



SACRAMENTO REGIONAL TRANSIT DISTRICT OFFICE OF THE CHIEF COUNSEL MID-YEAR REPORT—FY17-18

About the Office of the Chief Counsel (“OCC”): The Chief Counsel, legal advisor to the District, is responsible for: management of SacRT’s legal services; advising on matters of corporate governance, business and public policy; serving as counsel to the Board or Directors; and development and implementation of strategies to assist in the resolution of legal, personnel, and business issues to further SacRT’s goals. I oversee a **Legal Department** of 3 attorneys and 3 support staff members. Additionally, in 2014, the OCC became responsible for overseeing the **Risk Management Department**. Risk Management, with a staff of 5, is responsible for SacRT’s insurance program, third party claims, worker’s compensation, property damage recovery, and enterprise risk management. The OCC prides itself on leadership, critical thinking, sound judgment and high ethical standards. It continues to be a pleasure to manage such an efficient, effective and diverse staff.

Message from the Chief Counsel: A belated Happy New Year—I hope your holidays were great. **A look back...**Streetcar governance, real estate, FMLA and litigation were at the forefront during the first half of FY18. Due to the departure of our litigation attorney in May 2017, and in an attempt to find



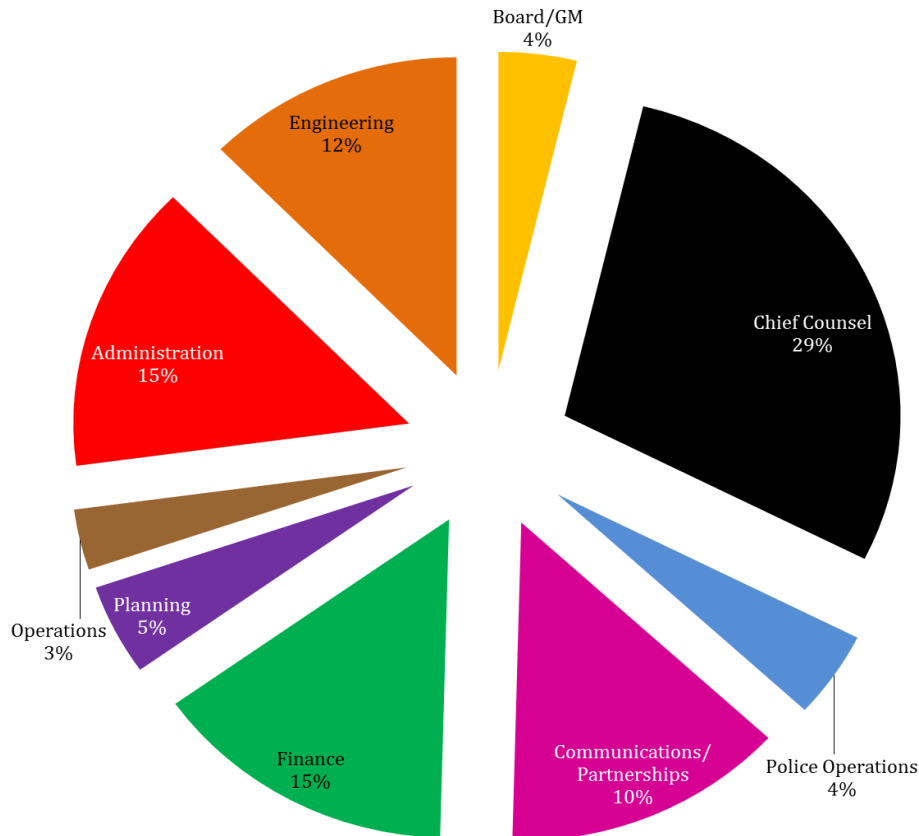
some labor budget savings, I took a more active role in litigation of high exposure cases in the first half of FY18. Real property transactions have been occupying much of my transactional attorneys’ time — including 65th Street, Arden/Evergreen, Power Inn, and Cemo Circle. On the partnership-building front, in December 2017, I was elected to a second term as Board Chair for the Sacramento Black Chamber of Commerce and gave the keynote address at the annual luncheon. **A look ahead...**Streetcar governance will figure prominently in the

back half of FY18, as will a number of new real estate transactions. I will moderate a panel at the American Public Transportation Association’s Legal Affairs Conference in February. At the office level, it will be a year of new faces and new opportunities — our Sr. Paralegal, Kathy Lonergan, plans to retire in March 2018 and she will be replaced by our Legal Secretary, Shari Hartland, who completed her Paralegal training in October. We will hire a litigator to replace Melissa Bickel (who departed last year for the Sacramento City Attorney’s Office), Melissa Noble will receive a well-deserved promotion to Senior Attorney, a new Legal Secretary will be hired to replace Shari, and we will hire a Risk Administrator to backfill a retirement and may hire a Senior Risk Analyst. I look forward to providing you with a comprehensive year-end report in advance of my performance evaluation this Summer.

