SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

MINUTES/PROCEEDINGS

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

June 22, 1989

Called to order at 1:00 p.m. by President Swanson.

Directors Present:

Gordana Swanson, President
Marvin L. Holen, Vice President
Joseph F. Dunning
Larry Gonzalez
Jan Hall
Jeff Jenkins

Nick Patsaouras
Jay B. Price
Charles H. Storing
Kenneth R. Thomas

Director Absent:

Jerold F. Milner

- 1. Certificates of Merit and plaques presented to:
 - a. Information Operator-of-the-Month for May, Maggie Cook, and for June, Kecia Harper-Friday;
 - b. Maintenance Employee-of-the-Month Francisco Guzman;
 - c. Operator-of-the-Month Emiliano Chavez;
 - by Director Thomas.
- 2. Gayel Pitchford, Director of Personnel, presented Suggestion awards to John King and Sun Yee.

3. 1st Quarter CY-1989 Safe Performance Awards presented to Transportation Division 3218 and Maintenance Division 9307.

7. Election of Officers:

a. Report of Nominating Committee and election of officers;

Director Dunning, Chairman of the Nominating Committee, reported that the Committee recommends that the name of Gordana Swanson be placed in nomination for the position of President and the name of Marvin L. Holen be placed in nomination for the position of Vice President.

President Swanson asked if there were any nominations from the floor. There being none, on motion duly made, seconded and carried, the nominations were closed. On a Roll Call vote as noted below, Gordana Swanson and Marvin L. Holen were elected to serve as President and Vice-President for a one-year term effective July 1, 1989.

Ayes: Dunning, Gonzalez, Hall, Holen, Patsaouras,

Price, Storing, Thomas, Swanson

Noes: Jenkins Abstain: None Absent: Milner

b. Oath of Office was administered by Helen M. Bolen, District Secretary.

President Swanson made a brief statement about her term of office, thanking the Board members for their support.

- c. Adopted resolution designating persons authorized to sign checks, drafts, or other orders for the payment of money drawn in the name of the District on its accounts.
- d. Rescinded Resolution adopted June 23, 1988 and approved designation of those authorized to act as General Manager Pro Tempore, as amended.
- J. Walsh appeared before the Board, speaking to this item.

- 10. Considered the General Manager's recommendations regarding adoption of the Proposed Fiscal Year 1990 Annual Budget and related actions.
- 10A. General Manager Pegg reported on additional information requested by the Board on the issues of Community Relations staff salary upgrades and automation of the District Secretary's office. The General Manager also reported that the District's Short Range Transit Plan was considered by the Transit Committee of the LACTC. There are some uncertainties about some of the funding marks assumed in the budget. There is also an issue related to the San Gabriel Valley Transit Zone and the Capital Plan. Upon inquiry about the potential for criticism if the budget is adopted prior to approval of the Short Range Transit Plan, Mr. Pegg replied that there is no requirement that the Short Range Transit Plan must be approved prior to adoption of the budget.
 - J. Walsh addressed the Board regarding the budget and the modifications to bus lines scheduled for June 25, 1989.

Director Jenkins asked about the potential discrepancy in the Short Range Transit Plan and if the District's projections were optimistic. Staff responded that the budget assumes the San Gabriel Valley Transit Zone will continue to be implemented.

Director Gonzalez asked staff to comment on the service reductions alluded to by Mr. Walsh. Mr. Pegg stated that several changes in service will occur on June 25 which will change the character of some lines. There was also discussion about the additional 50 buses to be added during Fiscal Year 1990.

On motion by Director Price, seconded and carried on a Roll Call vote as noted below, the Fiscal Year 1990 Annual Budget was adopted:

Ayes: Dunning, Gonzalez, Hall, Holen, Patsaouras,

Price, Storing, Thomas, Swanson

Noes: Jenkins Abstain: None Absent: Milner 10B. Director Price offered a motion to accept the General Manager's recommendation to implement the reclassifications and create Non-Contract positions included in the proposed Fiscal Year 1990 Annual Budget. This motion was seconded and discussion was held. Director Storing expressed his disagreement with the General Manager regarding the Community Relations Representative positions. He requested more parity between the Community Relations staff positions and the Legislative staff positions. Director Storing then offered an amendment to the motion that the Community Relations Representative classification be elevated to Range 12. This motion to amend the motion was seconded and discussion continued.

