

Wednesday, June 18, 2014 1:00 PM

Agenda

Finance, Budget and Audit Committee Meeting

One Gateway Plaza
3rd Floor Board Room

Call to Order

Directors

Mark Ridley-Thomas, Chair
John Fasana, Vice Chair
Paul Krekorian
Ara Najarian
Zev Yaroslavsky
Carrie Bowen, non-voting member

Officers

Arthur T. Leahy, Chief Executive Officer
Michele Jackson, Board Secretary
Karen Gorman, Acting Ethics Officer
Karen Gorman, Inspector General
County Counsel, General Counsel



Los Angeles County
Metropolitan Transportation Authority

Metro

METROPOLITAN TRANSPORTATION AUTHORITY BOARD RULES (ALSO APPLIES TO BOARD COMMITTEES)

PUBLIC INPUT

A member of the public may address the Board on agenda items, before or during the Board or Committee's consideration of the item for one (1) minute per item, or at the discretion of the Chair. A request to address the Board should be submitted in person at the meeting to the Board Secretary. Individuals requesting to speak on more than three (3) agenda items will be allowed to speak up to a maximum of three (3) minutes per meeting. For individuals requiring translation service, time allowed will be doubled.

The public may also address the Board on non-agenda items within the subject matter jurisdiction of the Board during the public comment period, which will be held at the beginning and/or end of each meeting. Each person will be allowed to speak for up to three (3) minutes per meeting and may speak no more than once during the Public Comment period. Speakers will be called according to the order in which the speaker request forms are received. Elected officials, not their staff or deputies, may be called out of order and prior to the Board's consideration of the relevant item.

In accordance with State Law (Brown Act), all matters to be acted on by the MTA Board must be posted at least 72 hours prior to the Board meeting. In case of emergency, or when a subject matter arises subsequent to the posting of the agenda, upon making certain findings, the Board may act on an item that is not on the posted agenda.

CONDUCT IN THE BOARD ROOM - The following rules pertain to conduct at Metropolitan Transportation Authority meetings:

REMOVAL FROM THE BOARD ROOM The Chair shall order removed from the Board Room any person who commits the following acts with respect to any meeting of the MTA Board:

- a. Disorderly contemptuous or insolent behavior toward the Board or any member thereof which disrupts, disturbs, or otherwise impedes the orderly conduct of the meeting;
- b. A breach of the peace, boisterous conduct or violent disturbance which disrupts, disturbs, or otherwise impedes the orderly conduct of the meeting;
- c. Disobedience of any lawful order of the Chair, which shall include an order to be seated or to refrain from addressing the Board; and
- d. Any other unlawful interference with the due and orderly course of said meeting.

Any person so removed will also be excluded from the interior of the Metro Headquarters Gateway Building until the beginning of the next business day.

INFORMATION RELATING TO AGENDAS AND ACTIONS OF THE BOARD

Agendas for the Regular MTA Board meetings are prepared by the Board Secretary and are available prior to the meeting in the MTA Records Management Department and on the Internet. Every meeting of the MTA Board of Directors is recorded on CD's and as MP3's and can be made available for a nominal charge.

DISCLOSURE OF CONTRIBUTIONS

The State Political Reform Act (Government Code Section 84308) requires that a party to a proceeding before an agency involving a license, permit, or other entitlement for use, including all contracts (other than competitively bid, labor, or personal employment contracts), shall disclose on the record of the proceeding any contributions in an amount of more than \$250 made within the preceding 12 months by the party, or his or her agent, to any officer of the agency, additionally PUC Code Sec. 130051.20 requires that no member accept a contribution of over ten dollars (\$10) in value or amount from a construction company, engineering firm, consultant, legal firm, or any company, vendor, or business entity that has contracted with the authority in the preceding four years. Persons required to make this disclosure shall do so by filling out a "Disclosure of Contribution" form which is available at the LACMTA Board and Committee Meetings. Failure to comply with this requirement may result in the assessment of civil or criminal penalties.

ADA REQUIREMENTS

Upon request, sign language interpretation, materials in alternative formats and other accommodations are available to the public for MTA-sponsored meetings and events. All requests for reasonable accommodations must be made at least three working days (72 hours) in advance of the scheduled meeting date. Please telephone (213) 922-4600 between 8 a.m. and 5 p.m., Monday through Friday. Our TDD line is (800) 252-9040.

