

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

MINUTES/PROCEEDINGS

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

August 10, 1989

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

Directors Present:

Gordana Swanson
Marvin L. Holen
Joseph S. Dunning
Larry Gonzalez
Jan Hall

Jerold F. Milner
Nick Patsaouras
Jay B. Price
Kenneth R. Thomas

Directors Absent:

Jeff Jenkins

Charles H. Storing

1. Recognized retirees and certificates presented by Director Hall.
2. Target Line awards for the fourth quarter of FY89 were presented by L. Bailey, Director of Transportation.
3. Report of the President

President Swanson reminded those present that preparations are being made to hold the Committee of the Whole meeting for September at the Long Beach Blue Line Yard Facility.

President Swanson requested staff consider preparing shorter reports for the Board meetings.

President Swanson also reported that the District Secretary has been requested to review the procedure for recognizing employees and making presentations.

4. Report of the General Manager

- a. General Manager Pegg reported the District has received a communication from the Los Angeles County Transportation Commission (LACTC) regarding the Cost Reduction Panel for MOS-1. During discussion, a question was asked if the District had its own independent cost panel. Mr. Pegg responded that there are several efforts on-going regarding cost reduction. He also reported his suggestion to convene a cost reduction panel to review all rail construction activities was met with a refusal on the part of the LACTC. Director Gonzalez suggested the Legal staff anticipate the mandating of certain actions by the LACTC. He also suggested the District not participate in the Cost Reduction Panel because it is an unofficial body.

Director Patsouras inquired about the rationale that all rail projects be reviewed by the Cost Reduction Panel and staff responded that it would be appropriate to review all rail projects because of future operating characteristics. Director Thomas commented that the LACTC is making a concerted effort to take over all rail projects and he suggested this might be a good time to initiate a taxpayers lawsuit. Director Hall spoke, indicating that the District should make the point that events have not taken place that could be considered the formal triggering of the Cost Reduction Panel. She expressed concern at the mention of a lawsuit. This would again give Sacramento the impression that the two local agencies can not get along. She concluded by expressing her support for informal participation on the Cost Reduction Panel.

Director Holen commented a Cost Reduction Panel for MOS-2 already exists; it is advisory in nature. He continued that there is a contract provision in the full funding agreement that talks about the methodology to be used as measurement should a pre-determined condition exist. The District denies the existence of those conditions. The \$1.249 billion budget for MOS-1 has a 10% contingency factor. The LACTC has forecast a \$135 million cost overrun. The District has forecast a cost increase of \$60-121 million. The District can and should take advantage of any suggestions that might come out of the Cost Reduction Panel deliberations; at the same time, the District does not acknowledge that events have happened which trigger the Cost Reduction

Panel as mandated in the full funding agreement. A question was asked about which entity declares or invokes the Cost Reduction Panel provision in the full funding contract. Staff responded that there is a separate agreement which states that the Cost Reduction Panel would be invoked if the contract awards exceed the budget by 10%. Director Thomas again spoke stating that the District wants to have the benefit of everyone's thoughts, however we want to avoid being held hostage again.

The General Manager indicated it is desirable to participate in an advisory panel. Following additional discussion, Director Patsaouras suggested the District develop a plan of action.

- b. The General Manager also reported that there have been newspaper articles regarding the loss of farebox revenue as a result of the procurement and installation of the new electronic fareboxes. This was reported to be as much as \$1,800 per week. Mr. Pegg continued that this is about 13-cents per bus per week. As a result of the increased technologies employed by the new fareboxes the District has saved about 37-cents per bus per week. In summary, the new fareboxes are proving to be cost effective.

5. Director Special Items

Director Thomas requested a report on the claims procedure when a change order is requested up to and including the point of final resolution. He also inquired about the point in the process where the Legal Department would intervene for the purpose of determining fault.

6. DEFERRED to meeting of August 24, proposed changes to the non-contract pension plan.

Staff requested to provide costing of 23 and 25 and out plans. Also requested cost to provide a minimum of 1.75% increase to the 30 and out table.

Appearing before the Board on this item were employees M. Bethel, B. Anderson, D. Darby and A. Soto. Following considerable discussion, Director Thomas asked about the possibility of giving the 9.75% increase to the "30 and out" group of employees. Staff reported on the costs to the plan, etc. Also mentioned was the opportunity afforded to the District's employees to fund their own retirement plan i.e., the 401(k) and the deferred compensation plans. General Manager Pegg commented that if an equal tradeoff were to be made, the cost of 1.75% of the 9.75% is funded by the cost to the pension plan, or 1/3 of \$134,000 could be examined in the interest of total equity. Director Hall asked if it was possible to have the actual numbers on this suggestion by the next meeting and also if the employees could be informed. Mr. Pegg responded that the District could commit to a 1.75% increase in the pension table for the "30 and out" and could provide information on the approximate cost, depending on the split.

7. APPROVED the agreement between petitioners and the Southern California Rapid Transit District and adopted resolution ordering change in Benefit Assessment.

UNANIMOUS, with 8 directors present

8. Considered the recommendation and alternatives regarding reorganization of transit responsibilities as contained in the report dated August 4, 1989.

Director Hall commented it is important to identify and streamline the duties of the two agencies. She suggested that this is the proposal to bring to the table in our discussions with the LACTC regarding transit reorganization. She continued that the subject of commuter rail is an issue which needs to be addressed. Director Hall then made a motion to adopt Proposal A: Transit Consolidation with an Oversight Agency and the concept of the Regional Commuter Rail Authority, as contained in the August 4, 1989 report. This motion was seconded and discussion continued.