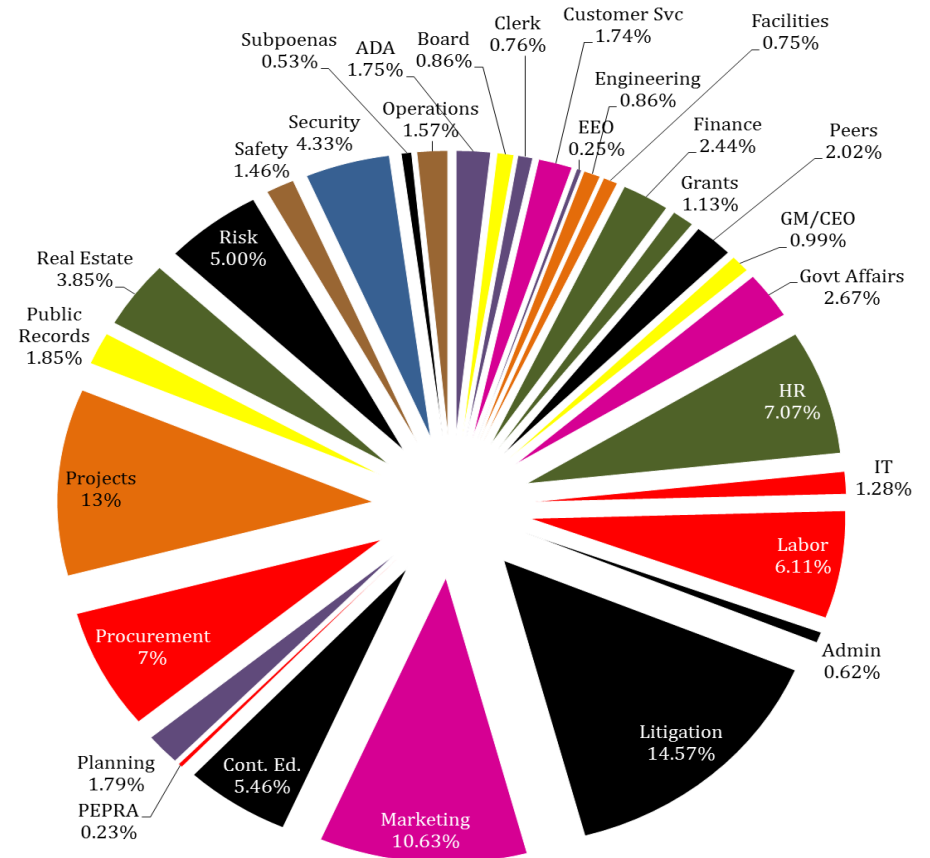
SacRT’s 12 Initiatives: (1) Operator Attendance Control; (2) Route Optimization Study; (3) Paratransit Business Model; (4) IT Modernization; (5) Security; (6) Safety; (7) Strategic Communications; (8) Employee and Labor Relations; (9) Organizational Excellence/Culture Change; (10) Campus Master Plan; (11) Transit Oriented Development; and (12) Fiscal Sustainability and Business Process Optimization.

CHIEF COUNSEL - AT A GLANCE

Legal Activity - By Division - MidYear FY18



Legal Activity - By Subject Area - MidYear FY18



About the Charts: The SacRT e-mail system can automatically place incoming e-mail into specific categories as it enters the in-box. Using this system, I am able to track my incoming messages (approximately 1,500 actionable messages each month) to see the percentage of legal activity by division and subject matter. Given the efficiency of my staff, I am able to spend more time managing projects, instead of managing people, and can devote significant hours to substantive issues. The relatively large percentages of activity in “Projects” and “Litigation” represent time spent on Streetcar issues, the City/SacRT maintenance and operations agreement, and high-exposure tort litigation, respectively. Procurement, Labor, and Human Resources provide a steady stream of work for most transit agency counsel and SacRT is no exception. “Marketing” encompasses legal advice provided for government affairs, (including working on the proposed Enabling Act legislation) and the time I spend in partnership building with my roles on the Sacramento Black Chamber of Commerce, R Street Partnership, organizing events (Rail to Ale) and attending community events as a representative of SacRT.

