

FINAL

**MINUTES OF THE SPECIAL MEETING OF
ECO-RAPID TRANSIT/ORANGELINE DEVELOPMENT AUTHORITY
January 23, 2023
Teleconference Meeting via Zoom or by Phone**

CALL TO ORDER

Chair Taj called the meeting to order at 6:39 PM Pacific Standard Time. A quorum (6 voting members out of 11 filled seats) was reached; thus, action items were taken by the Board.

PLEDGE OF ALLEGIANCE

Director Karina Macias led the assembly in the flag salute.

ROLL CALL AND INTRODUCTION OF ATTENDEES

Voting Board of Directors were present (listed by agency and position on the Board):

1. City of Artesia – Hon. Ali Sajjad Taj, Chair
2. City of Bell – Mr. Jesus Casas, Director
3. City of Cerritos – Hon. Bruce Barrows, Director
4. City of Cudahy – Hon. Jose R. Gonzalez, Vice Chair
5. City of Downey – Hon. Claudia M. Frometa, Director and Hector Sosa (new Director as of February 2023)
6. City of Huntington Park – Hon. Karina Macias, Director
7. City of Paramount – Hon. Isabel Aguayo, Treasurer
8. City of South Gate – Hon. Maria Davila, Director
9. Airport Authority – Hon. Frank Quintero, Director

Eco-Rapid Transit Staff:

10. Eric Shen, Executive Director
11. Matthew Summers, General Counsel
12. Kathryn Morrison, Administrative Services Manager
13. Toni Penn, Accounting Manager
14. Bruno Naulls, Community Planner

PUBLIC COMMENTS

Kaaren-Lyn Graves, Executive Director of The American Indian, Alaska Native, & Native Hawaiian Project, expressed their support towards Eco-Rapid Transit, but made members aware of the difficulties they faced with receiving adequate updates and being included in meetings. They expressed gratitude towards Kathryn Morrison (Eco-Rapid Transit) for maintaining communication. Chair Taj made note of the comment.

Michael Kodama made the board aware of the costs of photocopiers, asked the Board to continue including the costs of the printer and take over the lease of \$400/month plus moving fees until

August 2023. Chair Taj made note of the comment and asked for the documents to be submitted to Executive Director Shen.

Cerila Gailliard, owner of Orchestrating Success LLC, who works closely with Kaaren-Lyn Graves, also expressed that they have not received updates on the future of the project. Executive Director Shen asked for clarification if they are under contract with Eco-Rapid Transit to rent the space, which will be communicated directly.

ITEM 5 – CONSENT CALENDAR

- a) Approval of Minutes of December 13, 2022**
- b) Approval of Warrant Register dated January 18, 2023**
- c) Approval of Treasurer’s Report for the Periods of January 18, 2023**

Executive Director Shen made note of correction to the consent calendar including the change from Mrs. to Ms. Karen lee (Artesia) on Item 5a and the change of date from January 23, 2023 to January 18, 2023 on items 5B and 5C.

Director Barrows (Cerritos) and Director Frometa (Downey) recommended to staff that the list of those receiving agenda packets and emails be more closely maintained. Executive Director Shen expressed that he and Ms. Kathryn Morrison will work with Directors to update email databases and ensure that meeting packages are received accordingly.

General Counsel Matthew Summers advised staff to not amend the Consent Item but to provide separate direction with Executive Director Shen. He also noted that the issue can be added to the next meeting’s agenda for formal discussion. Directors Barrows (Cerritos) confirmed with Mr. Summers that those who have requested agenda packages in the past continue to receive the packages.

Director Davila (South Gate) also expressed that their City Manager has not been receiving emails from Eco-Rapid Transit.

MOTION: Board Director Barrows (Cerritos) moved to approve the Consent Calendar. Director Quintero (Airport Authority) seconded the motion. The item was approved unanimously by roll call vote.

ITEM 6 – TELECONFERENCING LEGISLATION: AB 361 AND RESOLUTION 2023-01 OF THE ECO-RAPID TRANSIT AUTHORITY BOARD OF DIRECTORS AUTHORIZING REMOTE TELECONFERENCING MEETINGS OF THE ECO-RAPID TRANSIT BOARD OF DIRECTORS PURSUANT TO GOVERNMENT CODE SECTION 54953(E) FOR THE CONTINUANCE OF VIRTUAL MEETINGS AND TELECONFERENCE AS THE COUNTY OF LOS ANGELES IS UNDER CERTAIN EMERGENCY ORDERS AND STILL PROMOTES SOCIAL DISTANCING AND THE USE OF FACE MASK

Recommended Action: Adopt Resolution 2023-01 to conduct Board meetings remotely for the next 30 days and give direction on the format of future meetings in calendar year 2023

No written public comments were received prior to the meeting. No additional public comments were received during the meeting.

