

MINUTES



LOS ANGELES COUNTY TRANSPORTATION COMMISSION 403 West 8th St., Suite 500, Los Angeles, CA 90014 (213) 626-0370

June 25, 1986

The regular Commission meeting was called to order by Chairman Dana at 1:45 p.m. in the Board Room of the Department of Water and Power.

Members in attendance were:

Supervisor Dana
Mayor Christine E. Reed
Councilwoman Jacki Bacharach
Councilwoman Pat Russell
Marcia Mednick
Blake Sanborn, alternate to Supervisor Schabarum
Walter King, alternate to Supervisor Hahn
Jim Gilson, alternate to Supervisor Edelman
Ray Remy, alternate to Mayor Bradley

Staff members present:

Rick Richmond, Executive Director
Bill Pellman, Assistant County Counsel
Kathy Torigoe, Executive Secretary
Elyse Kusunoki, Senior Secretary

APPROVAL OF MINUTES

It was moved and seconded to approve the minutes of June 11, 1986. Hearing no objection, the minutes were approved unanimously as submitted.

CHAIRMAN'S REMARKS

None

JOINT MEETING WITH LOS ANGELES COUNTY REGIONAL PLANNING
COMMISSION

Status of Committed Rapid Transit Projects

Mr. Paul Taylor, LACTC staff, briefed both Commissions on the status of the rapid transit plans. He discussed the three rail projects in or near construction (Metro Rail, Long Beach-Los Angeles and Century). He also described the process being used for planning other corridors in the Proposition A system.

Ms. Rose Hamilton, Regional Planning staff, briefed both Commissions on the activities and concerns of the Department of Regional Planning on station area planning in the unincorporated areas of the Long Beach-Los Angeles corridor.

Highway Planning

Mr. Jene McKnight, Regional Planning staff, briefed both Commissions on the Regional Planning Department's current activities to update the County's Regional Transportation Plan. He identified different road and highway classifications in the County and the relationship between their plan, the Prop. A rail system planning, and the Ten-Year Highway Plan of the LACTC.

Mr. Jim Sims, LACTC staff, briefed both Commissions on the LACTC's Ten-Year Highway Plan. He described the purpose of the plan, its scope, and current status. The plan is expected to be in draft form by early fall.

Mr. Norman Murdoch concluded the joint session by emphasizing the importance of coordinating the planning efforts of the Commission and the Regional Planning Commission.

Chairman Dana and Chairwoman Clark offered concluding comments highlighting the importance of working together.

COMMITTEE REPORTS

FINANCE REVIEW COMMITTEE

Mr. Sanborn reported on the FRC meeting of June 23, 1986. The committee's recommendations were as follows:

Proposed FY 1986-87 Proposition A Discretionary Fund Incentive Program

- o Recommend approval of the allocation of Proposition A Discretionary funds for Bus Service Replacement projects and Subregional Para-transit projects in FY 1986-87, with the following amendment:

Where additional funding is contingent on additional service coordination criteria being met, these additional funds are due to be held in a reserve account to be forwarded to the agency upon satisfaction of additional criteria.

Mr. Sanborn moved for approval which was seconded by Mrs. Bacharach. Hearing no objection, motion was carried.

Proposal to Apply for UMTA Demonstration Grant

- o Recommend that the Executive Director be authorized to submit a Letter of intent to apply for an UMTA Discretionary Grant
- o Recommend that the Commission act as the lead agency and designated recipient for the proposed grant
- o Authorize an expenditure of up to \$150,000 in Incentive funds from the Proposition A Discretionary Fund to evaluate the cost-savings accrued as a result of the demonstration.

Mr. Sanborn moved for approval which was seconded by Mrs. Reed. Hearing no objection, motion was carried.

Proposition A Discretionary Grant - FY 1985-86 Memorandum of Understanding with City of Commerce

- o Recommend approval of the FY 1985-86 Proposition A Memorandum of Understanding with the City of Commerce.

Mr. Sanborn moved for approval which was seconded by Mrs. Reed. Hearing no objection, motion was carried.

SCRTD FY 1985-86 TIP Amendments - Central Maintenance Facility and Temple-Beaudry Land Acquisition Projects

- o Recommend approval of RTD TIP amendments to fund additional land acquisition cost for the Central Maintenance Facility and for acquisition of the Temple-Beaudry site for a possible bus layover facility.

Mr. Sanborn moved for approval which was seconded by Mrs. Reed. Hearing no objection, motion was carried.

