

Thursday, June 22, 2006 9:30 A.M.

---

# MINUTES

Regular Board Meeting  
Board of Directors

One Gateway Plaza  
3rd Floor Boardroom

---

Called to order at 9:35 a.m.

---

Directors present:

Antonio Villaraigosa, Chair  
Gloria Molina, 1st Vice Chair  
Pam O'Connor, 2nd Vice Chair  
Mike Antonovich  
Yvonne B. Burke  
John Fasana  
Richard Katz  
Bonnie Lowenthal  
Ara J. Najarian  
Bernard Parks  
Zev Yaroslavsky  
Doug Failing, non-voting member

---

Officers

Roger Snoble, Chief Executive Officer  
Michele Jackson, Board Secretary  
Karen Gorman, Ethics Officer  
William Waters, Inspector General  
County Counsel, General Counsel



**Metro**

Los Angeles County  
Metropolitan Transportation Authority

NOTE: Members voting are reflected on the attached "RECAP OF PROCEEDINGS" matrix.

1. APPROVED Consent Calendar Items: 2, 6, 7, 8, 13, 14, 15, 25, 37 and 39.

Items 26 and 36 were removed from Consent Calendar.

2. APPROVED ON CONSENT CALENDAR **Minutes** of Regular Board Meeting held May 25, 2006.

3. RECEIVED Chair's Report.

Chair Villaraigosa remarked that it was a pleasure serving as Chair of the MTA Board and he has great affection for the agency and the people that work in it. He commended staff for doing a good job. He summarized the accomplishments and successes during his term.

- New Transit Security funding to address security issues and install high technology cameras
- Received \$4.5 billion in SAFETEA-LU funding
- Opening of the Orange Line
- Credited the BRU for helping us to get a new Rapid Bus Service to Western Ave.
- Broke ground on the Twin Tunnels on the Eastside Extension
- Opened the Sepulveda Blvd. Rapid Bus Service in San Fernando Valley
- Approved the Locally Preferred Alternative for the first phase of the Exposition Line in Culver City which enabled the Construction Authority to award the Design Build contract
- Commissioned the Independent Safety Study that concluded the Wilshire Subway Extension is safe to build and operate. Congressman Waxman is moving ahead to remove the federal prohibition on federal funding for subway on Wilshire Blvd.
- Conducted an analysis to show the Downtown connector will improve system ridership in a cost effective manner and link four existing light rail lines that don't currently interface
- Launched the big rig Freeway Service Patrol on I-710 Freeway to ease congestion
- Opened the 405FW carpool lane between the I-105 and SR90

- Received support and funding on the last remaining carpool lane on I-405 from the I-10 to the I-101
- Increased the County share of the Infrastructure Bond package from 19% to \$4.5 Billion for Transit

Chair Villaraigosa stated that while it was a good year, there is still work to be done to pass the Infrastructure Bond which is important to Goods Movement, Carpool lanes and public transit.

Chair Villaraigosa acknowledged the Board and particularly thank Board Member Katz who has been vigorous in representing the MTA Board in Sacramento and Board Member Fleming in his role as Chamber Chair.

4. RECEIVED Chief Executive Officer's Report

CEO Snoble stated that it has been an incredible year with the accomplishments that the agency had with Director Villaraigosa as Chairman. He thanked Chair Villaraigosa on behalf of staff, for his leadership, hard work and his contribution to the MTA.

5. APPROVED AS AMENDED BY MOLINA TO INCLUDE AN UPDATE TO THE I-710 OVERSIGHT POLICY COMMITTEE IN AUGUST 2006:

- A. adopting the Alternative Analysis for the **I-5/I-710 Interchange** (East Los Angeles Mini-Study) including Tier I Community Advisory Committee comments from East Los Angeles and City of Commerce and incorporate into the I-710 Major Corridor Study's Locally Preferred Strategy adopted by the Board on January 27, 2005;
- B. authorizing the Chief Executive Officer to proceed with the environmental (EIR/EIS) phase of the project pursuant to the Major Corridor Study's Locally Preferred Strategy; and
- C. authorizing the Chief Executive Officer or his designee to negotiate and execute funding contracts or agreements as needed with agencies that have committed to provide funds for the conduct of the EIR/EIS.