LIMITED ENGLISH PROFICIENCY

A Spanish language interpreter is available at all Board Meetings. Interpreters for Committee meetings and all other languages must be requested 72 hours in advance of the meeting by calling (213) 922-4600.



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HELPFUL PHONE NUMBERS

Copies of Agendas/Record of Board Action/Recordings of Meetings - (213) 922-4880 (Records Management Department)

General Information/Rules of the Board - (213) 922-4600

Internet Access to Agendas - www.metro.net

TDD line (800) 252-9040

NOTE: ACTION MAY BE TAKEN ON ANY ITEM IDENTIFIED ON THE AGENDA

5. ADOPT the [FY15 Proposed Audit Plan](#).

6. CONSIDER:
 - A. approving the [Southern California Regional Rail Authority's \(SCRRA\) FY 2014-15 Annual Work Program pursuant to their May 1, 2014, budget transmittal](#) with exceptions;

 - B. approving LACMTA's share of SCRRA FY 2014-15 Metrolink funding to reflect the programming of funds as follows:
 1. Up to \$59,683,000 for Metrolink Operations;
 2. \$2,305,108 for Right of Way (ROVE Security);
 3. \$4,000,000 for ROTEM reimbursement;
 4. \$4,096,000 for Positive Train Control (PTC);
 5. \$8,000,000 for the Renovation and Rehabilitation Program; and
 6. \$100,000 for one-time special events;

 - C. extending the lapsing date for funds previously allocated to SCRRA for the Renovation and Rehabilitation Program as follows:
 1. FY 2010-11 from June 30, 2014 to June 30, 2015 - \$512,269,
 2. FY 2011-12 from June 30, 2014 to June 30, 2015 - \$2,603,996;

 - D. approving the FY 2014-15 Transfers to Other Operators payment rate of \$1.10 per boarding to LACMTA and an EZ Pass reimbursement cap to LACMTA of \$5,592,000;

 - E. authorizing the Chief Executive Officer (CEO) or his designee to amend LACMTA's Commuter Rail Program budget as described in the financial impact section of this report and to negotiate and execute all necessary agreements between LACMTA and the SCRRA for the approved funding; and

 - F. authorizing the CEO to amend the adopted budget to reflect the above recommendations.

7. AUTHORIZE the Chief Executive Officer to award a firm fixed price [Contract Number PS56103234 with Sierra Systems](#), the highest evaluated proposer for a firm fixed price of \$2,295,200 for an agency-wide budget systems upgrade.

8. CONSIDER:
 - A. adopting a resolution authorizing the [replacement of an expiring line of credit and direct purchase agreements with respect to the Prop A 2008-A bonds](#);

 - B. authorizing the Chief Executive Officer (CEO) to finalize negotiations with the banks recommended and enter into direct purchase agreements as provided for in the resolution resulting in a combined estimated all-in cost of approximately \$2.3 million for the two year terms of the agreements, versus the current cost of approximately \$3.8 million over two years, for an estimated savings of \$750,000 per year based on reduced bank and financing fees; and

 - C. authorizing the CEO to negotiate with each successively ranked proposer from the list provided if unable to reach agreement with either of the recommended proposers.

(REQUIRES, SEPARATE, SIMPLE MAJORITY BOARD VOTE)

9. CONSIDER adopting:
 - A. findings and recommendations for allocating [FY 2014-15 Transportation Development Act \(TDA\) Article 8 funds](#) estimated at \$24,586,480 as follows:
 1. In the City of Avalon there are unmet transit needs that are reasonable to meet, and the City of Avalon chooses to use \$147,850 of their Article 8 funds for their transit services; therefore, TDA Article 8 funds will be used to meet the unmet transit needs;

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2. In the Antelope Valley, which includes the Cities of Lancaster and Palmdale, and in the Los Angeles County Unincorporated areas of the Antelope Valley, transit needs are met using other funding sources, such as Proposition A and Proposition C Local Return; therefore, their transit needs can be met with other funding sources. Hence, TDA Article 8 funds in the amount of \$6,176,827 and \$6,017,373 (Lancaster and Palmdale, respectively), may be used for street and road purposes and/or transit;
3. In the Santa Clarita Valley, which includes the City of Santa Clarita and the Los Angeles County unincorporated areas of the Santa Clarita Valley, transit needs are met with other funding sources, such as Proposition A and Proposition C Local Return; therefore, their transit needs can be met with other funding sources. Hence, TDA Article 8 funds in the amount of \$7,980,500 for the City of Santa Clarita may be used for street and road and/or transit purposes, as long as their transit needs continue to be met; and
4. In the Los Angeles County Unincorporated areas of North County, the areas encompass both the Antelope Valley and the Santa Clarita Valley, the allocation is \$4,263,930 and may be used for street and road purposes and/or transit.

