



AGENDA

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

SPECIAL BOARD MEETING RECOVERY PLAN BOARD OF DIRECTORS

MTA Headquarters - 3rd Floor - Board Room
One Gateway Plaza, Los Angeles

Wednesday, June 4, 1997 - 11:30 AM

Call to order:

Directors

Larry Zarian, Chair
Richard Riordan, First Vice Chair
Yvonne Brathwaite Burke, Second Vice Chair
Richard Alatorre
Michael Antonovich
James Cragin
Don Knabe
John Fasana
Gloria Molina
Jenny Oropeza
Carol Schatz
Mel Wilson
Zev Yaroslavsky
Dean Dunphy, Ex Officio

Alternates:

Jan Heidt
Hal Bernson
Michael Bohlke
Nate Holden
Nick Patsouras
George Nakano
Robert Arthur
Beatrice La Pisto-Kirtley
Vivien Bonzo
Joyce Lawrence
Richard Alarcon
Jackie Goldberg
Robert Abernethy

Interim Chief Executive Officer - Linda Bohlinger
Interim Board Secretary - Michele Jackson
Inspector General - Arthur Sinai
General Counsel - County Counsel

METROPOLITAN TRANSPORTATION AUTHORITY BOARD RULES (ALSO APPLIES TO BOARD COMMITTEES)

PUBLIC INPUT

The meetings of the Metropolitan Transportation Authority Board are open to the public. A member of the public may address the Board on the subject of one or more agenda items and/or other items of interest which are within the subject matter jurisdiction of the Metropolitan Transportation Authority. The total presentation for any combination of agenda items and non-agenda items addressed shall not exceed two minutes in length. A request to address the Board must be submitted in person to the Board Secretary.

All Public Comment will be heard at the beginning of each meeting. Each individual will have the opportunity to speak only once at the time Public Comment is heard and should include all comments for all items. The Public Comment period will last thirty minutes maximum in length. Speakers will be called up according to the order in which the speaker request forms are received until the thirty minute period has been reached. The Chair may limit the public input on any item or the total amount of time allocated for public testimony based on the number of people requesting to speak and the business of the Board. If you are a party to a specific item, you will be called upon to speak at the time that issue is being considered.

In accordance with Government Code Section 54954.3(a) the Chair may from time to time dispense with public comment on items previously considered by a committee composed exclusively of Board members. (Does not apply to Committee meetings).

In accordance with State Law (Brown Act), all matters to be acted on by the MTA Board must be posted at least 72 hours prior to the Board meeting. In case of emergency, when a subject matter arises subsequent to the posting of the agenda, upon making certain findings the Board may act on an item that is not on the posted agenda.

CONDUCT IN THE BOARD ROOM The following rule pertains to conduct at Metropolitan Transportation Authority meetings:

REMOVAL FROM THE BOARD ROOM The Chair shall order removed from the Board Room any person who commits the following acts with respect to a regular or special meeting of the MTA Board:

Disorderly behavior toward the Board or any member of the staff thereof, tending to interrupt the due and orderly course of said meeting.

A breach of the peace, boisterous conduct or violent disturbance, tending to interrupt the due and orderly course of said meeting.

Disobedience of any lawful order of the Chair, which shall include an order to be seated or to refrain from addressing the Board; and

Any other unlawful interference with the due and orderly course of said meeting.

INFORMATION RELATING TO AGENDAS AND ACTIONS OF THE BOARD

Agendas for the Regular MTA Board meetings are prepared by the Board Secretary and are available prior to the meeting. Agendas are available electronically and may be accessed by a personal computer through a phone modem. A supplemental agenda that includes corrections, additions or deletions to the agenda is available 24 hours prior to the meeting. The supplemental agenda is also available electronically.

Every meeting of the MTA Board of Directors is recorded on cassette tapes, and duplicate tapes are available for a nominal charge. A Spanish language translator is available at all Board Meetings. Translators for other languages must be requested 72 hours in advance.

After each Board meeting, a record is prepared which indicates the actions taken by the Board. This record is available on the second business day following the meeting.

