

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

MINUTES/PROCEEDINGS

Special Board Meeting
Board of Directors
Friday, April 24, 1987
District Board Room
425 South Main Street
Los Angeles

Called to order at 10:14 a.m.

Directors Present:

Jan Hall, President	Nick Patsouras
Carmen A. Estrada, Vice-President	Jay B. Price
John F. Day	Charles B. Storing
Joseph S. Dunning	Gordana Swanson
Nate Holden (arr. 11:20 a.m.)	
Marvin L. Holen	

Director Absent:

Leonard Panish

Agenda Items No. 1, 2 and 3.

Presentation by Mr. Doug Carter of Price Waterhouse (PW) on the Baseline Assessment of the District's Performance Action Plan.

Report for the month of February by the Independent Audit of PW on RTD Performance Action Plan, Technical Memorandum: Baseline Assessment for RTD's Performance Action Plan, and Executive Summary.

Report on March Performance Under the Performance Action Plan.

Mr. Carter distributed a summary of PW's Baseline Assessment of the District's Performance Action Plan and commented on the Plan generally and on each element specifically.

In general, Mr. Carter stated that the Performance Action Plan is not all-inclusive on all of the problems at the District; therefore, success of the Performance Action Plan may not be indicative of any cure of the District's problems. Mr. Carter indicated that the Plan was adopted late in February, but was put into operation February 1st by the District staff. Mr. Carter then spoke briefly about each element of the Performance Action Plan:

Travel Expenses: During the first six months of the budget year, this account or element was over-extended by about \$35,000, which will result in a nominal savings rather than the amount projected by staff.

Complaints and Corrective Action: Mr. Carter suggested using a measure of exposure; i.e., number of complaints versus the number of riders.

Accidents and Safety: Measures should address chargeability and severity. Average cost per claim should be identified. PW identified cost savings greater than projected by the District.

Alcohol and Drug Abuse: A 15% reduction has been effected. One additional measure suggested would be the cost of time lost for drug testing. PW was unable to substantiate cost savings.

Driver Licensing: Baseline is 99.8% compliance. Objectives are comprehensively covered. PW suggests adding notification time lag. No cost savings have been identified.

Absenteeism: Objective of the Plan is twice the current RTD goal. Plan elements are in place or in progress and meet objectives. Cost savings need to be recalculated.

Service Quality and Maintenance: Objective anticipates a decline in performance and the amount of in-service delay is not captured as a measure of performance. Cost savings have not been identified.

Management Emphasis on Bus Operations: Subjective demonstration of efficient operations by identifying problems. The overall Performance Action Plan will be a good measure. No cost savings have been identified.

Operating Costs: Objectives will exceed baseline conditions. Cost savings to be identified later.

Employment Practices: Objectives call for improvement. One additional measurement would be the period of time a position is vacant. No cost savings identified.

Internal Review and Evaluation: Objectives are programmatic. The Inspector General is a new position; there is no comparability. No cost savings have been identified during the time period contained in the Performance Action Plan.

Elderly and Disabled Transportation: The District currently enjoys a 94.9% lift reliability. The Plan calls for a slight decline in overall performance. No cost savings identified.

Bus Operations in Heavily Travelled Corridors: Mr. Carter acknowledged that it would be difficult to measure this element. He indicated the key to success is the City of Los Angeles. No cost savings have been identified.

In summary, Mr. Carter indicated that PW used data from the Period July 1, 1986 to January 31, 1987, while the District's figures are predicated on the data from the period July 1, 1986 to December 31, 1986. PW tried to use the best data available, applying the criteria to a different set of data than the District used. He stated that he believed the District should change or reassess their objectives using the elements reviewed by PW.

Mr. Carter did indicate that the Plan directly supports the stated objectives. PW does suggest an expansion of the measures of performance. The estimate of cost savings is clearly overstated and the basis for cost savings estimates are not fully substantiated. He concluded by indicating that PW will estimate accrued cost savings at the end of the six-month period and will report back on what really happened at the District.

