

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

MINUTES/PROCEEDINGS

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

January 11, 1990

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

Directors Present:

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

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

Directors Absent:

Jan Hall

1. Report of the President

President Swanson reported on the agreement executed concerning the RCC and the District's procedure for naming three members to that Board. She proposed that each Board member nominate one person submitting their name by Thursday, January 18 at 4:00 p.m.

A resolution was presented to Mr. William Rhine commending him on his service to the District and expertise to the Metro Rail Project.

Mr. Rhine was also presented a resolution from the House of Representatives.

2. Report of the General Manager

No report was made.

3. Director Special Items

Director Jenkins requested a report on the on-time performance and overall contract status with General Railway Signal.

4. CARRIED OVER to the Special Board Meeting February 1, 1990 changes to the non-contract pension plan.

Mr. Rubin, Controller-Treasurer, recommended that item 4 of the staff recommendations be amended to include that all non-contract retirement plans change the earliest retirement age to 50.

Staff members D. Thompson, H. Hollis, M. Beals, D. Darby, V. Varga and D. Mathey testified before the Board. The common thread to their testimony was consideration of a more equitable pension plan proposal for all non-contract employees.

Mr. Rubin, in response to some of the points raised, mentioned that the unions members are now paying about 2.5% of salary to support the "23 & Out" provision. That amount will soon increase to 3.2%. Also discussed was the age at which medical benefits would be paid to retirees. Staff indicated medicare is activated at age 65. The District has adopted age 62 as the age for medical benefits to begin for retirees.

Director Patsaouras asked about the cost to provide the benefits sought by the non-contract personnel who have appeared before the Board. Mr. Rubin responded the annual cost for the non-contract pension plan is \$3.1 million; to provide "23 & Out" could cost \$10 million per year.

Director Jenkins commented that the \$14 million over-funded figure provides a unique opportunity to reconfigure the plan. He suggested there is a need to find a way to retain the employees who have made a long-term commitment to the District. He requested cost figures to provide a 1.5% increase in pension benefits for each year of service after 30 years of service; i.e., 50% retirement benefit at 30 years, 51.5% retirement benefit at 31 years, etc.

Director Jenkins then made a motion to move adoption of changes to the non-contract pension plan with the following modifications: 1) in the "30 & Out" plan a 1.5% increase for each year of service after 30 years, and 2) any future improvements in the new plan, in some commensurate fashion, also be offered to the employees who have elected to stay in the old plan. This motion was seconded by Director Patsaouras, and discussion continued.

Staff commented that the assets of the Non-Contract Pension Fund are comprised of approximately four dollars of District funds for each dollar contributed by the employees. Mr. Pegg and Mr. Rubin also stated that the use of the surplus to fund some changes in the plan is not prudent; the surplus has been created largely through experience in the investment market. They strongly suggested that the surplus not be used in the manner suggested, but only be used over a long period of time.

Director Holen commented that the use of the surplus without assurance that the value will not erode is not a concept that he could support. Director Jenkins responded that there has not been an actuarial evaluation of this proposal and he recommended that the motion be subject to evaluation. There was additional discussion which concluded with President Swanson suggesting that the item be returned to staff for evaluation and that the matter be placed on the agenda of the Special Meeting on February 1, 1990.

5. APPROVED agreements between petitioners and the Southern California Rapid Transit District and ADOPTED resolutions ordering change in Benefit Assessment for properties in the MOS-1 Benefit Assessment Districts.

UNANIMOUS, with 10 directors present

6. APPROVED agreement between Systems Parking/True Acceptance Company and the Southern California Rapid Transit District and ADOPTED resolution ordering change in MOS-1 Benefit Assessment District A1.

UNANIMOUS, with 10 directors present

7. ACCEPTED Determination of the MOS-1 Benefit Assessment Appeals Panel for Case A1-757-86 (Home Savings of America) and ADOPTED Hearing Officer's recommendation to deny the petition and confirm the assessment on Home Savings of America property, Parcel No. 5144-008-013.

UNANIMOUS, with 10 directors

8. ACCEPTED Determination of the MOS-1 Benefit Assessment Appeals Panel for Case A1-239-86 (Fishking Processors, Inc.) and ADOPTED Hearing Officer's recommendation to deny the petition and confirm the assessment on the Fishking Processors, Inc. property, Parcel No. 5173-016-008.

UNANIMOUS, with 10 directors present

9. WITHDRAWN BY STAFF report concerning Benefit Assessment Confirmation Election Process.

10. WITHDRAWN BY STAFF request by California Engineering Contractors, Inc. for substitution of a subcontractor on Metro Rail Contract A610/115.

11. Received and filed status report on Over 30 Days Old Accounts Receivable from the Los Angeles County Transportation Commission (LACTC).

UNANIMOUS, with 10 directors present

Director Holen requested a letter be sent to the LACTC requesting payment of interest on all items they have failed to pay in a timely manner, unless there was significant error in the District's billing. Staff is to report back.

President Swanson commented briefly on the Long Beach Light Rail costs and payments received. She requested that this subject matter be placed on the Special Board Meeting scheduled for February 1, 1990.

CONSENT CALENDAR

On motion duly made, seconded and carried, items 12 through 14 on the Consent Calendar were approved in one motion with 9 directors present.

12. Received and filed Report Calendar for December 8, 1989 to January 10, 1990.
13. Received and filed Treasurer's report on District's Investment of Funds for December, 1989.
14. Received and filed Metro Red Line Construction Change Order and Claims Activity reports for November and December, 1989.