Director Jenkins expressed his support for the amendment, and commented about the negative aspects of combining two departments with a sharp difference of pay range between two groups of employees. Director Gonzalez also spoke in support of the amendment, stating that if the Board passes this motion, then he will want to look at a group of employees he believes are underpaid. He did say he did not believe this was the process that should be used to review classifications of jobs. He concluded by requesting an analysis of the job for the Community Relations Representative and all the job classifications contained in Figure 15 in the FY 1990 Budget document.

Director Dunning spoke against the proposed amendment, indicating it is not the perview of the Board to determine which positions should be increased or cut. Director Thomas again expressed his opinion that the budget approval process is not the appropriate way to make personnel decisions.

Director Storing again spoke indicating his respect for the arguments made against the amendment. He elaborated that the Community Relations Department and the Government Affairs Department were merged and this problem should have been settled at the time of the merger; it was not. The Legislative people are paid at Range 15, the Community Relations people at Range 10. He asked for justice by increasing the Community Relations staff positions to Range 12.

Discussion continued with Directors Holen, Patsaouras, Jenkins and Swanson commenting on the issue. There was a call for the question and a roll call vote was taken and recorded as unanimously opposed, with one Director absent, to shutting off of debate. Debate continued, with Director Thomas expressing his desire to send the matter back to staff. President Swanson requested a review and discussion of the procedures of the Personnel Department.

A Roll Call vote was taken on the amendment proposed by Director Storing to reclassify the positions of Community Relations Representatives to Range 12. The motion passed as noted below:

Ayes: Gonzalez, Jenkins, Patsaouras, Price,

Storing, Swanson

Noes: Dunning, Hall, Holen, Thomas

Abstain: None Absent: Milner

A Roll Call vote was then taken on the motion by Director Price to implement the reclassifications and create Non-Contract positions included in the proposed Fiscal Year 1990 Annual Budget, as amended to include the reclassification of Community Relations Representative positions to Range 12. The motion passed as noted below:

Ayes: Gonzalez, Hall, Holen, Price, Storing, Swanson,

Noes: Dunning, Jenkins, Patsaouras, Thomas

Abstain: None Absent: Milner

10C. Approved the adjustment of Non-Contract Salary Schedule by 5% with actual pay adjustments to vary with performance evaluations.

CARRIED, with 10 Directors present and Director Patsaouras voting against the motion.

MARKETING & CUSTOMER INFORMATION COMMITTEE

23. Considered the matter of contract option covering exterior and interior transit advertising for one additional year. Director Gonzalez offered a motion to approve the staff recommendation, which motion was seconded.

Director Storing offered an amendment to the motion to require AMNI/Winston Network to provide a \$4.1 million letter of credit. This motion to amend was seconded and discussion followed. Director Jenkins commented that the firm does offer a letter of credit at a value of approximately one-half of the value of the revenue contract with the District and it is renewed annually.

The President and C.E.O. of AMNI, Mr. Heard, appeared before the Board to answer questions. Director Storing addressed several questions to Mr. Heard about the financial integrity of the firm. General Manager Pegg advised the Board that a six-month letter of credit provides a substantial amount of time to deal with any problem that might arise.

The question was called for on the amendment to the original motion and it FAITED on a Roll Call vote as noted below:

Ayes: Storing

Noes: Dunning, Gonzalez, Holen, Jenkins, Patsaouras,

Price, Thomas, Swanson

Abstain: Hall Absent: Milner

A Roll Call vote was then taken on the original motion, which motion passed as noted below and Requisition No. 9-4400-06 and option was approved for one additional year with AMNI/Winston Network, New York, covering Exterior and Interior Transit Advertising, effective January 1, 1990, at a total revenue to the District of \$4,100,000; form of option subject to approval of the General Counsel.

