

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

MINUTES/PROCEEDINGS

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

October 26, 1989 - 1:10 p.m.

Directors Present

Gordana Swanson, President
Marvin L. Holen, Vice President
Joseph S. Dunning
Larry Gonzalez
Jeff Jenkins

Nick Patsaouras
Charles H. Storing
Kenneth R. Thomas

Directors Absent

Jan Hall
Jerold F. Milner
Jay B. Price

1. Report of the President

President Swanson reported that she visited transit properties in Milan, Rome, Paris and Brussels during her vacation. She also visited the factory where the rail cars are being manufactured. She mentioned that the decision the Board made regarding the interior colors on the rail cars was a good one; the cars look very nice.

2. Report of the General Manager

General Manager Pegg reported that he recently took steps relating to Metro Rail which eliminated 3-5 management positions. He also mentioned that staff is looking at the potential of speeding up the claims processing.

Mr. Pegg also reported that the District has had three divisions inspected by the California Highway Patrol. Two of the three divisions passed the inspection. There has been a change in the inspection procedure; 10% of the buses assigned to the division are inspected; this could mean that as many as 25 buses could be withheld from service for an inspection. Division 15 did not pass the inspection. Staff is in the process of correcting the defects. As a result, there was an instance last week when service was cancelled.

3. Director Special Items

Director Storing made a motion which was seconded and unanimously carried, that the District send a letter of commendation to the Bay Area Rapid Transit District for their contributions to the mobility of the Bay Area following the October 17th earthquake.

Staff responded that a letter has been sent to BART as well as San Francisco Municipal Railway and other carriers in the region.

Director Storing requested the District's Non-Contract pension plan be compared to the PERS plan.

Director Patsaouras commended Gary Spivack for his efforts in preparation of the RFIQ for joint Metro Rail station development and indicated there was a possibility that the District could have its headquarters constructed as a part of this joint development.

Director Thomas cautioned that the District needs to have a facility to which we can relocate upon termination of the current lease and asked staff to assure that a proposal is provided to the Board early enough to allow appropriate action in a timely fashion.

Director Jenkins asked if it were possible to construct a new headquarters facility prior to the termination of our lease. Staff responded that to comply with environmental requirements, design and construct a new facility in the current timeframe would be impossible.

Director Patsaouras inquired if the District has an earthquake preparedness plan. After discussion, he suggested a plan be developed to carry out the transportation function in this region. He also asked if a press release has been issued regarding the similarity between the BART system and the Metro Rail System. Staff responded that a press release was issued earlier this week.

4. Considered status report of FY1990 Long Beach-Los Angeles Rail Line.

A motion was made and seconded to receive and file the report as presented by staff. After considerable discussion, staff estimated that the shortfall to operate the Light Rail system this year is approximately \$3 million.

Director Jenkins presented a substitute motion to define a set of safety and operating criteria under which the District would intend to operate the line and, at a date certain, the Board would make a determination if we have or have not met that criteria. The substitute motion was seconded and discussion continued. The discussion focused primarily on safety and funding elements, and at the conclusion of the discussion, President Swanson suggested that this matter be deferred to a special Board meeting to be held November 2. She suggested that staff prepare a revised recommendation on the criteria required to operate a safe system.

Director Jenkins, with the concurrence of the second, withdrew his substitute motion. With the concurrence of the Board, this matter was deferred.

5. Approved the request by Tutor-Saliba-Perini, Joint Venture (Tutor), the prime contractor, for substitution of another subcontractor for Citicon, Incorporated (Citicon), for work on Metro Rail Contract A175.

Unanimous with 7 Directors present.

Director Thomas requested a report as to what has occurred regarding this contractor and how they are performing on their DBE goals for the entire project. He also expressed his concern that the DBE subcontractor should be replaced with another DBE firm.

CONSENT CALENDAR

Items 6 through 18 on the Consent Calendar were unanimously approved in one motion with 7 Directors present.

6. Approved Requisition No. 9-2700-48 and amendment of existing contracts with Quezada, Navarro & Company and Simpson & Simpson covering the provision of "as needed" financial audit services for the Office of the Inspector General, increasing the total cost by an additional \$30,000; form of contract amendment subject to approval of the General Counsel.

7. Approved Requisition No. 9-7100-130 and exercise of an option for one additional year with Sanwa Bank covering the provision of banking services at an additional estimated cost of \$300,000; form of option subject to approval of the General Counsel.

8. Approved a two-year Agreement with the City of Long Beach for temporary parking adjacent to Division 12 at a monthly rental rate of \$300; form of agreement subject to approval of General Counsel.