A question and answer period followed, with President Hall inquiring if PW has basically validated those measures that have been put in place. Mr. Carter responded that the measures identified by the District are adequate, PW has identified some additional measures. In response to President Hall concerning cost estimates, Mr. Carter indicated that his firm found that they were not accurate.

In answer to Director Patsaouras' inquiry regarding evaluation of the General Manager, Mr. Carter responded that his job was not to evaluate the General Manager, but to assess the Performance Action Plan to identify issues and problems and to plan for improvements. In conclusion to Director Patsaouras' comments, Mr. Carter indicated that the planning side of the Performance Action Plan has been conducted in a responsible and satisfactory manner.

Director Estrada mentioned that the General Manager has proposed that the Board review the Plan every month, yet Mr.

Carter has suggested that it is not useful to review the Plan this often. She asked how often he would recommend reviewing the Plan. Mr. Carter indicated that not all elements of the Plan would have activity that could be measured monthly. Director Estrada also asked Mr. Carter for his opinion on how much money the District could save during the six-month period of the Plan. Mr. Carter said that he would have no basis for an estimate at this time.

Director Dunning asked if PW recommended a continuance of the program. Mr. Carter indicated that a long term, if not permanent, establishment of the elements contained in the Plan, is needed.

Director Holen spoke about exit interviews as required by good accounting practices and he asked if an exit interview had been conducted at the District. Mr. Carter indicated an exit interview had not been conducted; at this point, PW simply did a baseline study. He indicated that additional interviews with management would be done at the end of the six-month period. Director Holen continued that the purpose of an exit interview is to avoid misunderstanding and error, and it would seem that the serious nature of the review would have called for a careful approach to avoid error. Director Holen asked if PW considered an exit interview to go over their findings. Mr. Carter responded that PW's work with the Los Angeles County Transportation Commission was to establish a measure to monitor performance.

Director Holen then directed his comments and questions to the subject of availability of PW's report to the District prior to its release to the press. In response to Director Holen, General Manager Dyer indicated that he was not given an opportunity to review the report prior to release to the public. Director Holen continued that an important area of safeguard seems to have failed, and the press may well have been misled because of that. He also asked if PW had discussed an exit interview with their client.

Director Patsaouras remarked on a statement made by Mr. Carter that there was a dynamic movement going on within the District. He asked if this was the result of policies and procedures put into place or because the staff has been prodded to act, and does this appear to be a temporary phenomenon or is it here to stay. Mr. Carter indicated that some of the dynamics and improvements are a normal part of the time process, and of course, any organization responds when it becomes aware that a problem exists.

Director Swanson asked General Manager Dyer to comment on the PW report and give his opinion on whether or not an exit interview would be useful to the District as a management tool.

Mr. Carter also informed the Board that the work scope for PW was well defined. The Los Angeles County Transportation Commission felt that if anything else was a major problem then PW could comment on that as well. This is the reason comment was made on how well the Performance Action Plan is tied to the objectives.

Mr. Dyer indicated that the PW Baseline Assessment is a highly credible set of documents. The District will use these as a management tool after some minor differences have been reconciled that involve data base. He stated that this is a technical document, not a policy document. The cost estimates are things that can and should be derived as we go through the six-month performance period. None of the data is perishable; it can be and will be retained.

President Hall commented that PW is employed by the LACTC. We all know that the District has incredible fiscal problems. She asked if the LACTC has indicated they will assist by making funds available to resolve the problems. Mr. Carter responded negatively.

Director Estrada expressed her pleasure that the LACTC has put forth the money to have the independent audit performed. She asked if the goals are ordinary or extraordinary and are they going to make a difference. Mr. Carter replied that it is difficult to measure extraordinary effort in all of the plan elements. Director Estrada asked when the final report would be ready, with Mr. Carter indicating it would be finished in September.

Director Holen again talked about an exit interview and requested that in the future the District be extended the courtesy of an exit interview. Mr. Carter indicated he would forward this request to the LACTC. He indicated PW plans to simply review data from the District. At the end of the six-month period, an evaluation will be made. He also stated that the District should have a copy of the work program that was developed by the LACTC.

Mr. Carter indicated that the purpose of the PW study is to evaluate whether or not the results or objectives in the Performance Action Plan have been attained.