**LOWENTHAL/BURKE AMENDMENT** that the Board adopt the staff recommendations and further instruct staff, in consultation with the CTC's CEO committee, to take the following actions:

1. To further explore the nature, development, and role of a single-purpose agency or agencies to fund this and other projects;
2. To investigate the applicability of the funding model used in Oregon, whereby private investment was used to help fund the initial project development work;
3. To investigate the conditions for applying for and obtaining pre-deployment funding from the TIFIA program to support early work on the 710 project; and
4. Bring an update to the Board in August, 2006

**KATZ AMENDMENT** that the MTA Board direct the CEO to present the following recommendations to the I-710 Executive Committee and the I-710 Project Committee for consideration in the development of the I-710 Environmental process:

1. Provide for future freight mobility and air quality improvement by fully examining an alternative that uses advanced technology for the movement of goods.
  2. Ensure that public and community participation includes a "Tier 2-like" stakeholder advisory committee(s) for the I-710 Corridor project, that the committee(s) convenes quarterly at minimum and includes, representatives of the affected residential, business, and environmental communities and other groups.
  3. Request that the Executive Committee submit to the MTA Planning and Programming Committee a quarterly status update of the "Compendium of Existing and Proposed Near-Term Air Quality Improvement Strategies for the I-710 Corridor", Exhibit 2 (March 2006).
  4. Allocate \$75,000 from the fiscal year 2006-2007 "Proposition A, C, TDA Administration" fund balance to the Gateway Council of Governments to complete the "short-term air quality plan" that addresses near-term mitigations of emissions.
6. APPROVED ON CONSENT CALENDAR adopting the following two **bicycle planning documents**:
- A. Metro Bicycle Transportation Strategic Plan
  - B. Bicycle Transportation Account Compliance Document

7. APPROVED ON CONSENT CALENDAR:

- A. approving three-year extensions to the term limits of the Memoranda of Understanding that established the **Local Return Capital Reserve Accounts** for the Cities of Arcadia, Montebello, Pico Rivera, Pomona and San Gabriel for capital projects and amounts of Proposition A and Proposition C Local Return funds; and
- B. authorizing the Chief Executive Officer, or his designee to negotiate and execute all necessary amendments that would extend the term limits of the MOUs between Metro and the cities for their Local Return Capital Reserve Accounts as approved.

8. APPROVED ON CONSENT CALENDAR:

- A. establishing **Capital Reserve Accounts** for the City of Inglewood for \$3,000,000; the City of South Gate for \$620,000; the City of Temple City for \$5,000,000, and the City of West Covina for \$3,500,000 from their Proposition C 20% Local Return funds, so that their funds may be used to finance improvement projects on streets heavily used by transit; and
- B. authorizing the Chief Executive Officer, or his designee, to negotiate and execute all necessary agreements between Metro and the cities for their Capital Reserve Accounts as approved.

13. APPROVED ON CONSENT CALENDAR the following nominee for membership on the **San Fernando Valley Service Sector Governance Council:**

Brad Rosenheim – Re-appointment  
Appointed by: Las Virgenes-Malibu Council of Governments  
Term ending: APRIL 2009

14. APPROVED ON CONSENT CALENDAR:

- A. adopting the updates to the **Debt Policy;**
- B. adopting the updates to the **Rate Swap Policy;** and

C. receiving and filing the Annual Report on Interest Rate Swaps.

15. APPROVED ON CONSENT CALENDAR **FASANA MOTION** that the Board of Directors, to ensure equity of compensation for non-represented employees consistent with Board policy, is adjusting the non-represented pay ranges by 10% to partially mitigate the impact of previous years when inflationary pay range adjustments were not made.

23. **CLOSED SESSION:**

A. Conference with Labor Negotiator – G.C. 54957.6:

Agency Negotiator: John Catoe and Brenda Diederichs  
Employee Organizations: ATU, UTU, TCU

NO REPORT.

B. Conference with Real Property Negotiators concerning Price and/or Terms of Payment - G.C. 54956.8:

Negotiator: Velma Marshall

APPROVE **Just Compensation** for the following parcels required for the Exposition Metro Line Light Rail Project.