9. Approved extension of the lease at 1930 Wilshire Boulevard, Los Angeles for two months at a monthly rate of \$805 including parking for two vehicles at an adjacent parking lot; form of agreement subject to approval of General Counsel.

This procurement is funded under UMTA Grant CA-03-0130.

10. Approved Agreement with the City of Long Beach for the use of a City-owned property for the operation of a Park/Ride Terminal on a month-to-month basis at a monthly rate of \$2,719.17; form of documents subject to approval of General Counsel.
11. Received and filed Report Calendar - October 6, 1989 to October 19, 1989.
12. Received and filed Statement of Purchases - \$25,000 to \$100,000 - September, 1989.
13. Received and filed the Metro Red Line Construction Change Order and Claims Activity Report for September 1989.
14. Received and filed Treasurer's Report on "District Investment of Funds - September 1989.
15. Ratified Bus Stops and Zones as filed with the District Secretary's Office.
16. Ratified Temporary Route Diversions during the period of September 1, 1989 through September 30, 1989.

17. Approved Minutes of Special Board Meeting of September 7, 1989 and Regular Board Meetings of September 14 and September 28, 1989.

18. Approved Board Request List as of October 18, 1989.

PERSONNEL COMMITTEE (Item 19)

19. Adopted revised comprehensive Drug and Alcohol Policy.

Unanimous with 7 Directors present.

EQUIPMENT & OPERATIONS COMMITTEE (Items 20 - 21)

20. Approved staff recommendation to make no changes to adopted Fiscal Year 1990 Budget.

Carried with 8 Directors present and Director Swanson voting no.

21. CARRIED OVER the General Manager's report containing recommendation and alternatives for approval of Change Order No. 4, covering changes in contract for electronic fare collection equipment with Cubic Western Data to Special Board Meeting of November 2, 1989.

Unanimous with 8 Directors present.

MARKETING AND CUSTOMER INFORMATION COMMITTEE (Item 22)

22. Approved:

a. rejection of non-responsive bids submitted by Daval Communications, Temple City and Genesis Group, Burbank (Bid Option No. 1);

- b. contract, and an option for one additional year at the election of the District, with Daval Communications, the lowest responsible bidder under Bid No. 8-8901 (Bid Option No. 2) covering the District's projected two-year usage of monthly pass stamps at a two-year price of \$116,614;

form of contract subject to approval of General Counsel.

Unanimous with 8 Directors present.

ADVANCE PLANNING COMMITTEE (Item 23)

23. Approved Public Hearing Notice for Revised Bus/Rail Interface Plan for FY 91; changed the date for the public hearing to Saturday, December 2, 1989 at 10:00 a.m., and directed staff to hold additional community meetings prior to the public hearing date.

Unanimous with 8 Directors present.

FINANCE & JOINT DEVELOPMENT COMMITTEE (Items 24 - 29)

24. Certified Findings of Public Hearing held on September 28, 1989 to consider the District's Fiscal Year 1990 Section 3 application to UMTA for \$4,799,000 to purchase 20 buses and to convert Divisions 5 and 15 to dispense multiple fuels.

Unanimous with 8 Directors present.

25. Approved a benefit assessment rate of zero cents per square foot for the MOS-1 Benefit Assessment Districts A1 and A2 for the 1989-90 assessment year.

Unanimous with 8 Directors present.

26. Received and filed report transmitting recommendations of the Benefit Assessment Task Force regarding creation of Benefit Assessment Districts for Metro Red Line Phase II.

Unanimous with 7 Directors present.

Public comment was received on this item from the following:

D. Morgan, Hollywood Better Government Association, felt that assessments should be tied to actual, rather than theoretical benefit. He also asked why the MCA owned Registry Hotel is not included in the benefit assessment. Staff responded that because of the steep grade leading up to the hotel, it does not fall within the walking distance criteria and that the Amphitheater is also not included because it is outside the one-half mile limit.

T. De Angelo, Kyo-ya Co., (Sheraton Townhouse) spoke requesting that the Benefit Assessment Task Force educate the property owners who have no idea what their assessments are going to cost them over the next five years.

H. Watts, J. Walsh and G. Roberts also commented on this issue.

27. DEFERRED to Special Board Meeting of November 2, 1989, General Manager's report containing the recommendation to adopt the Resolution of Intent to Establish Benefit Assessment Districts for Phase II and to set the date, time and place for a public hearing.

Unanimous with 7 Directors present.

28. Received and filed the outside auditor's report on the evaluation of the District's system of internal accounting controls for the fiscal year ended July 2, 1988.

Unanimous with 7 Directors present.