Authorization to Proceed with Proposed Bond Sale and Selection of Co-Managers

- o Approve the following recommendations as follows:
 1. Authorize the sale of up to \$700 million of sales tax revenue bonds to finance initial construction of the Los Angeles Regional Rail System. About \$100-\$200 million of the bonds will be fixed-rate sales tax bonds and the remainder, one- to four-year tender bonds.

2. Adopt as a basic security for the bonds a gross lien pledge of 75% of the Proposition A revenues.
 3. Adopt a debt funding limit of approximately 30% of the Proposition A revenues. The remaining 5% would be available for rail operating subsidies.
 4. Adopt a two-tiered additional bonds test: (i) The 75% Proposition A revenues received over 12 consecutive of the most recent 15 months must be at least equal to or greater than 1.50 times debt service and (ii) The 35% Rail Proposition A revenues received over this period must be equal to at least 1.15 times debt service.
 5. Allow bond proceeds to be used for any rail project with the statutory limitation of not more than \$100 million for the Metro Rail Project (for the 1986 bonds).
 6. Approve the basic release of draft documents (Master Trust Agreement, Series Bond Resolution, Escrow Agreement, Bond Counsel Opinion, and official statement) to the rating agencies.
 7. Authorize the Executive Director to:
 - a. release the Preliminary Official Statement to rating agencies and investors;
 - b. select and enter into a contract with the Trustee, Paying Agent, Registrar and Escrow Agent. Staff expects the acceptance fee, legal review fee and other out-of-pocket expenses to be less than \$50,000 and therefore within the contracting authority of the Executive Director;
 - c. direct Salomon Brothers, Inc. to enter into a contract with the Bond and Official Statement Printer(s);
 - d. apply for bond ratings (with the cooperation of the Underwriter and Financial Advisor);
 - e. determine the pricing of the bonds for future approval by the Commission.
- o Recommended that the Commission select six co-managers. The large number of firms is based on the distribution needs for an anticipated \$700 million bond size.

The firms are: The First Boston Corporation
Smith Barney, Harris Upham and Company
Drexel Burnham Lambert
Grigsby Brandford and Company (DBE)
Daniels and Bell (DBE)
Bateman Eichler, Hill Richards

- o Recommended that 42% of the management fee be given to the Senior Manager and that the remaining 58% of the fee be divided equally among the six co-managers, that is about 10% each. In addition, the FRC recommended that the Commission provide the opportunity for the two DBE firms to distribute 23% of the bonds. Final distribution will be decided among the underwriters up to 48 hours before pricing of the bonds.

Mr. Sanborn moved for approval of the committee's recommendation, seconded by Mrs. Reed.

Much discussion followed.

Mr. Remy referred to the minutes of the last meeting whereby a vote of 8-0 with one abstention agreed on the issue of co-managers to fill the commitment of participation of minority concerns. He concurred in the recommendation as it relates to the target of opportunity of 23% in terms of the sales bond but was disappointed to see that the FRC did not follow through on 23% for the management fee to those firms that meet the DBE requirements. He indicated that a strong guideline was given to the FRC and obviously the FRC had good reason for not wanting to following this guideline. As it relates to the management fee, Mr. Remy offered an amendment that the DBE firms would have 23% of the management fee as co-managers, which was seconded by Mr. King.

Mr. Stephen Hicks, representing the investment banking firm of Paine Webber, Inc. of San Francisco, commented on the selection process of co-managing underwriters for the proposed bond sale. He indicated that due to an unfortunate incident with the delivery service, their proposal was not received by LACTC staff in time for the selection process and requested that the Commission consider adding Paine Webber as a separate 7th co-manager to the underwriting management team for the Commission.

Mr. Bryan Allen (public citizen) commented on the bond sale and indicated that he supports the staff recommendation to pledge 75% of Proposition A tax revenues potentially to the repayment of the bonded capital debt and requested that the Commission adopt a policy to pledge a cap on the total outstanding bonded debt.

Mr. Ben Darche, LACTC staff, summarized the process and evaluation of the selection of the co-managers for the bond issue. He indicated that the article was advertised in the Bond Buyer and 17 proposals were received by 5 o'clock Thursday (June 19). In the article, it was requested that proposals be sent to Los Angeles at the LACTC offices and to Philadelphia, the headquarters office of the financial advisor. Since Mr. Katz was in Los Angeles, the proposals were reviewed Thursday night. The next day, the proposal of Paine Webber was received by federal express. By that point, the firms had already been selected for recommendation to the Commission.

Further discussion followed on Mr. Remy's amendment on the percentage of management fee of the co-managers.