Director Dunning commented that he would encourage the District to go on record with a decision that unanimously approves the adoption of Proposal A. Director Milner commented that this proposal takes the LACTC out of the planning process. Staff responded it places the decision about building the alignment and the preserving of the corridor process with the LACTC. It also keeps the issues of land acquisition, roads, etc, with the LACTC. The proposal dilutes their current detailed planning process but preserves for them the major planning issues.

Director Holen spoke about the perception of accountability. This proposal reserves to the Board of the LACTC those gut level political decisions. He cautioned that the District should guard as carefully as possible the specifics of the plan. He suggested that if Proposal A is adopted, it is not the single agency concept that we have all chased, but is a better organization of transit responsibilities. He urged the District to pursue support at the local level for this proposal. Director Holen continued by stating that Senate Bill 1 (Robbins) does nothing to better transit decision making; it calls on elected officials to make decisions in an uninformed manner. The proposals before the Board today deal only with civics; they do not deal with contracting, labor unions, etc. He strongly suggested that these and other collateral issues be contained in separate legislation.

President Swanson thanked Directors Holen and Dunning for participating in the transit organization committee which met jointly with three members of the LACTC.

In accordance with a request to separate the question, the issue of Proposal A: Transit Consolidation with an Oversight Agency was approved on a Roll Call vote as noted below:

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

Prior to the vote on the Commuter Rail issue, several concerns about the possible dilution of staff time and resources were raised. Those concerns were answered by stating that the commuter rail agency is a future planning concept.

On a call for the question, this portion of the original motion was unanimously approved with eight Directors present.

G. Roberts spoke to the Board on this item.

GOVERNMENT RELATIONS COMMITTEE

22. Received and filed the LACTC Triennial Performance Audit of the District.

UNANIMOUS, with 6 directors present

9. No Closed Session was held.

CONSENT CALENDAR

Items 10 through 18, except 13 and 14, on the Consent Calendar were unanimously approved in one motion with 6 directors present.

10. APPROVED a contract with Valley Detroit Diesel, City of Industry, the lowest responsible bidder under Bid No. 7-8925 covering pall filters and monitors for a total bid price of \$108,630; form of contract subject to approval of General Counsel.

11. APPROVED Requisition 9-1800-062 and amendment to an existing contract with West Oaks Security Services, Los Angeles, covering security guard services, increasing the total cost by an additional \$40,000; form of contract amendment subject to approval of General Counsel.

12. APPROVED Requisitions 9-1800-82, 9-1800-83 and 9-1800-84 and exercising options for one additional year with Coleman Security Services, West Oaks Security Services, and U.S. Guards, Inc. covering security guard services at an additional estimated cost of \$250,000; form of options subject to approval of General Counsel.

15. Received and filed Report Calendar - July 14 to August 3, 1989.

16. RATIFIED bus stop zone changes as filed with the Secretary.

17. RATIFIED temporary route diversions as filed with the Secretary.

18. APPROVED minutes of regular Board meeting held July 13, 1989.

At the request of Director Thomas, items 13 and 14 were pulled from the consent calendar for discussion.

13. Received and filed Treasurer's report on District Investments for July, 1989.

Director Thomas asked about larger participation of DBE's. Staff responded that some DBE's are unable to meet the qualifications set by the Board.

UNANIMOUS, with 6 directors present

14. Received and filed Fiscal Year 1989 Fourth Quarter Claims Management Report.

UNANIMOUS, with 6 directors present

Director Thomas requested a list of the DBE attorneys used and the number of cases assigned to those attorneys.

ADVANCE PLANNING COMMITTEE

19. APPROVED extension of the service agreement with the County of Los Angeles for Line 48 - SAN PEDRO STREET - for one year ending September 12, 1990; form of documents subject to approval of General Counsel.

UNANIMOUS, with 6 directors present

20. APPROVED the bus lease rates for Fiscal Year 1990 as set forth in the report with the rates to be considered the base rate and staff is further directed to determine if higher rates are feasible.

UNANIMOUS, with 6 directors present

ADVANCE PLANNING COMMITTEE - Cont'd.

21. APPROVED an agreement with the City of Pasadena for the provision of special shuttle bus service from central Pasadena to the Rose Bowl for UCLA home games for FY 1990 season; form of agreement subject to approval of General Counsel.

UNANIMOUS, with 6 directors present

RAPID TRANSIT COMMITTEE

23. APPROVED:

- a. Requisition 9-8100-894 and ratified Change Order 01 to Metro Rail contract A165 with Granite Construction Co. covering the lowering of a portion of the telephone ducts and cables along Flower St., increasing the cost by \$35,312 for a total change order cost of \$125,312;
- b. 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 General Counsel.

This change order funded pursuant to provisions of UMTA grant CA-03-0130.

24. APPROVED:

- a. requisition 9-8100-873 covering procurement of dispersant chemical for water treatment facility; and
- b. execution of a contract with Calgon Corp., Paramount, the only approved product, for a one-year period at an estimated cost of \$150,000;

form of documents subject to approval of General Counsel.

This procurement is funded in part under UMTA Grant CA-90-X204.

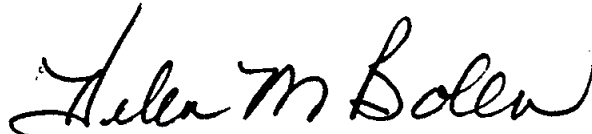
GENERAL ITEMS

25. There were no items arising subsequent to the posting of the agenda.

26. Public Comment

Appearance of G. Roberts speaking about several transit matters. He requested a poster he brought be given to Director Patsaouras per a previous conversation.

There being no further business, the meeting adjourned at 4:42 p.m.



Helen M. Bolen
District Secretary