29. Received and filed report on status of LACTC payment of District billings for rail construction capital expenditures, and other items.

Unanimous with 7 Directors present.

Following discussion, staff was instructed to report any progress made in the receipt of payments from LACTC at the Special Meeting on November 2.

RAPID TRANSIT COMMITTEE (Items 30 - 33)

30. Approved:

- a. exercise of Option 1B and amendment of Metro Rail Contract A616 with the Lord Corporation for additional fasteners for Phase II of the Metro Rail Project, subject to the condition that the LACTC would have ownership and the District would store and determine distribution of the fasteners, at a cost of \$2,444,900, increasing the contract amount to \$10,832,124; form of option subject to approval of the General Counsel;
- b. accept a work authorization from Los Angeles County Transportation Commission covering the cost of the option.
- c. approve all contract amendments which increase the contract amount by up to five percent of the new contract amount. However, no individual amendment may exceed \$99,999.

Director Holen presented the Committee recommendation to approve the exercise of the option only if language is included in the motion that the fasteners be acquired subject to being included in the inventory of the District. He then commented his preference is that the District press forward with the exercise of the option only if the certainty of funding is forthcoming from the LACTC.

Director Dunning made a motion to accept the staff recommendation as contained in the report dated October 26, 1989, which makes the procurement conditional upon District ownership with no encumbrances. This motion was seconded.

Upon inquiry by the President, there appeared to be several objections to the motion. Discussion continued with Director Thomas suggesting approval of the original staff recommendation as contained in the report dated October 17, 1989. President Swanson asked for indication of support for Director Thomas' suggestion; 2 members voiced support, and she then asked for indication of support for Director Dunning's motion; 3 members voiced opposition.

General Manager Pegg stated for the record that the lack of action by the Board means that the District will not exercise the option, and it will expire on October 31st.

Following the Closed Session held later in the meeting, Director Holen made a motion recommending adoption of the staff's original recommendation, subject to the District having all beneficial rights to the fasteners, including custody, and the right to use the fasteners. He also included that staff be instructed to inform the LACTC that not including the fasteners in the District's inventory may make them not eligible for federal funding, and that an agreement to this effect be executed with the LACTC prior to the District exercising the option to procure the fasteners. This motion was seconded and amended as noted below.

During the discussion, General Manager Pegg indicated his support of this proposed action. Mr. Holen explained the difference between this suggestion and the original motion was that the LACTC would retain legal ownership of the fasteners, but the District would retain custody and the right to use the fasteners at our sole discretion. A consensus was finally reached to word the agreement with the LACTC to have ownership and the District to store and determine distribution of the fasteners. The following Roll Call vote was taken on the action delineated above.

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

31. Authorized the General Manager or his delegate to acquire Right of Way for the Metro Rail Project - MOS II:

PARCEL	LOCATION	REQUIRED ROW
B2-116	633 Shatto Place, Los Angeles	Full-take
B2-121	600 S. Vermont Avenue, Los Angeles	Full-take

This procurement will be funded by the Los Angeles County Transportation Commission.

Unanimous with 6 Directors present.

J. Walsh and H. Watts spoke regarding the take at 633 Shatto Place.

32. Received and filed status report on reconciliation of Metro Rail management information systems.

Unanimous with 6 Directors present.

33. Approved increase in the contract limit with the law firm of Morgan, Lewis & Bockius from \$99,000 to \$300,000 to defend the District in the lawsuit entitled Illinois Walsh Construction Co. vs. SCRTD and to provide legal counsel in the area of construction law.

This project funded in part under UMTA Grant CA-03-0130.

Unanimous with 6 Directors present.

GENERAL ITEMS

34. Recessed to Closed Session at 4:17 p.m. to consider labor negotiations, personnel and litigation matters, returning to open session at 5:07 p.m.

President Swanson made the following announcement regarding labor negotiations with the Transit Police Officers Association.

Provided that agreement is reached with the Transit Police Officers Association by November 15, that new agreement will become effective as of November 1, 1989.

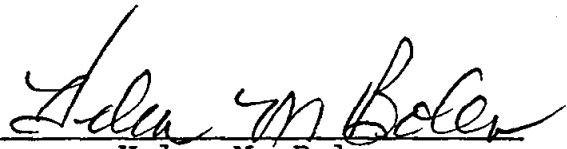
Provided that agreement is reached with the Transit Police Officers Association by November 15, that new agreement will become effective as of November 1, 1989.

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

36. Public Comment

J. Walsh, G. Roberts, and H. Watts spoke on transit related matters.

The meeting adjourned at 5:20 p.m.


Helen M. Bolen
District Secretary