Ayes: Dunning, Gonzalez, Holen, Jenkins, Patsaouras,

Price, Thomas, Swanson

Noes: Storing Abstain: Hall Absent: Milner

4. Report of the President

President Swanson reported that she attended the unveiling of the Metro Blue Line railcar earlier today in Long Beach. Director Jenkins commented on the inappropriateness of the scheduling conflict of the unveiling with the District's Board Meeting.

The President also reported on her attendance at an APTA Scholarship Foundation Board of Directors meeting in Chicago. All APTA members will be receiving a letter shortly requesting scholarship funds and, she urged the District's favorable consideration of this request.

In conclusion, the President reported that in response to a request from the LACTC, she has asked Director Holen to serve on the Cost Reduction Panel for Phase II, Metro Rail.

5. Report of the General Manager

General Manager Pegg reported, as announced on June 8, a review of the Metro Rail Project is getting underway. The firm of High, Point, Shear has been retained to review the estimate of cost to complete the project, and the firms of Lillick & McHose and Ochoa & Sillas have been retained to review the reserve level for claims against the Project.

6. Director Special Items

None

- 8. No closed Session was held.
- 9. Considered report by President Swanson on forms of Transit Organization and discussion of Joint Meeting with LACTC. The President requested approval from the Board to request a Joint Meeting with the Los Angeles County Transportation Commission and to invite the Chairperson of the League of California Cities Transportation Committee and the elected officials on the Transportation Sub-Committee formed to discuss the issue of transit reorganization. On motion by Director Storing, seconded and unanimously carried with seven Directors present, the President was instructed to schedule the Joint Meeting with the LACTC.
- 11. Received and Filed status report on Cubic Western Electronic Farebox procurement.

Unanimous with seven Directors present.

CONSENT CALENDAR

Items 12 through 19 on the Consent Calendar were approved unanimously in one motion with seven Directors present.

- 12. Approved Requisition No. 9-9400-112 and the exercise of an option for one additional year covering grease seals, with:
 - a. Brake Supply Company, Los Angeles, at an additional estimated annual cost of \$184,306;
 - b. Mohawk Manufacturing & Supply Company, Niles, Illinois, at an additional estimated annual cost of \$1,879; and
 - c. Flxible Distribution Center, Compton, at an additional estimated annual cost of \$18,875.42;

form of options subject to approval of the General Counsel.

13. Approved Requisition No. 9-9400-143 and the exercise of an option for one additional year with Westlite Supply Company, Los Angeles, covering miniature lamps at an additional estimated cost of \$118,000; form of option subject to approval of the General Counsel.

- 14. Approved Requisition No. 9-9400-159 and the exercise of an option for one additional year covering fuel, oil and water filter elements, with:
 - a. Flxble Distribution Center, Compton, at an additional estimated annual cost of \$291,350;
 - ABC Distribution, So. El Monte, at an additional estimated annual cost of \$74,600;
 - c. Graham Brake and Diesel, Chatsworth, at an additional estimated annual cost of \$23,280;
 - d. Carmenita Ford Truck, Santa Fe Springs, at an additional estimated annual cost of \$21,376;
 - e. CLF Warehouse, Santa Fe Springs, at an additional estimated annual cost of \$875;
 - f. Universal Mack Sales, Los Angeles, at an additional estimated annual cost of \$855;

form of options subject to approval of the General Counsel.

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- 15. Received and Filed the Metro Rail Construction Change Order Report for May 1989.
- 16. Received and Filed Report Calendar June 9, 1989 to June 22, 1989.
- 17. Received and Filed Purchasing Agent's Report of Purchases \$25,000 through \$100,000 May 1989.
- 18. Received and Filed Board Request List June 8, 1989.
- 19. Approved minutes of regular Board Meetings of May 25, and June 8, and Special Board Meeting of June 1, 1989.

PERSONNEL & LEGAL COMMITTEE

20. Approved appointment of Thomas A. Rubin, Controller-Treasurer, to the Pension Plan Administrative Committee and Investment Board.

Unanimous with seven Directors present.

21. Consideration of General Manager's report containing recommendation and alternatives regarding changes to Non-Contract Pension Plan was held over to next regular Board Meeting scheduled for July 13, 1989.

Unanimous with seven Directors present.

EXECUTIVE COMMITTEE

22. Received and Filed Inspector General's Quarterly Activities Report.

Unanimous with six Directors present.