Executive Director Shen reported that staff is recommending the adoption of Resolution 2023-01 for conducting Board meeting remotely for the next 30 days and requested direction on the format for future meetings in 2023. According to Assembly Bill No.361, expiring December 31, 2023, Eco-Rapid Transit must adopt a resolution making findings within 30 days of its first teleconference meeting to continue virtual meetings. Following the end of the COVID State of Emergency on February 28, 2023, the Board may either continue or conclude teleconferenced meetings.

General Counsel Summers discussed that meetings may return in person starting March 8th, continue remotely through June 30th and begin in-person on July 12th, or continue remotely through December 2023 and begin in-person on January 10th, 2024, under AB 361.

Director Davila (South Gate) suggested to start in-person meetings.

Vice Chair Jose Gonzalez (Cudahy) inquired on if subsequent meetings have the option to be via Zoom, should the in-person motion be adopted. General Counsel Summers replied that meetings must be held in-person following the motion to do so, however options are available for hybrid meetings under AB 361. Executive Director Shen made note of the technical challenges hybrid meetings entail.

Vice Chair Gonzalez (Cudahy) inquired on the allowance of hybrid attendance for Board members. General Counsel Summers replied that meetings do have a legal requirement to be hybrid. Vice Chair Gonzalez recommended meetings be held at a City Hall location that may accommodate hybrid meetings.

Director Quintero (Airport Authority) recommended the use of hybrid meetings.

Executive Director Shen recommended three options of hybrid meetings beginning March 8th, July 12th, or January 10th, 2024, with the location to be directed by the Board.

Director Davila (South Gate) motioned to begin hybrid meetings on March 8th, 2023. Vice Chair Gonzalez (Cudahy) seconded the motion.

Executive Director Shen noted that the Board should clearly direct the meeting location, with the default location being the 2nd floor of the Gateway Cities COG. Director Quintero (Airport Authority) inquired if they will be charged by the COG for the use of meeting space. Executive Director Shen replied that staff will work with Gateway City COG to use the conference at no cost through June with the understanding that Eco-Rapid Transit will begin paying monthly rent to use the Gateway Cities COG office and paying hourly for using the 2nd floor conference room. These costs will be presented to the Board for consideration as part of the Fiscal Year 2023/2024 budget.

Vice Chair Gonzalez (Cudahy) asked if the meeting room of Gateway COG is prepared for hybrid meetings and offered a hybrid space in Cudahy. Executive Director Shen will confirm with Gateway COG staff on the status of the meeting room. Treasurer Isabel Aguayo (Paramount) stated that the Gateway COG's meeting room may not be completed in its renovation.

Director Davila (South Gate) and Director Barrows (Cerritos) informed the Board of the possibility of hosting meetings in their respective locations.

No additional questions were raised by the Board and the public. The Board instructed staff to conduct the Board meeting in hybrid format effectively on March 8, 2023. The in-person meeting location to be held on the 2nd floor of Gateway Cities COG Building unless otherwise specified. A Zoom link will be posted on the meeting agenda.

The item is received and filed.

ITEM 7 – RESOLUTION 2023-02 OF THE ECO-RAPID TRANSIT AUTHORITY BOARD OF DIRECTORS IN SUPPORT OF METRO’S WEST SANTA BRANCH (WSAB) PROJECT

Recommended Action: Adopt Resolution 2023-02 In support of Metro’s West Santa Ana Branch (WSAB) Project

No written public comments were received prior to the meeting. No additional public comments were received during the meeting.

Executive Director Shen noted the mislabeling of Items 7 and 8 in the agenda report. The meeting proceeded with Item 7 as the Resolution of 2023-02 in support of Metro’s West Santa Ana Branch (WSAB) Project. He proceeded with his report and recommendation.

The adoption of Resolution 2023-02 would send a strong message to all agency partners and stakeholders of a unified desire to move forward with the project, as it would benefit the ten member-cities and surrounding communities.