Parcel No.	Owner
WE-616	LaCienega Jefferson, LLC
D-120	University of Southern California

NO REPORT.

C. Conference with Legal Counsel – Existing Litigation – G.C. 54956.9 (a):

Clear Channel Outdoor, Inc. v. MTA Case No. BC286040

APPROVED settlement agreement. The terms of which will be made available upon acceptance by all parties.

25. APPROVED ON CONSENT CALENDAR authorizing the Chief Executive Officer to execute Contract Modification No. 1.00 to Contract No. C0739, Canoga Station/Park-and-Ride with Sully-Miller Contracting Company, for the **deletion of Parking Lot B** in the credit amount of \$1,190,000, decreasing the total contract price from \$13,732,500 to \$12,542,500.

26. APPROVED:

A. Authorizing the Chief Executive Officer to:

- 1) negotiate and execute a two-year indefinite quantity/indefinite delivery contract with three one year options, to Jones and Stokes Associates, for **Environmental Compliance Services** on Contract Work Orders, for an initial amount not to exceed \$2.275 million for fiscal years 2007 and 2008;
- 2) negotiate and execute Contract Work Orders and changes within the Board approved contract value; and
- 3) exercise each of the three option years no later than thirty (30) days prior to the option expiration date.

B. Should staff be unable to conclude negotiations with Jones and Stokes Associates, staff requests authority to negotiate with the next qualified proposer.

27. APPROVED BY A 2/3 VOTE OF THE BOARD:

A. that procurement under Public Utilities Code § 130232 does not constitute a method of procurement adequate to meet Metro's needs and that the procurement of the DriveCam units qualifies under Public Utilities Code § 130236 for prototype equipment in an amount sufficient to conduct and

evaluate operational testing without further observance of any provisions in this article regarding contracts, bids, advertisements, or notice; and

- B. authorizing the Chief Executive Officer to execute a firm fixed-price contract to DriveCam, Inc. for **purchase of 220 DriveCam Video Systems** with associated spares for a total price not to exceed \$281,000 inclusive of sales tax.

28. APPROVED increase to the **Life-of-Project Budget for the Division 7 Facility Improvements Project** by \$1,539,000, increasing the Life-of-Project budget from \$3,561,000 to \$5,100,000, **as amended by Parks** to fund the cost of the soundwall only.

29. AUTHORIZED the Chief Executive Officer to execute an agreement with the California Highway Patrol (CHP) **to provide field officer and dispatch support to the Los Angeles County Metro Freeway Service Patrol** during FY07 for an amount not to exceed \$800,000.

30. AUTHORIZED the Chief Executive Officer to award a five-year, unit rate, Contract No. PS06064105, to American Reclamation, Inc. **for Integrated Waste Management Services**, for an amount not to exceed \$5,322,229, effective July 1, 2006.

36. APPROVED AS AMENDED BY VILLARAIGOSA AND PARKS/LOWENTHAL:

- A. amending the **FY07 budget** to lower expenditures by \$16.3 million for the following projects or programs:
  - 1. reducing the Sheriff's contract by \$1.5 million to take advantage of projected vacancy savings;
  - 2. reducing insurance expense by \$800,000 to reflect savings realized on renewal of property policies;
  - 3. reducing pension expense by \$1.0 million to reflect updated actuarial assessment;



4. reducing the tire lease contract by \$2.0 million by substituting lower-cost acceptable tires;
  5. deferring \$1.0 million of expenses for the Union Division capital project (CP#202001) to FY08; and
  6. reducing the annual cash flow projection by \$10 million for the Light Rail Vehicle Fleet Enhancement project (CP#800151).
- B. directing staff to develop a proposal for an operating reserve policy for the region of 5% of the total monies subject to the formula allocation procedure beginning in FY08.

## **VILLARAIGOSA AMENDMENT**

### Account Reductions

- A. reduce various accounts in the adopted FY 2007 budget by a total of \$4.6 million;
- B. direct the CEO to distribute the budget reductions across MTA departments as appropriate, without impacting schedule or delivery of the eastside extension or exposition light rail line.

### Vacancies

- A. that the Board keep vacant during FY 2007 certain vacant positions in the adopted FY 2007 budget for a savings of \$660,000

Operator Shortage - that the Board direct the CEO to report back within two months with a plan to eliminate the operator shortage.