LEGAL DEPARTMENT - AT A GLANCE

Providing Legal Support for the 12 Initiatives: As SacRT moves aggressively forward with its 12 Initiatives, the Legal Department is keeping pace with the demand. Highlights include: **Attendance Control:** provided key input to the FMLA standard operating procedure—a process that must function well for attendance control to work; **Route Optimization:** worked on the RFP for the ROS and drafted the ROS contract with Walker & Associates; **Paratransit Business Model:** drafted the new Paratransit Service Agreement and Paratransit Lease Agreement to close this initiative; **IT Modernization:** worked on the mobile app and Connect Card agreements; **Security:** we drafted contracts for: the Watt/80 elevator repair, gate installation, Watt/I-80 master plan consultant, Police Services agreements with City and County law enforcement, and advised regarding SOC personnel, transit officers, juvenile fare evasion and E Citations; **Safety:** reviewed CPUC reports, brokered a resolution of neighboring building water intrusion issues, drafted LRV emergency repair contract; **Strategic Communications:** worked extensively with FTA on Streetcar, worked on 16th Street Station Improvements, drafted Citrus Heights Service Agreement, worked on Enabling Act legislation and Jackson Township Project; **Employee and Labor Relations:** amended and restated retirement plans for all labor/employee groups, provided FMLA advice; **Organizational Excellence:** advised the Job Evaluation Team, worked on procurement process improvement; **Campus Master Plan:** provided the legal framework and assisted with preparation of RFP and review of responses; **TOD:** drafted agreements for real estate deals at Cemo Circle, 65th Street Station, Power Inn Station, and Arden; **Fiscal Sustainability/Process Improvement:** worked on Line of Credit and bond defeasance;

Challenges Ahead: In the remainder of the Fiscal Year we will providing legal support for: FTA Triennial Audit, Del Rio Trail Project, completing negotiations for 65th Street, Power Inn, Cemo Circle, Arden, and assisting with the Evergreen surplus property process. We will complete the Streetcar governance documents, work with Electrify America, continue assisting with Bike Share and Connect Card agreements, amend the Procurement Ordinance, and provide legal support for new SacRT business.



From Left: Olga Sanchez-Ochoa (Deputy Chief Counsel), Kathy Lonergan (Sr. Paralegal), Shari Hartland (Legal Secretary), Melissa Noble (Attorney III), Tim Spangler (Chief Counsel), Jordan Catalano (Law Clerk), Matt Pinkerton (Auditor)*, and Leslyn Syren (Contract Attorney) *Matt is part of Planning/Accountability, but shares space with Legal

Legal By The Numbers:

- ✓ Drafted or Reviewed **50** Board-Approved Contracts
- ✓ Drafted or Reviewed **130** GM-Approved Contracts
- ✓ Reviewed **20** ITBs/RFPs/RFQs
- ✓ Reviewed **40** Accident Reports to CPUC
- ✓ Obtained **2** Restraining Orders on behalf of Employees
- ✓ Handled **27** Public Records Act Requests
- ✓ Successfully Resolved **9** Lawsuits
- ✓ Drafted **4** Purchase and Sale Agreements and Multiple Easements

RISK DEPARTMENT - AT A GLANCE

The Fiscal Year So Far: Third Party Claims: general liability claims continue to be filed on pace with past averages (around 15 claims a month). However, Risk has been getting claims resolved more quickly, with a current inventory of 124 claims versus 152 in FY16-17. **Subrogation:** Risk aggressively pursues recovery for damage to SacRT property by third parties. So far, 27 claims have been opened and \$33,805 has been collected. Steady progress is being made toward collecting for catastrophic damage to Folsom Line rail infrastructure in December 2016 — Risk has now submitted a reimbursement claim for nearly \$900,000. **OCIP:** the Owner Controlled Insurance Program, initiated in connection with the Blue Line Extension, carefully managed by Risk, is winding down and has been a success. Out of an initial SacRT funding obligation of \$1,650,000 for potential losses, incurred losses are currently at \$421,177, with only 1 case outstanding. The insurer has released \$544,094 back to SacRT as a result. **Worker's Compensation:** after filing a vacancy in the department in October, our new analyst has been working closely with our Third Party Administrator to manage pending claims. Risk is also working to expand the number of "light duty" positions, which will assist in reducing wage replacement payments and will provide much-needed assistance to various SacRT departments.

Challenges Ahead: Insurance Program—Starting last month and for the next several months, Risk staff will focus on the annual renewal of SacRT's insurance program. Due to the number of catastrophic losses nationwide resulting from storms and fires, we are expecting a tough insurance market. **Enterprise Risk Management**—in an attempt to take a more proactive approach to claims and exposures, Risk is developing its ability to gather data, analyze exposures, trends and outcomes to make SacRT even safer. Risk is actively involved with the Bus Safety Committee and Light Rail Safety efforts and, beginning this month, will meet monthly with Safety to discuss trends, analyze results and engage in proactive risk management.

Risk By the Numbers:

- √ 99 New Tort Claims Received
- √ 119 Tort Claims Closed
- √ 48 Tort Claims Closed with No Payment
- √ YTD Subrogation Recovery at **\$37,000**
- √ 93 Worker's Compensation Claims Opened
- √ 45 Worker's Compensation Claims Closed
- √ 528 Accident/Incident Video Downloads
- √ Responded to 52 Requests for Contract Insurance Specifications



From Left: Alan Beltramo (Acting Risk Administrator), Mike Seo (Risk Analyst II), Paula Christy (Temporary Risk Analyst), Luis Fernandez (Risk Analyst II), Tim Spangler (Chief Counsel), and Corina DelaTorre (Risk Clerk)