MOTION: Director Quintero (Airport Authority) moved to approve adopt Resolution 2023-02. Director Macias (Huntington Park) seconded the motion. The item was approved unanimously by roll call vote.

ITEM 8 – MEMORANDUM OF UNDERSTANDING BETWEEN ECO-RAPID TRANSIT AUTHORITY AND THE CITY OF SOUTH GATE REGARDING FINANCIAL SERVICES

Recommended Action: Authorize Executive Director to complete negotiating and finalizing a Memorandum of Understanding with the City of South Gate on the transfer of financial services. Direct Executive Director to present the final MOU for approval at the February 8, 2023 Board of Directors meeting

No written public comments were received prior to the meeting. No additional public comments were received during the meeting.

Executive Director Shen provided a report and recommendation. Staff recommended that the Board authorize Executive Director Shen to complete a Memorandum of Understanding with the City of South Gate on the transfer of financial services. The final MOU to be presented and approved at the February 8, 2023 meeting. Following the City of Bellflower, the City of Artesia has been providing contract financial services to Eco-Rapid Transit (ERT) since 2019. ERT appreciates the City of South Gate’s productive communication and collaboration. MOU expected to be executed by ERT and South Gate mid-February. ERT Accounting Manager Toni Penn will continue providing accounting and auditing services in the meanwhile.

Chair Taj also offered thanks to the City of South Gate for their working with Eco-Rapid Transit.

MOTION: Director Macias (Huntington Park) moved to approve staff recommendation and direct Executive Director to complete negotiating the MOU with the City of South Gate. Director Davila (South Gate) seconded the motion. The item was approved unanimously by roll call vote.

ITEM 9 – BUDGET: FY2022/23 MID-YEAR UPDATE AND FY2023/24 PREPARATION
Recommended Action: Approve the four officers to be legal signatory and authorize Executive Staff to have access of the Bank Account with the Bank of the West

No written public comments were received prior to the meeting. No additional public comments were received during the meeting.

Executive Director Shen provided an update on the Fiscal Year 2022/23 midyear budget and discussed short-term options to cover operating expenses until the end of the fiscal year. Staff also sought policy direction of the FY2023/24 budget preparation.

In written reports of budget tracking, Eco-Rapid Transit experienced negative cash flow 9 out of the last 42 months. Positive bank balance was retained prior to November 2022 through reimbursements and advanced membership dues. All dues for FY2023/24 have been received. Reimbursements from granting agencies will not be sufficient to maintain operating expenses through June 30, 2023.

Executive Director Shen highlighted the importance of resolving the immediate financial issues, refining internal processes, completing delayed audits, and containing expenditures. He acknowledged the work of Accounting Manager Toni Penn, Administrative Services Manager Kathryn Morrison, and General Counsel Matthew Summers and his associate Thais Alves.

Executive Director Shen presented the following cash infusion options. First, a last resort “Line of Credit” option that would be insufficient in sustaining the monthly basic operating costs. The revolving loans also have a high interest rate. Second option to seek loans from member cities with an agreeance to a paydown schedule. Loans to be separate from membership dues. Third option for all members to contribute a one-time cash infusion due to underestimated past expenses and costs.

Executive Director Shen opened the meeting to comments and questions.

Director Davila (South Gate) asked for clarification on the loan option from member cities. Executive Director Shen provided that capable member cities would be lenders to Eco-Rapid Transit. Director Davila motioned the issue to be further discussed with City Managers for clarification. Mr. Shen clarified that the issue was not set for a motion but for discussion purposes.

Director Barrows (Cerritos) noted the importance of working with respective City Managers given the unique financial circumstances of each member city.

Director Macias (Huntington Park) emphasized the remarks of Directors Davila and Barrows and recommended the elimination of Board member’s stipends.

Director Quintero (Airport Authority) also recommended the termination of Board member stipends to aid the financial deficits faced by ERT.

Executive Director Shen brought to attention the past underestimation of operating expenses of ERT, in addition to cash flow issues as outlined in the written report. He reminded the Board of the importance of proper cash flow to maintain the grant funded projects and emphasized there will be insufficient funds to pay checks to be approved on February 8th.

Executive Director Shen further sought policy direction from the Board regarding the preparation of the FY2023/24 budget. First, he inquired the Board if additional parameters shall be added to the methodology of the preparation, based on proportional contribution based on 2010 Census population, track miles, and stations. He noted the possible budget changes for certain cities given the changes in population, should 2020 Census data begin to be used.