On behalf of the Commissioners who did not attend the FRC meeting, Mrs. Reed asked the staff to outline what the firms do that are paid a management fee.

Mr. Sam Katz, Financial Advisor, was asked to summarize what is entailed by being co-managers, i.e., what kind of activities and what some of the practices are for the distribution of the management fee. He also explained why co-senior managers were not selected.

A roll call vote was taken on Mr. Remy's amended motion:

Yes: King, Gilson, Remy, Russell, Mednick

No: Sanborn, Reed, Bacharach, Dana

Failing to obtain the necessary 6 votes, the amended motion did not pass.

Mr. Gilson asked about the 75% commitment of Prop. A money to back the issue and asked if staff could comment on the relationship between that and the Commission's current policy relative to the division of our share of the sales tax revenue for operating subsidies for bus companies.

Mr. Richmond explained that the Commission had adopted a policy that 40% of Prop. A revenues would be used to support the bus system and he did not anticipate any change in this policy. By making the 75% commitment, however, the Commission would be able to obtain a more favorable bond rating.

Mr. Gilson moved that an amendment be added to the committee's recommendation that the action that is before the Commission today in no way modify the Commission's current policy relative to a 40% set-aside investor or bus operations for the length of that policy has been specified, which was seconded by Mrs. Reed.

A roll call vote was taken on the main motion by Mr. Sanborn and the added motion by Mr. Gilson which were both seconded by Mrs. Reed.

Yes: Sanborn, King, Gilson, Remy, Russell, Reed, Bacharach, Mednick, Dana

No: None

Motion passed.

Mr. Richmond indicated that it may be necessary to schedule a special meeting of the Commission in July for the purpose of acting on the actual bond purchase contract.

Commission's Health Insurance Contributions for FY 1986-87

- o Recommended approval of adjustments to the employer contribution amounts towards employees' health insurance premiums:

1-party enrollment	-	\$ 88.00
2-party enrollment	-	\$163.00
3-party enrollment	-	\$219.00
- o Authorized the Executive Director to approve and execute, on behalf of the Commission, future employer health contribution rate adjustments with a report on the respective adjustments to the Commission.

Mr. Sanborn moved for approval which was seconded by Mrs. Reed. Hearing no objection, motion was carried.

Proposed LACTC FY 1986-87 Operating Budget

- o Recommended approval of the proposed LACTC FY 1986-87 Operating Budget as distributed in April.

Mr. Sanborn moved for approval of the budget which seconded by Mrs. Reed.

Mr. Pat Moser (public citizen) commented on SCRTD's service cuts, specifically the termination of Line 203 which operates from Vermont Avenue to the Griffith Observatory. He asked the Commission to extend funding on this line for two months on a temporary basis until permanent funding can be provided. He requested that the Supervisors speak to their alternates on the RTD Board regarding funding for Line 203.

Mrs. Bacharach indicated that, since the LACTC budget has been changed several times since April, the motion should be corrected to read, "...as distributed to the Finance Review Committee." Mr. Sanborn accepted the correction to his motion. Hearing no objection, motion was carried as amended.

Mr. Sanborn also reported on the following items:

1. Status report on the SCRTD FY 1986 Operating Budget
2. Report relating to savings resulting from the Transit Operator Performance Audit
3. Executive Director's response to a letter from the Board of Supervisors
4. The FRC approved the appointment of Mr. Jim Seal to fill a vacancy on the Transit Productivity Committee.

STREETS AND HIGHWAYS COMMITTEE

Mrs. Mednick reported on the S&HC meeting of June 23 as follows:

Draft State Highway Chapter

The committee discussed the preliminary draft of the Ten-Year Highway Plan State Highway Chapter which has three goals:

1. Improving the operation of our freeway and street system;
2. Recommending potential construction projects that can be built by the Year 2000; and
3. Identifying long-term projects to add new capacity beyond the Year 2000.

Although it is not complete yet, the preliminary draft chapter is recommending short-term improvements totaling over several billion dollars.

Major freeway construction projects such as completion of the Century Freeway are being recommended in addition to freeway interchange improvements, and widening projects. The draft chapter is recommending that any new freeway lanes be considered for designation for exclusive use by carpools and buses. Improving parallel arterials through computer-controlled traffic signals is also being considered for short-term implementation.

In cases where even our best near-term efforts cannot meet future demands, the draft chapter is recommending that an evaluation of long-term improvements be made.