**PARKS/LOWENTHAL AMENDMENT** that the Board direct the CEO to report back within two months with an analysis of and recommendation on the following proposed changes in fiscal policy:

- A. develop a reserve fund policy by fund type that includes contingency and emergency categories with percentage goals and a reasonable timeframe to meet the goals;
- B. require an annual investment of general fund monies into maintaining and expanding, as necessary, the agency's infrastructure;

- C. establish an on-going process to analyze cost recovery for all Metro services in measurable terms;
- D. include guidelines for the allocation of one-time revenue funds;
- E. require that all short- and long-term fiscal impacts be considered when Metro disposes of surplus equipment and property;
- F. require staff to perform a fiscal impact statement that contains an identifiable funding source(s) before Board motions are implemented;
- G. after the annual budget adoption, require all requests for project or program funding be referred to the appropriate committee for review and recommendation;
- H. require staff to establish a protocol for the negotiation, appraisal and sale of real property and to identify the amount and dispersal of funds that result from the sale and/or disposal of real property;
- I. identify a specific funding plan for Metro's Capital Program that includes a clear delineation of money that is allocated to the different types of public transportation;
- J. create a litigation account that includes the following three separate accounts: litigation, General Counsel and outside counsel;
- K. develop a policy for how to balance the investment of both capital and operating funds for all public transportation modes so that Metro ensures that service is provided that is cost-effective, reliable, safe, environmentally sound, attracts discretionary riders and services the transit dependent;
- L. give top priority to funding of public safety on Metro's bus and rail system;
- M. include a preferred incremental strategy, such as budget expenditure moratoriums, hiring freeze or a cost allocation plan (CAP) rate, for mitigating expenditures during a fiscal year; and

- N. include a hierarchy of strategies that are to be implemented when Metro's financial stability is threatened, including a prioritized list of types of budget cuts that would be necessary in various circumstances and a requirement that staff address any potential or existing structural deficit with a comprehensive plan with specific actions and a timetable for the elimination of such a deficit.

37. APPROVED ON CONSENT CALENDAR authorizing the Chief Executive Officer to:

- A. exercise the first of two option years related to **Memorandum of Understanding No. TCP2610LASD with Los Angeles County Sheriff's Department for Transit Community Policing Services**; and
- B. execute Modification No. 7 to provide funding for FY07 transit community policing services for an amount not to exceed \$59,480,120 revising the total contract value from \$164,252,291 to \$223,732,411 for the period July 1, 2006 through June 30, 2007.

38. APPROVED AS AMENDED:

- A. amending the Board-approved policy on **Metro System Advertising (COM 6)** to permit additional revenue-generating programs; and

AS AMENDED BY VILLARAIGOSA (5-0) that the MTA Board adopt the CEO recommendation with the following amendments:

- 1. Pursue additional advertising revenue:
  - A. Direct the CEO to immediately implement pilot programs for the following items in Attachment B
    - B-2 Expand vending contracts
    - B-3 Product promotions, placement and sampling
    - B-4 Website and WiFi (including Gateway building)
    - B-5 Wholesale service sponsors
    - B-6 Product licensing
    - B-7 Facility naming

- B. Establish a combined minimum revenue target of \$10 million for fiscal year 2006-2007 for all pilot programs (B-2 through B-7)
- 2. Direct the CEO to establish a revised revenue sharing agreement whereby MTA receives at least 65% of all advertising revenue for all new and future contracts; and
- 3. Direct the CEO to report back quarterly to EMAC with revenue update.

**YAROSLAVSKY AMENDMENT:** Staff to report back to the Board on potential revenues prior to instituting ‘wraps’ on rail vehicles.

- B. authorizing the Chief Executive Officer to immediately implement pilot programs as available based on the concepts.

AS AMENDED BY KATZ (4-0-1) that the Board:

- 1. Amend the CEO recommendation to establish a combined minimum revenue target of \$4 million for fiscal year 2006-2007 for all pilot programs (A-1 through A-5); and
- 2. Direct the CEO and County Counsel to amend the current bus advertising contract to allow the current contractor and future bidders to submit bids to “wrap” up to 25% of the MTA’s bus fleet, subject to final Board approval.

