

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

M I N U T E S

Special Board Meeting  
Board of Directors

September 7, 1989 - 1:00 p.m.  
District Board Room  
425 South Main  
Los Angeles

Directors Present:

Marvin L. Holen, Vice-President	Nick Patsaouras
Joseph S. Dunning	Jay B. Price
Larry Gonzalez	Charles H. Storing
Jeff Jenkins	Kenneth R. Thomas
Jerold F. Milner	

Directors Absent:

Gordana Swanson, President	Jan Hall
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Prior to the items listed on the agenda, General Manager Pegg reported on a series of newspaper articles regarding an electrical contractor who was working on the Metro Rail Project. He gave a brief review of the chronological events involving the substitution of subcontractor on Contracts A145 and A175. The allegations of kickbacks occurred months after the subcontractor was substituted off the project. Mr. Pegg concluded by stating there is a pending motion before the Los Angeles County Board of Supervisors regarding this matter. It appears to condemn the District in its handling of this matter.

Director Gonzalez inquired if we will summarize in writing and confirm the chronological order of events with the contractor. He suggested such a summary be sent to the Board of Supervisors for the purpose of clarifying for the record the chain of events. Director Thomas requested a copy of the summary, with staff responding that all Board members will receive the document.

1. Considered the General Manager's recommendation to execute Side Letters to existing 13(c) Labor Protective Agreements with ATU, TCU and UTU, covering Phase II of the SCRTD Metro Rail Project.

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Director Price moved approval of the staff recommendation, which motion was seconded and discussion began. Director Holen inquired if there was any other consideration that the Board should be aware of. The General Counsel commented that the LACTC has executed Side Letters of Agreements with the unions; however, the Department of Labor also requires the District to execute the Side Letters as well. This is to assure that no existing employee could be or would be worsened. A question was asked about implied consequences if the District does not execute the Side Letters. Staff responded there would be no MOS-2 grant.

Director Jenkins, during the discussion, commented he would relish any opportunity to pursue opportunities to improve privatization. He then offered a substitute motion to reject the recommendation of staff and indicate to the unions and the Department of Labor that the District would like to reopen discussion on 13(c). This substitute motion was seconded by Director Patsaouras. Additional discussion followed. Director Gonzalez commented about the 8-point plan between the LACTC and the District adopted in December, 1988. He also mentioned the possibility of tabling this matter and suggested the District could assert itself as the grantee. Director Holen mentioned that grantee status is conferred by the execution of the full funding contract.

Staff commented that shortly after the 8-point agreement, the District withdrew its grant application; therefore we are not in a position to become the grantee. The District could refile its application, but we would be back at Step one. Director Gonzalez mentioned the possibility of withholding formal approval of this item until staff has assessed what impact this would have on the project. Also mentioned was the possibility of rescission of the 8-point agreement.

Director Holen suggested adoption of the staff recommendation to execute Side Letters of Agreement with ATU, TCU, and UTU, subject to the pre-condition that the LACTC accept the construction agreement and ancillary agreement for MOS-2 as submitted by the District.

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This substitute motion was formally put forward by Director Thomas, seconded and carried on a Roll Call vote as noted below, with the following resolution adopted:

Ayes: Dunning, Holen, Milner, Price, Storing,  
Thomas  
Noes: Gonzalez  
Abstain: Jenkins  
Absent: Hall, Patsouras, Swanson

RESOLVED, that the General Manager is authorized to execute Side Letters of Agreement with the Amalgamated Transit Union, United Transportation Union, and the Transportation Communications Union, pursuant to the requirements of Section 13(c) of the Urban Mass Transportation Act of 1964 as amended, which may be applied and made applicable to the Los Angeles County Transportation Commission's Grant application to the Urban Mass Transit Administration for construction of MOS-2 Segment of the Locally Preferred Alternative for Metro Rail Project (CA-03-0341) Revised; SUBJECT TO THE PRE-CONDITION that the Los Angeles County Transportation Commission accept and execute the construction contract and ancillary agreements for MOS-2 as submitted by the Southern California Rapid Transit District.

2. Report on Proposition A Memorandum of Understanding with the Los Angeles County Transportation Commission for operational funding for FY 1990.

Staff reported that this subject matter had been approved by the Board on July 27. During discussion, Directors Gonzalez and Thomas requested information on the possibility of rescinding the Board's agreement to the 8-point plan.

3. The Board recessed to Closed Session at 2:23 p.m. to consider labor negotiation matters, returning to open session at 2:45 p.m. No report was made of matters discussed in Closed Session.

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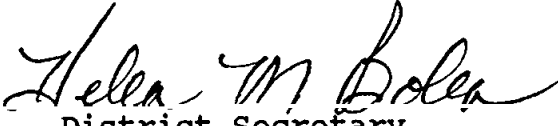
Public Comment

J. Walsh appeared before the Board speaking about the Cost Reduction Panel meeting.

G. Roberts spoke to the Board on transit related matters.

L. Greenwood, an inter-model transportation consultant, appeared before the Board on transportation matters.

The meeting adjourned at 2:58 p.m.

  
District Secretary