FACILITIES & CONSTRUCTION COMMITTEE

Closed Session

24. No report was made regarding the SCRTD Administrative Facilities item.

FINANCE & JOINT DEVELOPMENT COMMITTEE

25. Considered the designation of the District's Auditor.

Director Dunning made a motion to approve the Finance & Joint Development Committee's recommendation to designate the firm of Coopers & Lybrand as the District's auditor, and the motion was seconded. Discussion ensued, with Director Thomas questioning the Committee's recommendation. staff recommendation was to designate the firm of Miranda, Strabala and Associates, a minority firm. The proposal submitted by Coopers & Lybrand was the highest of the three proposals received. The discussion continued regarding the potential concern about a possible conflict of interest in award to the lower proposal submitted by Deloitte, Haskins & Sells because of the District's recent hiring of a former member of that firm. Director Thomas offered a substitute motion to accept staff recommendation, which motion did not receive a second.

A Roll Call vote was taken on the motion, which vote failed as noted below:

Ayes: Dunning, Holen, Price, Storing, Swanson

Noes: Thomas Abstain: Jenkins

Absent: Gonzalez, Hall, Milner, Patsaouras

Staff urged the Board to make a decision on this matter at this meeting because certain audit functions must be undertaken at the close of the fiscal year. Following additional discussion, Director Jenkins moved approval of the firm of Deloitte, Haskins & Sells as the designated Auditor. The motion was seconded and failed on a Roll Call vote as noted below:

Ayes: Holen, Jenkins, Price, Thomas, Swanson

Noes: Dunning, Storing

Abstain: None

Absent: Gonzalez, Hall, Milner, Patsaouras

Again, discussion was held on the need to take action on this matter at this meeting and the timing for hiring of an auditor, etc. Following the discussion, President Swanson indicated she would entertain a motion for reconsideration for the firm of Coopers & Lybrand. Prior to his motion to reconsider, Director Thomas asked about the DBE constitution of the Coopers & Lybrand contract, with staff responding it was approximately 30%. Director Thomas then made his motion to reconsider, which was seconded and carried on a Roll Call vote as noted below:

Ayes: Dunning, Holen, Price, Storing, Thomas, Swanson

Noes: Jenkins Abstain: None

Absent: Gonzalez, Hall, Milner, Patsaouras

President Swanson then asked for a Roll Call vote on the motion to designate Coopers & Lybrand as the District's

auditor. The motion passed as noted below:

Ayes: Dunning, Holen, Price, Storing, Thomas, Swanson

Noes: Jenkins Abstain: None

Absent: Gonzalez, Hall, Milner, Patsaouras

POLICE & PUBLIC SAFETY COMMITTEE

26. Received and filed status report on the Transit Police Peer Review recommendation.

Unanimous with seven Directors present.

ADVANCE PLANNING COMMITTEE

Items 27 through 31 were approved unanimously on one motion with seven Directors present.

- 27. Approved minor route modification to Line 66 in the Boyle Heights area.
- 28. Approved minor route modification to Line 92 in the City of Glendale.
- 29. Amended Cooperative Service Agreement with Orange County Transit District (OCTD) to provide for mileage adjustment for Fiscal Year 1989-90; form of amendment subject to approval of General Counsel.

- 30. Approved an amendment to the present agreement with the City of Rancho Palos Verdes for the District's operation of Line 685 (Palos Verdes-Rolling Hills-Torrance-El Segundo Employment Center) extending the District's operation of this line from July 5 to December 29, 1989 and allowing for adjustment of the rates in the current agreement to account for inflation; form of contract subject to approval of the General Counsel.
- 31. Approved Support Services Agreements with the City and County of Los Angeles for services related to their joint Bus Service Continuation Project (BSCP) and the Joint Powers Authority (JPA) for San Gabriel Valley Foothill Transit Zone for FY 89-90; form of agreements subject to approval of the General Counsel.

PRIVATE SECTOR COMMITTEE

32. Deferred action for two weeks on Request for Proposal (RFP) for Competitive Procurement of Bus Services and Maintenance on Selected District Bus Lines.

Unanimous with seven Directors present.