39. APPROVED ON CONSENT CALENDAR adopting the following **positions on State Legislation:**

- A. AB 2495 (NUNEZ) - Would provide for legislative appointments to the California Transportation Commission. **SUPPORT.**
- B. Prop 1A - Transportation Funding Protection Legislative Constitutional Amendment. **SUPPORT.**
- C. Prop 1B – The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. **SUPPORT.**

40. APPROVED the following nominees for membership on the **San Gabriel Valley Service Sector Governance Council**:
- Bart Doyle – Re-appointment  
Appointed by: Supervisor Michael Antonovich  
Term ending: June 2009
- David Spence – Re-appointment  
Appointed by: San Gabriel Valley Council of Governments  
Term ending: June 2009
- Bruce Heard – Re-appointment  
Appointed by: San Gabriel Valley Governance Council  
Term ending: June 2009
41. APPROVED the following nominees for membership on the **Gateway Cities Service Sector Governance Council**:
- JoAnn Eros-Delgado – Re-appointment  
Appointed by: Gateway Cities Council of Governments  
Term ending: June 2009
- Cynde Soto – Re-appointment  
Appointed by: Gateway Cities Council of Governments  
Term ending: June 2009
42. APPROVED BY A 2/3 VOTE OF THE BOARD:
- A. holding a public hearing on the proposed **Resolution of Necessity for the acquisition of Parcels ES-667** for the Metro Gold Line Eastside Extension Project; and
- B. adopting the Resolution of Necessity authorizing the commencement of an eminent domain action to acquire fee simple title to LACMTA Parcel ES-667.
43. CARRIED OVER TO JUNE 28, 2006 SPECIAL BOARD MEETING **amending the FY07 budget** by adding up to \$2.3 million for recommendations A-L, which includes six additional FTE's for the following programs and projects:

- A. addition of one FTE and \$100,000 for Countywide Planning to initiate the major investment study for the extension of the Metro Red Line to the west side of Los Angeles;
- B. addition of one FTE and \$100,000 for Countywide Planning to initiate the major investment study for the light rail regional connector in downtown Los Angeles;
- C. addition of one FTE and \$100,000 for Countywide Planning to initiate a major investment study for the Harbor subdivision right-of-way from downtown Los Angeles to Los Angeles International Airport and Wilmington;
- D. addition of one FTE and \$150,000 for Countywide Planning to study environmental issues and conduct further design on the I-710 North extension;
- E. addition of one FTE for Countywide Planning to provide additional technical support on the Goods Movement Action Plan;
- F. addition of one FTE for Countywide Planning to increase monitoring and administrative responsibilities associated with SAFETEA-LU;

The following programs and projects do not require FTE additions:

- G. addition of \$250,000 for Countywide Planning to provide a funding contribution to the Gateway Cities COG, Caltrans, and SCAG to initiate a major corridor study of the SR-91/I-605 corridor;
- H. addition of \$80,000 for Countywide Planning to provide a funding contribution to the South Bay COG to continue Phase III of the research on Mixed-Use Centers and Transit Corridors Demand Study;
- I. addition of \$125,000 for Countywide Planning to conduct a joint study with OCTA to develop, evaluate and recommend transportation improvements focused on issues at the LA/OC border;
- J. addition of \$150,000 for Countywide Planning to provide a funding contribution to the City of Los Angeles to prepare a study on the I-10 South Master Plan;
- K. addition of \$120,000 for Countywide Planning to prepare twelve Bicycle Transit Bike Access hub plans; and

- L. addition of \$500,000 for Procurement to conduct a disparity study to determine the presence of discrimination, or its effects, as required by the Department of Transportation.