DISCLOSURE OF CONTRIBUTIONS

The State Political Reform Act (Government Code Section 84308) requires that a party to a proceeding before an agency involving a license, permit, or other entitlement for us including all contracts (other than competitively bid, labor, or personal employment contracts), shall disclose on the record of the proceeding any contributions in an amount more than \$250 made within the preceding 12 months by the party, or his or her agent, to any officer of the agency. Persons required to make this disclosure shall do so by filling out a "Disclosure of Contribution" form which is available at the LACMTA Board Meeting and its committee meetings. Failure to comply with this requirement may result in the assessment of civil or criminal penalties.

ADA REQUIREMENTS

A cordless microphone is available for those persons with mobility impairments who cannot access the public speaking area. A wheelchair ramp can be provided by giving notice at least three business days in advance of the meeting. Sign language interpreter services are also available by giving notice at least three business days in advance of the meeting. Please telephone (213) 922-4600 between 8 a.m. and 5 p.m., Monday through Friday. Our TDD line is (800)252-9040.

HELPFUL PHONE NUMBERS

Copies of Agendas/Record of Board Action/Cassette Tapes of Meetings - (213) 922-2335

General Information/Rules of the Board - (213) 922-4600

Computer Access to Agendas - (213) 244-6040

TDD line (800) 252-9040

NOTE: ACTION MAY BE TAKEN ON ANY ITEM IDENTIFIED ON THE AGENDA.

1. Public Comment

2. Consider adoption of staff recommended Recovery Plan Option 1 (as described in the Board report and its attachments) for submittal to the Federal Transit Administration (FTA) and the California Transportation Commission (CTC). Option 1 includes:
 - A. changing financial assumptions for the MTA Recovery Plan and the Long Range Transportation Plan to include the discounting of estimated sales tax growth rates by 25% and the creation of 1% Program Reserves;
 - B. establishing Program Reserves, which include Forecast, Capital, and Operating Reserves;
 - C. identifying and implementing needed agency-wide efficiencies that would help manage and eliminate the structural deficit in the MTA annual budget;
 - D. providing the funding needed to continue the MTA's policy of improving bus service in Los Angeles County as the MTA's highest priority, including meeting Consent Decree provisions; and
 - E. providing the funding needed to complete construction and operate the North Hollywood, East Side, and Mid-City Extensions of the Metro Rail Red Line Segment 3 Project and the Pasadena Blue Line.

3. Consider items not on the posted agenda, including:
 - A. Items to be presented and (if requested) referred to staff;
 - B. Items to be placed on the agenda for action at a future meeting of the Board;
 - C. Items requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Board subsequent to the posting of the agenda.

ADJOURNMENT



REVISED AGENDA

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

SPECIAL BOARD MEETING RECOVERY PLAN BOARD OF DIRECTORS

MTA Headquarters - 3rd Floor - Board Room
One Gateway Plaza, Los Angeles

Wednesday, June 4, 1997 - 11:30 AM

Call to order:

Directors

Larry Zarian, Chair
Richard Riordan, First Vice Chair
Yvonne Brathwaite Burke, Second Vice Chair
Richard Alatorre
Michael Antonovich
James Cragin
Don Knabe
John Fasana
Gloria Molina
Jenny Oropeza
Carol Schatz
Mel Wilson
Zev Yaroslavsky
Dean Dunphy, Ex Officio

Alternates:

Jan Heidt
Hal Bernson
Michael Bohlke
Nate Holden
Nick Patsouras
George Nakano
Robert Arthur
Beatrice La Pisto-Kirtley
Vivien Bonzo
Joyce Lawrence
Richard Alarcon
Jackie Goldberg
Robert Abernethy

Interim Chief Executive Officer - Linda Bohlinger
Interim Board Secretary - Michele Jackson
Inspector General - Arthur Sinai
General Counsel - County Counsel

METROPOLITAN TRANSPORTATION AUTHORITY BOARD RULES (ALSO APPLIES TO BOARD COMMITTEES)

PUBLIC INPUT

The meetings of the Metropolitan Transportation Authority Board are open to the public. A member of the public may address the Board on the subject of one or more agenda items and/or other items of interest which are within the subject matter jurisdiction of the Metropolitan Transportation Authority. The total presentation for any combination of agenda items and non-agenda items addressed shall not exceed two minutes in length. A request to address the Board must be submitted in person to the Board Secretary.