The committee spent much of the meeting discussing the following preliminary recommendations to improve the operation of the freeway and street system:

1. Implement a linked system of high-occupancy vehicle lanes throughout the county;
2. Improve the response to accidents by increasing the number of Caltrans' accident response teams from one to four and making the service immediately available 24 hours a day;
3. Consider limiting truck use of congested freeways during the rush hour; and
4. Test the concept of managing the state highway and local street systems as one system during periods of high congestion due to the rush hour, accidents, or special events. The proposed computer-controlled network of traffic signals, ramp meters, "alternate route available" signs and parking restrictions could increase trip speeds without significant investment in expensive capital improvements.

One possible area to test this unified traffic management concept is on the Santa Monica Freeway and its parallel arterials of Venice, Olympic, Pico and Washing Boulevards. Implementing computer-controlled traffic signals and peak-period parking restrictions throughout the county may require the formation of an interagency traffic management authority.

INTERGOVERNMENTAL RELATIONS COMMITTEE

Mrs. Reed reported on the IRC meeting of June 24 as follows:

State Legislation

AB 1464 (Harris) is a measure establishing State procedures for local agencies to follow in imposing affirmative action requirements for bidders. Contrary to current Commission practice, this bill requires that the burden of producing evidence of compliance or non-compliance with affirmative action requirements rests with the local agencies and not with the bidders. The IRC recommended that the Commission oppose AB 1464 unless amended to: (1) make the "good faith" provisions in the bill optional for local agencies, (2) delete the provision transferring the burden of proof from the bidder to the local agency, and (3) apply the provisions of the measure only to non-federal projects.

Mrs. Reed moved for approval, seconded by Mr. King. Hearing no objection, motion was carried.

AB 2714 (Condit) is a proposal to establish a class of vehicles known as "dial-a-ride school bus." Although the committee supports increased safety requirements for dial-a-ride services which transport school children, the IRC recommended that the Commission oppose the bill unless amended. Concerns of the committee include: (1) the length of the school trip permitted by the bill, (2) the "school bus" designation requirement, and (3) the passenger capacity limited imposed by AB 2714.

Mrs. Reed moved for approval, seconded by Mrs. Bacharach. Hearing no objection, motion was carried.

AB 4382 (Tanner) is a measure to require transit operators to offer a reduced fare to disabled persons if the operator offers a similar fare to senior citizens. The bill also prohibits any public operator that receives TDA funds from requiring that disabled persons seeking reduced fares be from the operator's service area. The committee expressed its concern with operational and cost factors associated with AB 4382, but declined to take a position pending review by the Elderly & Handicapped Technical Advisory Council (E&H TAC). Consequently, the IRC recommended that staff share its concerns with the bill's author and consult the E&H TAC before a Commission position on the measure is adopted.

Mrs. Reed moved for approval, seconded by Mr. King. Hearing no objection, motion was carried.

"The California Fair Pay Amendment" is an initiative sponsored by Paul Gann which has qualified for the November 4, 1986 ballot. The initiative proposes to limit the top salary of public officials and public employees as well as, alter the state and local agencies' guidelines regarding vacation, sick leave and payment of service contracts. These guidelines are currently established by the individual agencies. The IRC recommended that the Commission oppose "The California Fair Pay Amendment."

Mrs. Reed moved that the Commission adopt the IRC recommendation, seconded by Mrs. Bacharach. Hearing no objection, motion was carried.

Amendment to SB 202 (Bergeson) - The Riverside County Transportation Commission is sponsoring this amendment which would allow county transportation commissions to be appointed as the "Service Authority for Freeway Emergencies" (SAFE) as defined in current law. The IRC supports the amendment if language is added to make the designation at the option of county transportation commissions.

Mrs. Reed moved that the Commission adopt the recommendation of the IRC, seconded by Mr. King. Hearing no objection, the motion was carried.

The update on State Legislation was noted as an information item. It was indicated that SCA 12, a measure supported by the Commission, may not be approved by the State Assembly.

Federal Legislation

S. 2405 (Symms) is a bill to reauthorize the highway portion of the Surface Transportation Assistance Act of 1982. The IRC noted several concerns with the Senate measure including: (1) a block grant approach to funding several highway programs, (2) the inclusion of several funding categories in the method for calculating a State's 85% minimum allocation apportionment, and (3) the establishment of an 85% minimum allocation program for the Mass Transit Account. The IRC recommended that the Commission oppose S. 2405 unless the measure is amended to address the above concerns and to more closely reflect the highway provisions of the House reauthorization bill (H.R. 3129) supported by the Commission.

Mrs. Reed moved for approval of the IRC recommendation, seconded by Mr. King. Hearing no objection, motion was carried.