Messrs. Sheldon Walter, Howard Watts and Ed Duncan appeared before the Board speaking to the issue at hand.

On motion duly made, seconded and carried, the report and documents for Agenda Items 1, 2 and 3 were "Received and Filed".

The meeting recessed at 11:36 a.m. and was called to order again at 11:45 a.m. with all Directors responding to Roll Call except Directors Day and Panish.

Agenda Item No. 4.

Considered General Manager's report regarding adoption of alignment and sequencing decisions needed to complete the Congressionally Ordered Re-Engineering (CORE) Study Final Subsequent Environmental Impact Report (SEIR).

A transcript of this portion of the meeting is available in the District Secretary's Office.

Director Holen reviewed the process and procedure the District has followed on this project. Members of the Board and the public spoke to the subject of alignment and sequencing decisions.

Director Holen presented a motion to approve the draft resolution as presented to the Board, which motion was seconded by Director Dunning. This motion appears on page 76 of the transcript.

After discussion, Director Holen agreed to withdraw sections 4 and 5 of the motion, which was also agreed to by the second on the motion.

Director Holden suggested an amendment to the motion which would incorporate in the resolution the contents of the amendment adopted by the City Council, City of Los Angeles, known as amendment three or paragraph c, which would substitute for the second resolve clause in the motion proposed by Director Holen. There was no second to this suggested amendment.

At a request for clarification, Alignment No. 4 is defined as depicted on Figure 1-10, page 1-43 of the Subsequent Environmental Draft Report, published on February 1, 1987. Also, at the request of Director Patsaouras, the motion was amended to remove the word 'optional' from the Hollywood Bowl Station.

The motion carried on a Roll Call vote as noted below and the following resolution was adopted:

Ayes:	Estrada, Dunning, Holen, Patsaouras, Price, Storing, Swanson, Hall
Noes:	Holden
Abstain:	None
Absent:	Day, Panish

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

RESOLVED, that the Congressionally Ordered Re-Engineering (CORE) Study Candidate Alignment 4, as depicted on Figure 1-10 on page 1-43 of the Draft Subsequent Environmental Impact Report published on February 13, 1987, shall be the alignment identified in the Final Subsequent Environmental Impact Report as the Locally Preferred Alternative (LPA) for the Metro Rail Project;

RESOLVED FURTHER, the designation 'optional' for Station 15 on Figure 1-10 on page 1-43 of the Draft Subsequent Environmental Impact Report shall be removed and Station 15 shall be identified without the designation in the Final Subsequent Environmental Impact Report;

RESOLVED FURTHER, that the profile of the alignment segment west of Wilshire Boulevard and Western Avenue shall be studied in the alternative between a subway profile and an aerial profile, with a decision to be made no later than December 1, 1988, following Southern California Rapid Transit District and City of Los Angeles additional ridership and traffic studies and consultation with the public on that segment;

RESOLVED FURTHER, that the recommendation of the Los Angeles City Council is hereby accepted regarding MacArthur Park and regional transportation needs.

Director Holen then presented a second motion requesting that the District, Southern California Association of Governments and affected cities begin studies, using local funds, for an extension of the Wilshire corridor subway section of the Metro Rail Project through the City of Beverly Hills and the communities of Century City and Westwood/UCLA. This motion was seconded and carried on a Roll Call vote as noted below and the following resolution was adopted:

Ayes:	Estrada, Dunning, Holden, Holen Patsouras, Price, Storing, Swanson, Hall
Noes:	None
Abstain:	None
Absent:	Day, Panish

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

RESOLVED, that the Southern California Rapid Transit District, the Southern California Association of Governments, and affected cities will jointly commence studies with local funds of an extension of the Wilshire Corridor segment of the Metro Rail Project to encompass service through the City of Beverly Hills, and the City of Los Angeles through the Century City and Westwood - UCLA areas.

Agenda Item No. 5.

Public Comment

Messrs. Pat Moser, Peter Baxter and Howard Watts addressed the Board, speaking to a variety of topics.

Meeting adjourned at 11:58 a.m.


District Secretary