33. Received and filed Report on Purchases of Goods and Services from the Private Sector.

Unanimous with seven Directors present.

RAPID TRANSIT COMMITTEE

34. Approved:

- a. Requisition No. 9-8100-473 to implement the City of Los Angeles Annual Work Program for Fiscal Year 1990 construction services for the Metro Red Line MOS-1 and the Los Angeles County Transportation Commission's (LACTC) portion of the integrated station at 7th/Flower Streets at an estimated cost of \$1,000,000.
- Work Authorization for the Light Rail portion of the work from the Los Angeles County Transportation Commission; and

c. all contract amendments increasing the aggregate contract price by up to five percent; however, no individual amendment may exceed \$99,999.

form of documents subject to approval of the General Counsel.

This action is funded in part by the UMTA Full Funding Contract for Metro Rail and by a Work Authorization from LACTC.

Unanimous with seven Directors present.

35. Approved Requisition No. 9-8100-410 and authorized the General Manager to amend an existing contract with the Joint Venture of James-Ortiz-Rideau of Los Angeles, doing business as "District Insurance Administrators", incorporating Annual Work Program No. 4 of the Metro Rail Project Owner-Controlled Insurance Program and Transit Bond Guarantee Program, at an increase in contract amount of \$12,748,000; form of contract amendment subject to approval of the General Counsel.

This contract amendment is funded pursuant to UMTA Grant CA-03-0130.

Unanimous with seven Directors present.

36. Approved Requisition No. 9-8100-451 and amendment to existing contract with Booz Allen & Hamilton, Inc., Bethesda, Maryland, to provide for the Fiscal Year 1990 Annual Work Program of System Engineering and Analysis Consulting Services and for Passenger Vehicles and Fare Collection Procurement Support, increasing the total not-to-exceed cost by \$1,882,772; form of contract amendment subject to approval of the General Counsel.

This work is funded jointly by UMTA Sec. 3 Grant CA-03-0130 and local funding sources.

Unanimous with seven Directors present.

37. Approved Requisition No. 9-8100-844 and amendment of Change Order No. 17, to Metro Rail Contract A165 with Granite Construction Company, Watsonville, covering design and modification of the East Bulkhead on Flower Street, increasing the cost by an amount not-to-exceed \$200,000, for a total Change Order cost of not-to-exceed \$227,000; form of change order amendment subject to approval of the General Counsel.

This Contract Change Order is funded pursuant to the provisions of UMTA Grant No. CA-03-0130.

Unanimous with seven Directors present.

38. Approved Requisition No. 9-8100-472 and amended contract with the Joint Venture of Ralph M. Parsons
Company/Dillingham Construction Company/DeLeuw, Cather & Company, doing business in Los Angeles as "PDCD", for the fiscal Year 1990 Annual Work Program of the Metro Rail Project Construction Mamnagement Services, at an estimated cost and fixed fee, not-to-exceed \$16,875,500, from \$56,497,607 to \$73,373,107; form of Contract Amendment subject to approval of the General Counsel.

This work is funded in part under UMTA Grant for Metro Rail.
Unanimous with seven Directors present.

- 39. Item regarding approval of Change Order No. 24, to Metro Rail Contract Al30 with Tutor-Saliba-Perini was removed from the agenda by staff.
- 40. Approved Purchase Requisition No. 9-8100-875 and an increase to the not-to-exceed limit of Change Order No. 16 to Contract No. A146 with Shank-Ohbayashi, a Joint Venture, in the amount of \$82,000, to install compaction grout holes and replace instrumentation for tunnel construction under the Los Angeles Jewelry Mart; form of amendment subject to approval of General Counsel.

This project is funded in part under UMTA Grant No. CA-03-0130.

Unanimous with seven Directors present.

GENERAL ITEMS

- 41. There were no items arising subsequent to posting of the agenda.
- 42. Public comment.

Patrick Corrigan from Operating Engineers Local 12 spoke regarding payment problems arising from substitution of Dominion Corp. on the A610/A115 Metro Rail Contract, and requested investigation of same by the Board.

J. Walsh spoke regarding public safety.

The meeting was adjourned at 3:37 p.m.

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District Secretary