He also sought policy direction of the valuation of each parameter such as population, track miles, and stations.

He lastly sought policy direction on the categorical examination of basic functions and associated costs to provide an overall budget that adequately covers anticipated expenses. This would entail exploring fixed price accounting, legal, and administrative services, rather than time-based contract agreements.

Executive Director Shen recommended forming an ad hoc budget committee to discuss options to overcome the immediate cash flow issues.

Director Quintero (Airport Authority) commented on the value that a subcommittee could bring in aiding the financial issues faced by ERT.

Director Davila (South Gate) motioned to have the involvement of City Managers with the issue to keep the agency moving forward.

Executive Director Shen brought forth the importance of an ad hoc subcommittee. Chair Taj inquired the Board for volunteers for the subcommittee. Director Davila (South Gate), Director Quintero (Airport Authority), Director Macias (Huntington Park), and Chair Taj (recommended by General Counsel Summers) volunteered to be on the subcommittee.

Director Barrows (Cerritos) brought to attention the previous motion made by Director Davila (South Gate) to have Executive Director Shen work with City Managers. General Counsel Summers stated that there is no need for a formal vote. Director Barrows asked if the meeting will be held with the City Managers' Steering Committee. Executive Director Shen clarified that he will be in communication with the City Manager Technical Advisory Committee.

Director Davila (South Gate) rescinded the previous motion.

General Counsel Summers provided final clarification of the Item. The item is complete by consensus. An ad hoc budget committee of Directors Davila, Quintero, Macias, and Chair Taj was formed to provide clear recommendations at the February 8 meeting.

No additional questions were raised by the Board and the public. The item is received and filed.

ITEM 10 – AUTHORIZATION OF SIGNATORY ON THE BANK ACCOUNT

No written public comments were received prior to the meeting. No additional public comments were received during the meeting.

Executive Director Shen provided a report and recommendation.

Staff recommended to the Board to approve the four executive officers to be legal signatory and authorize certain staff to have access to the bank account with Bank of the West. Three of the five Board appointees previously given access to ERT's bank account no longer serve on the Board. None of the currently serving officers have been added to the bank record. Action to formally designate representatives by the Board was necessary. It was recommended that the Chair, Vice Chair, Treasurer, and the Secretary of the Board as well as the Executive Director, Administrative Services Manager, and Accounting Manager be given access to the bank account. Chair Taj, Vice Chair Gonzalez, Treasurer Aguayo, Secretary Cortez, Executive Director Shen, Administrative Services Manager Morrison, and Accounting Manager Penn will be given access to the bank account until the new Board Executive Officers are installed for FY2023/2024.

MOTION: Director Quintero (Airport Authority) moved to approve the Item. Director Macias (Huntington Park) seconded the motion. The item was approved by majority by roll call vote with Director Burrows (Cerritos) voted Nay.

ITEM 11 – EXECUTIVE DIRECTOR'S VERBAL REPORT

Executive Director Shen reminded the Board to file Form 700 as required in Political Reform Act. Staff will coordinate filing with City Clerks and update contact information.

Operationally, staff is planning to migrate email server Microsoft 365 environment and redesign ERT's website in the weeks ahead.

He acknowledged ERT's working with Mr. Luke Klipp and Ms. Viviana Gomez of Supervisor Hahn's office to formalize the County's participation in the Eco-Rapid Transit Board of Directors.

ITEM 12 – CHAIR'S COMMENTS

Chair Taj also acknowledged the work of Mr. Klipp and Ms. Gomez of Supervisor Hahn's office and looks forward to future work together.

He also offered sympathies to those affected by the shootings of Monterey Park and Half Moon Bay.

ITEM 13 – ANNOUNCEMENTS/BOARD OF DIRECTORS COMMENTS

Director Macias (Huntington Park) offered a happy new year to the Board and thanked Executive Director Shen and Ms. Morrison for their work.

Executive Director Shen reminded the Board that the next meeting to be held remotely on February 8 at 6:30 pm Pacific Standard Time. He is committed to working with City Managers in preparation for the next meeting. He also thanked ERT's partners and General Counsel Summers.


ITEM 14 - ADJOURNMENT

The Board Meeting was adjourned at 8:33 pm Pacific Standard Time.

Attest:


Secretary

Approved:

DocuSigned by:

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Chair
Ali Sajjad Taj