B. a resolution making a determination of unmet public transportation needs in the areas of Los Angeles County outside the Metro service area.

10. CONSIDER:

- A. establishing [Proposition C Local Return funded Capital Reserve Accounts](#) for the City of Compton;

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- B. approving extensions for existing Local Return Capital Reserve Accounts as prescribed in their Agreements for an additional three years for the Cities of Duarte and Lawndale; and
- C. authorizing the Chief Executive Officer to negotiate and execute all necessary agreements between Los Angeles County Metropolitan Transportation Authority and the Cities for their Capital Reserve Accounts as approved.

11. CONSIDER:

- A. approving [\\$1.8 billion in FY2015 Transit Fund Allocations for Los Angeles County jurisdictions](#), transit operators and Metro operations. These allocations comply with federal and state regulations and LACMTA Board policies and guidelines;
 - 1. Planning and Administrative allocations of Transportation Development Act (TDA), Proposition A, Proposition C and Measure R in the amount of \$71.8 million.
 - 2. Bus Transit Subsidies of State, Local and Federal funds in the amount of \$1.257 billion which includes \$6.0 million for the continuation of the Tier 2 Operators Funding Program.
 - 3. Proposition A Incentive Programs in the amount of \$15.0 million which includes \$210,000 increase in Hollywood Bowl Shuttle Service Program from \$847,000 to \$1,057,000.
 - 4. Proposition A Local Return, Proposition C Local Return, Measure R Local Return, TDA Article 3 (Pedestrian and Bikeways) and TDA Article 8 (Street and Highways) for \$459.8 million.

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- B. authorizing the Chief Executive Officer to adjust FY2015 Federal Section 5307 (Urbanized Formula), Section 5339 (Bus and Bus Facilities) and Section 5337 (State of Good Repair) allocations upon receipt of final apportionment from the Federal Transit Authority and amend FY2015 budget as necessary to reflect the aforementioned adjustment;
 - C. approving fund exchange in the amount of \$9.4 million of Santa Monica's Big Blue Bus' FY2015 Federal Section 5307 formula share allocation with Metro's TDA Article 4 allocation, to be adjusted upon receipt of final apportionment and disbursed in FY2016;
 - D. approving fund exchange of Federal Section 5307 discretionary fund awarded to the Southern California Regional Transit Training Consortium through Long Beach Transit in the amount of \$250,000 with Metro's TDA Article 4 allocation;
 - E. approving fund exchanges in the amount of \$10.9 million of Metro's share of Federal Section 5307 with municipal operators' shares of Federal Sections 5339 and 5337;
 - F. adopting a resolution designating Transportation Development Act and State Transit Assistance fund allocations in compliance to the terms and conditions of the allocation; and
 - G. upon approval, authorizing the Chief Executive Officer to negotiate and execute all necessary agreements to implement the above funding programs.
12. RECEIVE AND FILE the [third quarter report of the Management Audit Services \(Management Audit\)](#) for the period ending March 31, 2014.
13. RECEIVE AND FILE the [Access Services Customer Survey, Access Services Non-User Survey and Metro Access Services Town Hall Meetings reports. \[HANDOUT A\] \[HANDOUT B\] \[HANDOUT C\]](#)

(ALSO ON EXECUTIVE MANAGEMENT COMMITTEE)

14. RECEIVE AND FILE report on [potential new sources of advertising revenue for Metro.](#)

15. RECEIVE **report from the Chief Executive Officer.**

Consideration of items not on the posted agenda, including: items to be presented and (if requested) referred to staff; items to be placed on the agenda for action at a future meeting of the Committee or Board; and/or items requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Committee subsequent to the posting of the agenda.

COMMENTS FROM THE PUBLIC ON ITEMS OF PUBLIC INTEREST WITHIN COMMITTEE'S SUBJECT MATTER JURISDICTION

ADJOURNMENT