S. 2543 (D'Amato) is a measure to reauthorize the transit sections of the Surface Transportation Assistance Act. This measure closely parallels the House reauthorization legislation (H.R. 3129) supported by the Commission. The IRC recommended that the Commission support S. 2543.

Mrs. Reed moved to support S. 2543, seconded by Mr. King. Hearing no objection, motion was carried.

Final Federal Section 504 Regulations

It was noted that the Commission will sponsor a July 2 bus operator's workshop to discuss the implementation of UMTA's final rule establishing minimum criteria for the provision of transit service to disabled persons (Section 504 Regulations).

Notice of Proposed Rule Making of Federal Reporting Requirements

The IRC recommended the approval of a letter to be sent to UMTA indicating the Commission's support for a proposed rule regarding Federal Section 15 reporting requirements. A minor change to the letter was adopted.

Mrs. Reed moved that the Commission support the amended draft of the letter to UMTA, seconded by Mrs. Bacharach. Hearing no objection, the motion was carried.

Legislative Matrix

It was noted that the Legislative Matrix was included as an information item.

RAIL CONSTRUCTION COMMITTEE

Mrs. Bacharach reported on the RCC meeting of June 20 as follows:

Claims Resolution Program

The RCC recommended the Commission adopt the proposed construction claims and dispute resolution procedure concluding with a final decision on appeals by the Executive Director.

Mrs. Bacharach moved for approval, seconded by Mr. King. Hearing no objection, the motion was carried.

Annual DBE/WBE Compliance Report

As an information item, the committee received a report on the current status of the Commission's compliance with DBE/WBE goals and will be receiving periodic reports.

DBE/WBE Contractor Bonding Assistance

The RCC discussed and approved utilization of the existing bonding, loan and technical assistance program offered by the Los Angeles Minority Business Development Center as the preferred alternative for providing this assistance to potential DBE/WBE contractors on a one-year demonstration basis. There will be no cost to LACTC. The committee recommended this program on a one-year demonstration basis.

Mrs. Bacharach moved for approval, seconded by Mr. King. Hearing no objection, motion was carried.

Transportation Occupations Program - Summer Program

Staff presented at the RCC meeting a summary of the plan for implementation of the summer work/instructional portion of the Transportation Occupations Program in conjunction with the Compton School District and the County Office of Education. The fifteen high school students will obtain classroom instruction in architecture at Woodbury University and have part-time work placements in consulting firms working on the Commission's rail transit program.

RAPID TRANSIT COMMITTEE

Mrs. Bacharach reported on the RTC meeting of June 20 as follows:

Alameda Corridor Task Force Status Report

This item was held over to the next meeting.

Lincoln Heights Route Refinement Study

The committee received an update on the Lincoln Heights Study. A tour is planned for the committee and they will be discussing some of the interesting opportunities and challenges of the route on the tour. Any interested Commissioners interested in joining the tour should notify LACTC staff.

EXECUTIVE DIRECTOR'S REPORT

A. Commissioner Travel Request

Mr. Barna Szabo had expressed an interest to attend the Independent Cities Association Seminar on July 10-13 in San Diego. Commission's approval was requested.

Mrs. Reed moved for approval of Mr. Szabo's travel, seconded by Mrs. Mednick. Hearing no objection, motion was carried.

B. Citizens Advisory Committee

Commissioner Edelman had reappointed Mr. John Espinoza, Sr. to serve on the Citizens Advisory Committee for an additional two-year term. Commission's approval was requested.

Mr. Gilson moved for approval of the reappointment of Mr. Espinoza, seconded by Mrs. Reed. Hearing no objection, motion was carried.

NEW BUSINESS

None

PUBLIC COMMENT

Mr. Sheldon H. Walter, free-lance public transit consultant, commented on the Metro Rail and the Long Beach-Los Angeles and Century rail projects.

Mr. Pat Moser (public citizen) asked if there will be a linkage of the various rail lines for passengers to transfer to other lines. A suggestion was made that staff answer Mr. Moser's question and give him more information about the project.

Mr. Bryan Allen (public citizen) commented on the Ten-Year Highway Plan and automation study for I-105 line.

NOTICE OF MEETINGS

Notice was received and filed.

ANNOUNCEMENT

Chairman Dana announced that the Long Beach City Council adopted the cooperative agreement between the City of Long Beach and LACTC for the Long Beach-Los Angeles rail transit project.

ADJOURNMENT

Meeting was adjourned at 4:25 p.m.



RICK RICHMOND
Executive Director

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