All Public Comment will be heard at the beginning of each meeting. Each individual will have the opportunity to speak only once at the time Public Comment is heard and should include all comments for all items. The Public Comment period will last thirty minutes maximum in length. Speakers will be called up according to the order in which the speaker request forms are received until the thirty minute period has been reached. The Chair may limit the public input on any item or the total amount of time allocated for public testimony based on the number of people requesting to speak and the business of the Board. If you are a party to a specific item, you will be called upon to speak at the time that issue is being considered.

In accordance with Government Code Section 54954.3(a) the Chair may from time to time dispense with public comment on items previously considered by a committee composed exclusively of Board members. (Does not apply to Committee meetings).

In accordance with State Law (Brown Act), all matters to be acted on by the MTA Board must be posted at least 72 hours prior to the Board meeting. In case of emergency, or when a subject matter arises subsequent to the posting of the agenda, upon making certain findings the Board may act on an item that is not on the posted agenda.

CONDUCT IN THE BOARD ROOM The following rule pertains to conduct at Metropolitan Transportation Authority meetings:

REMOVAL FROM THE BOARD ROOM The Chair shall order removed from the Board Room any person who commits the following acts with respect to a regular or special meeting of the MTA Board:

Disorderly behavior toward the Board or any member of the staff thereof, tending to interrupt the due and orderly course of said meeting.

A breach of the peace, boisterous conduct or violent disturbance, tending to interrupt the due and orderly course of said meeting.

Disobedience of any lawful order of the Chair, which shall include an order to be seated or to refrain from addressing the Board; and

Any other unlawful interference with the due and orderly course of said meeting.

INFORMATION RELATING TO AGENDAS AND ACTIONS OF THE BOARD

Agendas for the Regular MTA Board meetings are prepared by the Board Secretary and are available prior to the meeting. Agendas are available electronically and may be accessed by a personal computer through a phone modem. A supplemental agenda that includes corrections, additions or deletions to the agenda is available 24 hours prior to the meeting. The supplemental agenda is also available electronically.

Every meeting of the MTA Board of Directors is recorded on cassette tapes, and duplicate tapes are available for a nominal charge. A Spanish language translator is available at all Board Meetings. Translators for other languages must be requested 72 hours in advance.

After each Board meeting, a record is prepared which indicates the actions taken by the Board. This record is available on the second business day following the meeting.

DISCLOSURE OF CONTRIBUTIONS

The State Political Reform Act (Government Code Section 84308) requires that a party to a proceeding before an agency involving a license, permit, or other entitlement for use, including all contracts (other than competitively bid, labor, or personal employment contracts), shall disclose on the record of the proceeding any contributions in an amount of more than \$250 made within the preceding 12 months by the party, or his or her agent, to any officer of the agency. Persons required to make this disclosure shall do so by filling out a "Disclosure of Contribution" form which is available at the LACMTA Board Meeting and its committee meetings. Failure to comply with this requirement may result in the assessment of civil or criminal penalties.

ADA REQUIREMENTS

A cordless microphone is available for those persons with mobility impairments who cannot access the public speaking area. A wheelchair ramp can be provided by giving notice at least three business days in advance of the meeting. Sign language interpreter services are also available by giving notice at least three business days in advance of the meeting. Please telephone (213) 922-4600 between 8 a.m. and 5 p.m., Monday through Friday. Our TDD line is (800)252-9040.

HELPFUL PHONE NUMBERS

Copies of Agendas/Record of Board Action/Cassette Tapes of Meetings - (213) 922-2335

General Information/Rules of the Board - (213) 922-4600

Computer Access to Agendas - (213) 244-6040

TDD line (800) 252-9040

NOTE: ACTION MAY BE TAKEN ON ANY ITEM IDENTIFIED ON THE AGENDA.

1. Public Comment

2. Consider adoption of staff recommended Recovery Plan Option 1 (as described in the Board report and its attachments) for submittal to the Federal Transit Administration (FTA) and the California Transportation Commission (CTC). Option 1 includes:
 - A. changing financial assumptions for the MTA Recovery Plan and the Long Range Transportation Plan to include the discounting of estimated sales tax growth rates by 25% and the creation of 1% Program Reserves;
 - B. establishing Program Reserves, which include Forecast, Capital, and Operating Reserves;
 - C. identifying and implementing needed agency-wide efficiencies that would help manage and eliminate the structural deficit in the MTA annual budget;
 - D. providing the funding needed to continue the MTA's policy of improving bus service in Los Angeles County as the MTA's highest priority, including meeting Consent Decree provisions; and
 - E. providing the funding needed to complete construction and operate the North Hollywood, East Side, and Mid-City Extensions of the Metro Rail Red Line Segment 3 Project and the Pasadena Blue Line.