44. APPROVED:

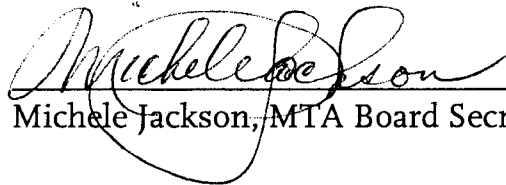
- A. authorizing the Chief Executive Officer to finalize and execute an **Exchange Agreement with Escrow Instructions, Funding and Reimbursement Agreement and Development Agreement (“Agreement”)** between the Los Angeles County Metropolitan Transportation Authority and the Los Angeles Unified School District (LAUSD) to allow the exchange of properties required for the construction of the Indiana Street LRT Station of the Metro Gold Line Eastside Extension Project on a portion of LAUSD Property which is currently the Ramona Opportunity High School site;
- B. authorizing the Chief Executive Officer to include language in the Agreement that will allow both parties to proceed with the acquisition activities and allow LAUSD to obtain construction bids for the new construction and rebuilding of Ramona Opportunity High School so that an updated Total Project Cost estimate can be presented to the Metro Board as a condition that it must be approved, prior to the close of Escrow and the award of a LAUSD construction contract; and
- C. extending the time period which was stipulated in the approved May 3, 2006 Metro Board action, to allow an additional 30 days beyond July 3, 2006, for the LAUSD Board of Education to approve the Agreement.

45. RECEIVED annual oral report from **Service Sector Governance Councils** on sector progress.

46. **ELECTED Board Officers: Director Molina as Chair, Director O’Connor as 1<sup>st</sup> Vice Chair, Director Villaraigosa as 2<sup>nd</sup> Vice Chair.**

RECEIVED public comment.

Prepared by: Christina Lumba-Gamboa  
Recording Secretary



Michele Jackson, MTA Board Secretary



# RECAP OF PROCEEDINGS

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

REGULAR BOARD MEETING

**THURSDAY, JUNE 22, 2006**

## DIRECTORS VOTING

ATTENDANCE		P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
ITEM NO.	SUBJECT ITEM	ANTONOVICH	LOWENTHAL	FASANA	FLEMING	BURKE	O'CONNOR	VILLARAIGOSA (CHAIR)	MOLINA	YAROSLAVSKY	KATZ	KNABE	PARKS	NAJARIAN	FAILING			
1	APPROVE CONSENT CALENDAR ITEMS: 2, 6, 7, 8, 13, 14, 15, 25, 37 AND 39. ITEMS 26 AND 36 WERE REMOVED FROM CONSENT CALENDAR.	A	Y	A	A	Y	Y	Y	A	Y	Y	A	Y	Y				
2	APPROVE MINUTES OF REGULAR BOARD MEETING HELD MAY 25, 2006.																	
3	CHAIR'S REPORT	P	P	P	A	P	P	P	P	P	P	A	P	P				
4	CHIEF EXECUTIVE OFFICER'S REPORT	P	P	P	A	P	P	P	P	P	P	A	P	P				

# RECAP OF PROCEEDINGS

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY  
 REGULAR BOARD MEETING

**THURSDAY, JUNE 22, 2006**

## DIRECTORS VOTING

ATTENDANCE	DIRECTORS VOTING															
ITEM NO.	SUBJECT ITEM	ACTION TAKEN	P	P	P	P	P	P	P	A	P	P	P	P		
			ANTONOVICH	LOWENTHAL	FASANA	FLEMING	BURKE	O'CONNOR	VILLARAIGOSA (CHAIR)	MOLINA	YAROSLAVSKY	KATZ	KNABE	PARKS	NAJARIAN	FAILING
5	<p>PLANNING AND PROGRAMMING COMMITTEE RECOMMENDED (3-0) AS AMENDED BY LOWENTHAL/BURKE AND KATZ.</p> <p>A. ADOPTING THE ALTERNATIVE ANALYSIS FOR THE I-5/I-710 INTERCHANGE (EAST LOS ANGELES MINI-STUDY) INCLUDING TIER I COMMUNITY ADVISORY COMMITTEE COMMENTS FROM EAST LOS ANGELES AND CITY OF COMMERCE AND INCORPORATE INTO THE I-710 MAJOR CORRIDOR STUDY'S LOCALLY PREFERRED STRATEGY ADOPTED BY THE BOARD ON JANUARY 27, 2005;</p>	<p>ACTION TAKEN</p> <p>APPROVED AS AMENDED BY MOLINA TO INCLUDE AN UPDATE TO THE I-710 OVERSIGHT POLICY COMMITTEE IN AUGUST 2006</p>	A	Y	Y	A	Y	Y	Y	Y	Y	Y	A	Y	Y	