PERSONNEL & LEGAL COMMITTEE

15. APPROVED Requisition 90-2200-03 and amended contract with the law firm of Thelin, Marrin, Johnson and Bridges to allow completion of the trial in progress in the matter of Fluor Constructors, Inc. v. SCRTD, increasing the contract amount by \$200,000; form of contract amendment subject to approval of the General Counsel.

CARRIED, with 9 directors present and Director Patsaouras voting "No"

EQUIPMENT & OPERATIONS COMMITTEE

- 16a. Received and filed report on the prior sale of 100 obsolete coaches; and
- b. APPROVED the disposal of approximately 180 obsolete coaches by vendor-site auction.

UNANIMOUS, with 9 directors present

17. REJECTED non-responsive bid submitted by Brown Salvage and Metals, Inc. and APPROVED contract award to Damille Metal Supply, Inc., the highest responsive bidder under Bid No. 12-8928-S for scrap metal for an estimated annual revenue of \$45,450; form of documents subject to approval of General Counsel.

UNANIMOUS, with 9 directors present

18. APPROVED Requisition Nos. 9-9399-498 and 9-9399-500 and contracts awarded to Transportation Manufacturing Corp. and Donaldson Corp. covering purchase of diesel particulate trap systems for a not-to-exceed amount of \$330,000; form of contracts subject to approval of the General Counsel.

UNANIMOUS, with 9 directors present

ADVANCE PLANNING COMMITTEE

19. Considered report regarding limited stops in Westwood by City of Los Angeles's proposed Commuter Express service. A motion to approve staff recommendation was made and seconded.

Appearance of M. Uyeno representing the City of Los Angeles, Department of Transportation, urging the Board to approve all 4 stops requested by the City.

Following discussion, Director Jenkins made a substitute motion to approve staff's recommendation but add the fourth stop requested by the City at Westwood & Kinross. The motion was seconded and failed on a Roll Call vote as noted below:

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

Appearance of G. Roberts asking if District bus passes would be accepted and was informed they would. Appearance of J. Walsh who spoke in favor of the service.

APPROVED request by the City of Los Angeles for three (3) limited stops in Westwood Village by the City's proposed Commuter Express Line 4 on a Roll Call vote taken on the original motion as noted below:

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

20. APPROVED consent for a one-year trial period to the new service operated by Los Angeles County between Antelope Valley and Los Angeles subject to the conditions set forth in the report dated January 11, 1990 and APPROVED an Interagency Service Agreement with this new service; form of agreement subject to approval of the General Counsel.

G. Roberts spoke on this item.

UNANIMOUS, with 8 Directors present.

GOVERNMENT RELATIONS COMMITTEE

21. ADOPTED the District's 1990 State, Federal and Local Legislative Program.

UNANIMOUS, with 8 directors present

Appearance of J. Walsh and G. Roberts commenting on the subject.

22. RECEIVED the federal legislative report and took a position in support of S. 1235.

UNANIMOUS, with 8 directors present

RAPID TRANSIT COMMITTEE

- 23a. APPROVED Requisition No. 0-8100-935 and amended Change Order 43 to contract A145 with Guy F. Atkinson Construction Co., So. San Francisco, covering completion of changes in the Equitable Building required by the construction of the 5th/Hill St. Station, increasing the change order amount by a not-to-exceed amount of \$50,000; and

- b. APPROVED all contract amendments which increase the aggregate contract price up to five percent of the new contract amount; however, no individual amendment may exceed \$199,999;

form of amendments subject to approval of General Counsel.

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

UNANIMOUS, with 8 directors present

24. AUTHORIZED negotiation of a separate agreement with Andersen Consulting on RFP 89-17 (rail activation software changes) for an amount up to \$328,751, covering software modifications; final contract to be brought to the Board for approval; form of documents subject to approval of the General Counsel.

UNANIMOUS, with 8 directors present

FINANCE & JOINT DEVELOPMENT COMMITTEE

25. ADOPTED resolution to authorize the sale of approximately \$15 million in Revenue Anticipation Notes (RANS) to raise cash for District operating costs in Fiscal Year 1990, including obtaining a Letter of Credit from the Mitsui Trust & Banking Co., Ltd.; form of documents subject to approval of the General Counsel.

UNANIMOUS, with 8 directors present

26. APPROVED submittal to the Los Angeles County Transportation Commission of the Fiscal Year 1991 Overall Work Program for technical studies in the amount of \$3.8 million, pursuant to Section 8 of the Urban Mass Transportation Act of 1964, as amended; form of documents subject to approval of the General Counsel.

UNANIMOUS, with 8 directors present

GENERAL ITEMS

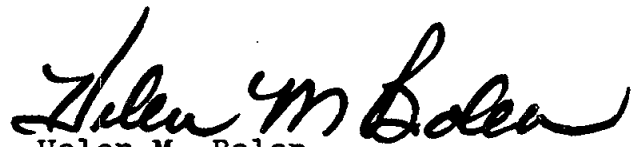
27. There were no items arising subsequent to the posting of the agenda.

29. Public Comment

Appearance of J. Walsh asking about the RCC. G. Roberts appeared complaining about specific drivers.

28. Recessed to Closed Session at 4:04 p.m. to consider potential real estate negotiations for the site location of a headquarters building. Returned at 4:44 p.m. with no report being made.

Adjourned at 4:45 p.m.


Helen M. Bolen
District Secretary