3. Consider report on financial contribution agreement between the City of Los Angeles and the MTA for the Los Angeles Metro Rail Red Line Segment 3 and authorize the Interim Chief Executive Officer to execute the agreement.

4. Consider items not on the posted agenda, including:
 - A. Items to be presented and (if requested) referred to staff;
 - B. Items to be placed on the agenda for action at a future meeting of the Board;
 - C. Items requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Board subsequent to the posting of the agenda.

ADJOURNMENT



MINUTES/PROCEEDINGS

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

SPECIAL BOARD MEETING RECOVERY PLAN BOARD OF DIRECTORS

**MTA Headquarters - 3rd Floor - Board Room
One Gateway Plaza, Los Angeles**

Wednesday, June 4, 1997

Called to order at 12:00 Noon

Directors/ Alternates Present:

Larry Zarian, Chair
Richard Riordan, First Vice Chair/Hal Bernson
Yvonne Brathwaite Burke, Second Vice Chair/Michael Bohlke
Richard Alatorre
Nick Patsaouras
James Cragin/George Nakano
Don Knabe/Robert Arthur
John Fasana
Gloria Molina
Jenny Oropeza/Joyce Lawrence
Carol Schatz
Mel Wilson
Zev Yaroslavsky
Tony Harris, Ex Officio

Interim Chief Executive Officer - Linda Bohlinger
Interim Board Secretary - Michele Jackson
Inspector General - Arthur Sinai
General Counsel - County Counsel

1. **RECEIVED** Public Comment

2. **CONSIDERED** adoption of staff recommended Recovery Plan Option 1 (as described in the Board report and its attachments) for submittal to the Federal Transit Administration (FTA) and the California Transportation Commission (CTC). Option 1 includes:

- A. changing financial assumptions for the MTA Recovery Plan and the Long Range Transportation Plan to include the discounting of estimated sales tax growth rates by 25% and the creation of 1% Program Reserves;
- B. establishing Program Reserves, which include Forecast, Capital, and Operating Reserves;
- C. identifying and implementing needed agency-wide efficiencies that would help manage and eliminate the structural deficit in the MTA annual budget;
- D. providing the funding needed to continue the MTA's policy of improving bus service in Los Angeles County as the MTA's highest priority, including meeting Consent Decree provisions; and
- E. providing the funding needed to complete construction and operate the North Hollywood, East Side, and Mid-City Extensions of the Metro Rail Red Line Segment 3 Project and the Pasadena Blue Line.

Linda Bohlinger commented that Gordon Linton is comfortable with the rail solutions and financial assumptions presented by staff. The outstanding issues are bus efficiencies, the Consent Decree, and the Agreement with the City of L.A.

Jim de la Loza distributed staff's Key Assumptions. Director Yaroslavsky referred to staff's assumption of 5.1% sales tax growth as "optimistic" and Director Molina questioned the \$1.2 billion of "efficiencies". Staff explained that a portion would come from the planned 5% cut in the operating budget (approximately \$41 million) which would be monitored quarterly by the FTA. Also, in the event of a sales tax revenue shortfall, first year reserve funds of \$25 million would be available for use.

Director Wilson suggested that staff seek a greater contribution to the Pasadena Blue Line from cities along the alignment.

Director Alatorre made a **motion**, seconded by Director Fasana, to approve the staff recommendation and include a request that the California delegation and members of the Board meet with Gordon Linton to discuss the requirements the MTA is being asked to meet, which are not placed on any other entity in the country.

Director Riordan then offered an **addendum to the previous motion**, seconded by Director Cragin, regarding programming funds for the timely completion of the East/West Valley Rail Line. The addendum was subsequently **withdrawn** to be agendaized for the full Board meeting.

Director Alatorre then restated his **original motion** to approve the staff recommended Option 1, **without reference to any meeting with Gordon Linton**. The motion was seconded by Director Fasana and **APPROVED** on the following Roll Call Vote:

Ayes: Patsaouras, Alatorre, Bohlke, Cragin, Knabe,
Fasana, Molina, Oropeza, Riordan
Noes: Wilson, Yaroslavsky, Zarian
Abstain: None
Absent: Schatz

3. **CONSIDERED** report on financial contribution agreement between the City of Los Angeles and the MTA for the Los Angeles Metro Rail Red Line Segment 3 and authorizing the Interim Chief Executive Officer to execute the agreement.

