



**Metro**

# Daily Brief

**Friday October 6, 2006**  
20061006-0

**CEO Roger Snoble**

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## Consent Decree Update

Federal Judge Terry Hatter has agreed to postpone the hearing from Tuesday, October 10th at 10:00 a.m. to Thursday, October 19, 2006 at 10:00 a.m. regarding the Consent Decree. Both sides stipulated to an extension. Additional information will be provided after the hearing.

## Fitch Upgrades Metro Bond Rating

Earlier this week, Fitch Ratings upgraded Metro's Prop A bonds one notch to "AA-" and also upgraded our Prop C bonds two notches to "AA-". The "AA-" rating is indicative of high credit quality. The upgrades are expected to lower the interest rates and other associated costs of issuing future bonds.

In taking this action, Fitch highlighted:

- The continued strong performance of sales tax revenues that secure Metro's bonds;
- Managerial stability and sound performance in administering the system's operating and capital needs;
- High liquidity as supported by the strength of the sales tax revenues; and
- Metro's successful handling of requirements under a Consent Decree, for which court jurisdiction is scheduled to expire later this month.

The Prop A upgrade is anticipated to favorably impact the upcoming pricing of our Prop A refunding bonds scheduled to take place next week.

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## **This Weekend's Metro Bus Detours in Downtown Los Angeles**

Media Relations distributed a news release this afternoon noting a number of Metro Bus detours planned for this weekend in the downtown Los Angeles area. The detours are the result of two festivals -- the Grand Avenue Festival and the LA Weekly Detour Music Festival -- both of which will be held this Saturday, October 7<sup>th</sup>. The news release encourages those wishing to attend the events to use the Metro Red Line subway system where they can access the festival venues from either the Civic Center or Pershing Square Stations.

## **Metro Staff Present Transit Options to the LAX Advisory Committee**

Yesterday, Metro staff presented transit options for the LAX Development Plan to the LAX Advisory Committee composed of representatives from neighboring cities, federal, state and local elected officials' offices and key stakeholders. This Committee was mandated as part of the settlement agreement between the Los Angeles World Airports (LAWA) and those who sued and contested the approved airport expansion plan. As part of the settlement LAWA is required to study a Metro Green Line connection to the airport. Staff presented information on the existing regional transit system, the Long Range Transportation Plan, (including projects committed in the 2001 plan and those under review for the 2006 Update) and opportunities to connect transit to LAX.

## **Management Audit Services Begins FY07 Agency Wide Risk Assessment Project**

Beginning next week, Metro's Management Audit Services staff will begin conducting the FY07 Agency Wide Risk Assessment Project. This annual risk assessment is required as part of the agency's Financial Standards, adopted by the Board in 2005. A risk assessment is the process of understanding an organization's strategic, operational, compliance and financial objectives and identifying and prioritizing potential threats/risks that could inhibit successful completion of these objectives. Risk assessments provide management with meaningful information needed to understand factors that can negatively influence operations and outcomes.

MAS' FY07 Agency Wide Risk Assessment is expected to:

- Update the FY06 key areas of risk important to Metro's culture and environment;
  - Focus on important and critical processes and/or projects to identify key elements;
  - Develop risk rankings for each process, based on an analysis and
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- evaluation of the quality, accuracy, relevance and applicability of the information gathered; and
- o Be the bases for MAS' FY08 Audit Plan and, if necessary, operational improvements.

Staff will be interviewed by MAS throughout the upcoming weeks, with analysis expected over the ensuing months. A preliminary risk register listing the key risks and rankings by function will then be presented to the Board in conjunction with the FY08 Proposed Audit Plan.

### **Upcoming CEO Meetings and Events**

Beginning on Sunday, October 8th, through Tuesday, October 10th, I will be participating in the annual meeting of the American Public Transportation Association (APTA) in San Jose where Metro will receive the association's most prestigious award for 2006 – that of Outstanding Transportation Agency of the Year. Upon my return to Los Angeles, I will participate in both the Media Event for the APTA Award and the Quarterly Legislative Briefing. In addition, I will be having a meet and greet with Tom Skancke, member of the Federal Transit Administration's SAFETEA-LU Section 1909 Commission, and president of The Skancke Company.

### **Of Note**

On October 7, 1999, Metro, Caltrans and local elected officials officially opened the second segment of the car pool lane along Route 14 linking Santa Clarita with Palmdale and Lancaster.

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