

B-14. Consider recommending approval to issue a Request for Proposals (RFP) for outside auditing services (GM Memo No. 11-059).

There was no presentation of the staff report.

**MOTION:** HARPER/WALLACE to forward to the Consent Calendar Addenda recommending approval (7).

**RECONVENE BOARD OF DIRECTORS MEETING**

The Board of Directors reconvened at 8:32 p.m. All Board members were present.

6. **REPORTS OF STANDING COMMITTEES**

District Secretary Linda Nemeroff reported that all committee items were forwarded to the Consent Calendar Addenda with the exception of Item Nos. B-12 and B-13 which were forwarded to the Board for further discussion.

Manager of Capital Development, Legislation and Grants Kate Miller presented the staff report.

Staff was directed to clarify the language under Section III.H. of the policy to make it explicitly clear that the approval be within the other resolutions adopted by the Board or the Short Range Transit Plan for grant projects.

**MOTION: PEEPLES/WALLACE** to continue the item to a future Board meeting (7-0-0-0).

Ayes: Directors Peeples, Wallace, Harper, Williams, Young, Vice President Davis, President Ortiz – 7
Noes: None – 0
Abstain: None – 0
Absent: None – 0

Now, at a later time, upon receipt of additional information after the initial consideration of the item, Director Peeples called to reconsider the item because the last clause in Section III.H. of the policy provided that there be no substantive changes from the grant application.

**MOTION: PEEPLES/WALLACE** to reconsider Item B-12 (7-0-0-0).

Ayes: Directors Peeples, Wallace, Harper, Williams, Young, Vice President Davis, President Ortiz – 7
Noes: None – 0
Abstain: None – 0
Absent: None – 0

**MOTION: PEEPLES/WALLACE** to approve amendments to Board Policy 316 - Capital Projects Policies as presented (6-0-0-1).

Ayes: Directors Peeples, Wallace, Harper, Williams, Young, Vice President Davis – 6
Noes: President Ortiz – 1
Abstain: None – 0
Absent: None – 0


[A Revised Attachment 3 to the GM Memo was provided in the red folders for the Board's consideration.]

Director of Information Technology Tom O'Neil presented staff’s response to the audit findings for the Information Technology Department.
MOTION: YOUNG/PEEPLES to continue the item to a future Board meeting (7-0-0-0).

Ayes: Directors Young, Peeples, Wallace, Harper, Williams, Vice President Davis, President Ortiz – 7
Noes: None – 0
Abstain: None – 0
Absent: None – 0

7. CONSENT CALENDAR ADDENDA

Consent Calendar Addenda items brought before the Board were:

A. Planning Committee

A-1. Consider approving the Planning Committee minutes of January 19, 2011.

B. Finance and Audit Committee

B-1. Consider approving the Finance Committee minutes of January 19, 2011.
B-2. Consider receiving the FY 2010-11 Second Quarter Board/Officer Travel and Meeting Expense Report (DS Memo No. 11-039).
B-5. Consider receiving Report on Investments for the months of October, November, and December 2010 and January 2011 (GM Memo No. 11-043).
B-7. Consider receiving update on the status of the Finance/Human Resources (FHR) System implementation (GM Memo No. 11-042).
B-8. Consider approving a three month extension of the Air Products and Chemicals, Inc. contract for a temporary mobile hydrogen fueling station at AC Transit’s Seminary Division (GM Memo No. 10-238a). [Request for immediate action pursuant to Board Policy 100, Section 5.5.4.]
B-9. Consider adoption of Resolution No. 11-003 authorizing the Interim General Manager, or her designee, to file and execute applications and funding agreements with the California Emergency Management Agency for allocation of Fiscal Year 2010-11 Transit System Safety, Security & Disaster Response Account Funds (GM Memo No. 11-032). [Request for immediate action pursuant to Board Policy 100, Section 5.5.4.]
B-14. Consider approving the issuance of a Request for Proposals (RFP) for outside auditing services (GM Memo No. 11-059).

**MOTION: PEEPLES/WALLACE** to receive, approve, or adopt the items on the Consent Calendar Addenda as indicated (7-0-0-0).

Ayes: Directors Peeples, Wallace, Harper, Williams, Young, Vice President Davis, President Ortiz – 7
Noes: None – 0
Abstain: None – 0
Absent: None – 0

8. CLOSED SESSION/REPORT OUT

The Interim General Counsel Carol Babington reported the following:

**MOTION: PEEPLES/WALLACE** to approve mediated settlement in the amount of $350,000 in the matter of *Isono v. AC Transit*, ACSC Case No. RG10507135 (5-0-0-2).

Ayes: Directors Peeples, Wallace, Harper, Williams, President Ortiz – 5
Noes: None – 0
Abstain: None – 0
Absent: Director Young, Vice President Davis – 2

A. Conference with Legal Counsel – Potential Litigation
   (Government Code Section 54956.9 Subdivision (b)) (Two Cases)

B. Conference with Legal Counsel – Existing Litigation
   (Government Code Section 54956.9 Subdivision (a))
   - *Isono v AC Transit*, Claim No. 09-2873; ACSC Case No. RG10507135
   - *Bell v AC Transit*, Claim No. 08-2729; ACSC Case No. HG09431832
   - *Satchell v AC Transit*, Claim No. 06-3704; ACSC Case No. RG07361260

Quarterly Litigation Report
   - *Harbor v. AC Transit*, ACSC No. HG05-192887;
   - *Singh v. AC Transit*, ACSC No. RG09-461559;
   - *Morrison v. AC Transit*, ACSC No. RG09-452711;
   - *Harvey v. AC Transit*, ACSC No. RG10-495324;
   - *Harbor v. AC Transit*, ACSC No. RG10-513436;
   - *ATU Local 192 v. AC Transit*, ACSC No. RG06-262943;
   - *ATU Local 192 v. AC Transit*, ACSC No. RG10-522627;
   - *Charles v. AC Transit*, ACSC No. RG09-483132;
   - *Stern v. AC Transit*, CCCSC No. C09-02236; and t
   - Claim of N. Gonzalez (10-2092).
C. Conference with Labor:
   (Government Code Section 54957.6)
   Agency Negotiator: Interim General Manager
   Employee Organization: Paratransit, Local 192, ATU Local 192,
   AFSCME, Local 3916; IBEW, Local 1245
   Unrepresented Employees

D. Labor Negotiations – Board Officers:
   (Government Code Section 54957.6)
   Negotiator: President Elsa Ortiz

E. Public Employee Performance Evaluation:
   (Government Code Section 54957)
   Title: General Manager
   Title: General Counsel
   Title: District Secretary

9. AGENDA PLANNING

Referred to the Planning Committee
Director Wallace requested a report on ways to improve and increase the number of bus
shelters in the low income parts of Ward 1 and the associated financial impacts.

Referred to Operations Committee
Director Harper requested that the Operations Committee examine how much money was
actually saved by the October service cuts.

Director Young requested that the semi-annual report on the Environmental Sustainability
Plan also include an update on the progress regarding the implementation of the Climate
Action Plan.

Referred to Finance and Audit Committee
Director Young requested a report on updates to the rules pertaining to the Disadvantaged
Business Enterprise (DBE) Program (49CFR, Part 26). Staff to analyze the impacts on the
District’s DBE Program.

10. BOARD/STAFF COMMENTS (Government Code Section 54954.2)

11. ADJOURNMENT

There being no further business to come before the Board of Directors, the meeting was
adjourned at 8:55 p.m. The next meeting of the Board of Directors is scheduled for
Wednesday, March 9, 2011.

Respectfully submitted,

Linda A. Nemeroff
District Secretary