Director Riordan made a **motion**, seconded by Director Wilson, to approve the staff recommendation.

In response to Board query regarding the specifics to be negotiated, Ms. Bohlinger explained the three areas: 1) Completion of Mid-Cities environmental studies by 1999; 2) Change reference to East-West Valley Rail Line to East-West Valley Corridor; and 3) Addition of default language containing a 120-day cure period to work out any disagreements before the City could withhold any of its incremental payments.

Director Riordan explained that this contribution is from the City's local return (Props. A & C) money. Linda Bohlinger noted that the \$200 million contribution is in lieu of payment by the City for \$90 million in cost overruns on Segment 2, and is consistent with the Option 1 Recovery Plan.

Director Patsaouras requested **language changes** to delete all references to concurrence by the City of L.A.; and, in Section 5.3 to delete the word "expeditiously". **Staff agreed.**

Director Knabe offered a **substitute motion**, seconded by Director Fasana, to permit the CEO to negotiate and return the agreement to the Board for final approval prior to execution.

Director Riordan reminded the Board that Gordon Linton will not approve the Recovery Plan until the agreement with the City is signed. If the Recovery Plan is not approved today in order to be approved by the FTA next week and forwarded to Congressman Wolfe's Committee, the MTA will not receive a federal allocation.

Director Knabe then **withdrew his substitute motion.**

Gloria Molina noted that there is a potential for loss of funding if MTA fails to meet a milestone, even for reasons beyond its control.

At the request of Director Patsaouras, the original version of the Agreement with the City was provided for comparison with the version under consideration.

Director Molina requested protective language that would allow for payments from the City of L.A. if milestones are missed for reasons outside the control of the MTA. She made a **motion**, seconded by Director Bohlke, to add language such as "within the control of the MTA" with regard to meeting the milestones enumerated in Section 5.3 and to delete "Congressional submission of" before earmarking in Section 5.4.

Chairman Zarian **appointed** the following Board Members as a **committee** to finalize contract language for the agreement with the City of L.A.: Directors Molina, Knabe, Bohlke and Fasana.

APPROVED on a voice vote, **motion** by Director Fasana, seconded by Director Molina, to allow the CEO to execute the

Agreement with the City of Los Angeles subject to the Committee's approval.

Director Yaroslavsky abstained.

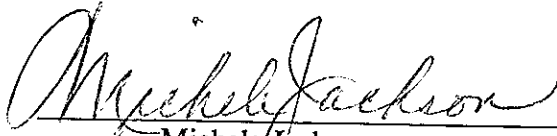
ALSO APPROVED on a Roll Call Vote, **motion** by Director Riordan (previously offered as an addendum to Director Alatorre's motion to approve the staff recommendation on Item 2, and subsequently withdrawn), seconded by Director Wilson, that the MTA Board direct the CEO to:

- A. Program \$8 million (\$4 million in FY98 and \$4 million in FY99) to fund and ensure timely completion of the East/West Line environmental documents;
- B. Request that the FTA complete its review of the East/West Line environmental documents as soon as possible.
- C. Program \$51 million in MTA funds for final design of the East/West Line, consistent with the Board's action on the 1996 STIP in December, 1995;
- D. Report back to the Board within 60 days with the findings of the Burbank-Chandler turnkey study;
- E. Issue and advertise within 7 days an invitation to the private sector to submit letters of interest for mass transit projects on the Burbank-Chandler right-of-way in the San Fernando Valley, without restrictions to technology or construction profile;
- F. Report back to the Board within 60 days with initial responses; and
- G. Commit and program funding achieved through efficiencies and revenue above and beyond the 75% level assumed in the plan toward accelerated completion of environmental documentation and final design as well as accelerated initiation of construction.

Director Patsaouras recommended that the \$51 million be funded from construction savings, e.g. 5% reduction in design fees and PMO analysis of standardized specifications. Linda Bohlinger agreed to include his **recommendations** in the list of MTA Recovery Plan **efficiencies**.

4. Items not on the posted agenda - None

ADJOURNED at 3:17 p.m.


Michele Jackson
Assistant MTA Secretary