



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the

Board of Harbor Commissioners

DATE: DECEMBER 14, 2017

FROM: EXECUTIVE OFFICE

**SUBJECT: RESOLUTION NO. _____ APPROVAL OF 2018
ALAMEDA CORRIDOR TRANSPORTATION AUTHORITY
OPERATIONS AND MAINTENANCE BUDGET**

SUMMARY:

Staff requests the Board of Harbor Commissioners adopt a Resolution approving and providing mutual agreement to the 2018 Alameda Corridor Operations and Maintenance budget, in the amount of \$11,719,796. The source of funds for this budget will be from the two railroads operating on the Alameda Corridor and from the Alameda Corridor Transportation Authority (ACTA) Reserve Account. There is no financial responsibility on the part of the Harbor Department to fund the proposed action.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f) of the Los Angeles City CEQA Guidelines as determined by the Director of Environmental Management;
2. Approve and provide Mutual Agreement for the 2018 Alameda Corridor Operations and Maintenance Budget in the amount of \$11,719,796.
3. Direct the Executive Director to transmit this Resolution to Alameda Corridor Transportation Authority for further action pursuant to the Amended and Restated Alameda Corridor Use and Operating Agreement; and
4. Adopt Resolution No. _____.

DISCUSSION:

The Amended and Restated Use and Operating Agreement (UOA), dated as of December 15, 2016, requires that the Ports of Los Angeles and Long Beach (Ports) and Railroads through Mutual Agreement approve an Annual Operations and Maintenance Budget prior to January 1 of each year.

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SUBJECT: ALAMEDA CORRIDOR MAINTENANCE AND OPERATIONS BUDGETS

On October 17, 2017, staff representatives from the Ports, Railroads, and Alameda Corridor Transportation Authority (ACTA) met to review the proposed 2018 Alameda Corridor Operations and Maintenance Budget. Minor revisions to various maintenance and capital budget items were discussed and it was agreed that the 2018 Budget would be presented to the Ports and Railroads for approval, in compliance with the requirements of the Amended and Restated UOA. ACTA's November 15, 2017 Notice of Mutual Agreement (NMA 2017-6) is attached as Transmittal No. 1 for reference.

The Alameda Corridor 2018 Operations and Maintenance (O&M) Budget in the amount of \$11,719,796 (Transmittal No. 2) includes funding in the amount of \$7,079,739 for Maintenance of Way (MOW) and for capital and Special Capital project expenditures (Transmittals 3 and 4) funding in the amount of \$4,440,057 for Corridor Operating and other MOW costs, and a \$200,000 contingency for unbudgeted, under-budgeted, or unplanned emergency work.

The initial 2017 Alameda Corridor O&M Budget was \$10,882,432. The 2018 budget represents an increase of 7.7% over the 2017 budget. The primary drivers of this increase are added costs for labor due to salary increases; increased maintenance costs for added signal maintenance, clean-up, security, fence repair and underwater bridge inspection. In addition, the capital cost part of the budget increased over 8% as the capital needs can vary dramatically from year to year due to replacement needs.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of the 2018 Alameda Corridor and O&M Budget. As an administrative activity, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA), under Article II, Section 2(f) of the City of Los Angeles CEQA Guidelines.

FINANCIAL IMPACT:

Approval of this proposed Board item is not expected to have a financial impact on the Harbor Department. The funds for this modification are provided by the Railroads and the ACTA Reserve Account. The Reserve Account is funded by fees collected from the Railroads. No Harbor Department funds are required.

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SUBJECT: ALAMEDA CORRIDOR MAINTENANCE AND OPERATIONS BUDGETS

CITY ATTORNEY:

The Office of the City Attorney has reviewed this Board Report and has determined there are no legal issues at this time.

TRANSMITTALS:

1. Notice of Mutual Agreement No. 2017-6
2. 2018 O&M Budget
3. 2018 Special Capital Items
4. 2018 MOW Budget and Detail





ANTONIO V. GIOIELLO, P.E.
Deputy Executive Director

APPROVED:



EUGENE D. SEROKA
Executive Director

Author: Daniel Samaro

FIS Approval:  (initials)
CA Approval:  (initials)