

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

MINUTES/PROCEEDINGS

Special Board Meeting
Board of Directors
District Board Room
425 South Main Street
Los Angeles

November 3, 1988

Called to order:

Directors Present:

Gordana Swanson
Marvin L. Holen
John F. Day
Joseph S. Dunning
Larry Gonzalez

Jan Hall (arr 1:36 p.m.)
Jeff Jenkins (arr 1:40 p.m.)
Nick Patsaouras
Charles H. Storing
Kenneth R. Thomas

Director Absent:

Jay B. Price

1. Recessed to Closed Session to consider personnel, labor negotiation and litigation matters at 1:03 p.m., returning to open session at 1:28 p.m. No report was made of matters discussed in Closed Session.
2. Considered report on the status of Los Angeles County Transportation Commission (LACTC) withholding of Proposition A tax support funds from the District.

General Manager Pegg stated that a written letter was sent to the Commission, with a request for written acknowledgement of receipt. This letter transmitted the Memorandum of Understanding with the labor unions, the invoices where the District requested the Proposition A funds, and the Proposition A work sheet. He concluded there have been several discussions, but no resolution. Director Holen asked if the letter was, in fact, a clear historical recitation of events that have taken place and was not a request for the funds at this point in time. Staff answered affirmatively.

Director Day asked if the staff of the commission had the authority and responsibility to send the funds to the District. The General Manager spoke to the process of the setting of the marks early in the calendar year, with those marks being incorporated into the budget-making process, and the schedule for approval of the Short Range Transit Plan by the LACTC, the approval of the budget by the Board, with each of these pieces moving along a time line that starts early in the calendar year. Director Day asked if the LACTC approved the SRTP and he received a positive answer. He asked if there was anything in the SRTP that would give the LACTC the opportunity to not provide the funds. Mr. Pegg indicated that no notification was given to the District; therefore, he would conclude that there was nothing in conflict. Director Day continued by asking if the Commission is required to instruct the staff to pay the invoices received. Mr. Pegg indicated the next step in the process would be for the District and the LACTC to enter into a Memorandum of Understanding (MOU). He said the LACTC has never adopted that MOU. The contents of the MOU generally is a broad description of the services to be rendered and the payment of funds for those services. The District sent this MOU to the LACTC on August 22, 1988; to date the LACTC has not taken formal action on the MOU. Upon question, Mr. Pegg continued that he does not believe this item has ever been placed on the LACTC's agenda. He also said that the LACTC adopted a set of guidelines that related to the labor contracts. Normally, the LACTC adopts guidelines designed to take effect in two years. These guidelines however, were constructed to take effect July 1. The District has been informed by staff of the LACTC that we are not eligible for Proposition A funds. Director Day mused that one might wonder if the LACTC had deemed that the District is not in compliance. He also questioned if the LACTC's position is legally defensible.

President Swanson commented that it appears that the LACTC just did not take action to pay the District; i.e., an absence of action rather than an action to stop payment.

Director Thomas advised his fellow Board members that Supervisor Hahn could find no justification for the withholding of funds from the District, and he dictated a letter to the District, the LACTC, and Mayor Bradley stating that the operating funds should be released immediately.

President Swanson also informed the Board that she received a letter, dated October 28 from Chairman Schabarum requesting the District to withdraw its request to UMTA to be the grantee for the Metro Rail Project. She reported that she responded to Mr. Schabarum that the Board has no such intention to withdraw its grantee status, and that it is the Board's intent to construct Phase Two and the District is making every effort to proceed accordingly.

Director Holen noted that the Administrator of UMTA has allowed himself to be drawn into a political situation at the local level.

3. Received and filed report on ridership trends.

General Manager Pegg mentioned that the report shows a more favorable trend than had been expected this early in the year.

UNANIMOUS, with 10 Directors present

4. Received and filed the Fiscal Year 1989 First Quarter Budget Forecast Report and the Fiscal Year 1989 Performance Profile for September, 1988.

Director Hall asked about the projected \$11 million surplus. General Manager Pegg indicated this assumption is based on the receipt of Proposition A funding. In effect, this implies there is not a financial problem at the District except for the Proposition A issue.

UNANIMOUS, with 9 Directors present

5. APPROVED proposed amendment of District's Rules and Regulations, Sections XIII and IX to:
- a. authorize increase in award level of contract by the General Manager from \$25,000 to \$99,999; and
 - b. provide accountability of Department Heads for violation of District procurement procedures.

During discussion on this matter, Director Patsaouras moved approval of the staff recommendation, which motion was seconded. Director Storing offered a substitute motion to increase the award level to \$49,999, which was seconded.

After further discussion, a Roll Call vote was held on the substitute motion, which failed as noted below:

Ayes: Storing, Swanson, Thomas
Noes: Day, Dunning, Gonzalez, Hall, Jenkins, Patsaouras
Abstain: None
Absent: Holen, Price

The question was then called for on the original motion which passed as noted below:

Ayes: Day, Dunning, Gonzalez, Hall, Patsaouras, Swanson
Noes: Jenkins, Storing, Thomas
Abstain: None
Absent: Holen, Price

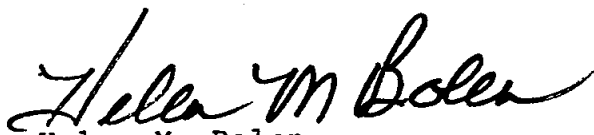
6. Received and filed 1st Quarterly Report for Fiscal Year 1989 from the Marketing Department.

UNANIMOUS, with 9 Directors present

7. Public Comment

G. Roberts spoke regarding agenda item 5 and the public hearing scheduled for November 29, 1988.

The meeting adjourned at 2:05 p.m.


Helen M. Bolen
District Secretary

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