



Los Angeles County Transportation Authority

SCRTD's Single Policy Board Reorganization Proposal

Organizing for Excellence

prepared by



SCRTD
1991
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SCR TD - LACTC

REORGANIZATION PLAN

(as required by AB 1784 Katz)

SINGLE POLICY BOARD APPROACH

INTRODUCTION

Assembly Bill 1784 (Katz) requires the Southern California Rapid Transit District (SCR TD) and the Los Angeles County Transportation Commission (LACTC) to develop a joint reorganization plan and submit it to the California Legislature by January 1992.

The Joint Board (RTD - LACTC), at its September meeting, directed that each agency develop two separate reorganization plans. One of the plans develops a "Multiple Agency" approach and, the other plan develops a "Single Agency" approach.

This document outlines the RTD's plan for the Single Policy Board approach to reorganization. The reorganization approach described in this version updates and further refines the Single Agency Approach presented on November 11, 1991.

IMPORTANCE OF THIS REORGANIZATION

The institutional structure that emerges from this reorganization will determine the development of the public transportation system in Southern California for the next quarter century. This new institution will control a vast amount of public funding, exceeding \$150 billion, over the next thirty years.

The transportation system that is developed during this period will be one of the principal determinants of how Southern California evolves and develops. The quality, quantity and location of jobs, businesses, housing, public facilities and many other forms of infrastructure will be significantly influenced by the transportation system that this new institution develops. Southern California's economy will be strongly affected by the future transportation system and the mobility that it provides.

REORGANIZATION GOALS

The goals of the reorganization of transit agencies are clearly stated in AB1784 (Katz). They are:

- Improve delivery of public transportation programs, projects and services in Southern California.
- Reduce or eliminate institutional conflict.
- Create an institutional structure that is accountable, and provides the greatest amount of citizen participation.

RTD's objective in the design of this single agency proposal is to create an institutional structure that focusses the policy making responsibilities in a single policy body, minimizing the size of the central administrative staff, and assigning the line responsibilities to clearly identified, separate units with an executive in charge of each of the three major activities of planning, operations, and construction.

SINGLE POLICY BOARD APPROACH TO REORGANIZATION

Los Angeles County Transportation Authority (LACTA) - (TA)

A county-wide public transportation authority to be called the Los Angeles County Transportation Authority (LACTA) would be created under this approach.

The LACTA would combine all of the current powers and duties of the Southern California Rapid Transit District (SCRTD) and the Los Angeles County Transportation Commission (LACTC). The Rail Construction Corporation (RCC) would be retained as the engineering and construction arm of the TA.

The Authority would be governed by a Board of Directors.

The Board membership would be selected in a manner which will assure:

- representation of the constituencies in the County
- assure overall equal representation under the one person, one vote, rule
- consistency with California practice and experience

The LACTA would assume the functions now administered by the SCRTD, the LACTC and the RCC. Contract obligations of the current agencies would be assumed by the LACTA.

The LACTA would plan, organize, control, manage, administer, design, construct and finance all public transportation projects and services now within the jurisdiction of the SCRTD, LACTC and the RCC.

These duties include the design and construction of all fixed guideway transit systems and the operation of public transit in Los Angeles County.

The Board of Directors of the LACTA would set all major investment and systems development policies, approve the capital and operating budgets, act on major programming and project decisions, approve funding allocation formulas, and oversee the activities of the operating divisions.

All powers of the Authority would be vested in the Board of Directors, which could delegate such powers as it saw fit either to an officer of the Authority or to one of its committees, or to the Rail Construction Corporation.

The Board of Directors would be supported by a management and administrative staff appointed by, and responsible to the Board. The Officers of the Authority appointed by the Board would be:

- the Chief Operating Office
- the Chief Planning Officer
- the Chief Administrative Officer
- the General Counsel
- the Treasurer/CFO
- the Inspector General

The Board would also appoint the Members of the Rail Construction Corporation, which would in turn appoint its President and Chief Engineering Officer.

One objective of creating a single policy body approach is to integrate the decision making process relating to the development of new transit investments so that the major stake holders in the systems can have a substantial voice in the decisions relating to their planning and development.

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The representativeness of the Board would assure access to the process by the elected governments of the County. The Citizens Advisory Committee would provide access to the general public. The Capital Investment Advisory Body would provide guidance from disinterested professionals.

The internal structure of management of this organization would provide the opportunity for the various interests of the internal management units and their respective views to be voiced, debated, and resolved. The major interests that this includes are:

- the long term, system wide, "visionary" perspective of the Planning and Programming Division
- the "real-world", operability, maintainability, reliability, and safety interests of the Operations Division
- the practical considerations in designing, engineering, building, and turning major projects over to operations.

Municipal Operators

Municipal transit systems would continue to operate as they now do, and would develop relationships with the LACTA at the policy, management, planning, and technical level in a manner suits their individual and collective interests.

The Chief Administrative Officer

The CAO would be appointed by and report to the Board, and would administer a small list of agency wide duties, but would not direct the activities of the officers of the authority.

The authority-wide administrative functions that would be reserved to the central Administrative Group would be:

- Treasury, including the receipt, investment, and distribution of funds according to the capital and operating budgets and the allocation formulas
- Budget Coordination, including administering the review and approval by the Board of the operating and capital budgets of the Divisions
- Governmental Relations with State and Federal governments, assuring that the agency is speaking to these bodies with one voice. Local Government Relations would remain with division management.
- Internal Audit, to support the Audit Committee and to provide oversight

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of the financial integrity of the divisions, and to administer Performance Audits Program

- Ombudsman, who would support the Citizens Advisory Committee and provide a point of contact for redress for the decisions of Authority Officers and the Board.

Each of the three line divisions would retain such administrative and financial management functions as are necessary to the effective performance of their responsibilities.

Other Staff Officers

The Board would also appoint three other staff officers who would report to the Board and carry out Authority-wide duties. These officers are:

- the General Counsel, who would provide legal advice to the Board, and set standards for the work of Counsels to each of the Divisions
- the Treasurer/CFO, who would manage the funds of the Authority, including administration of the banking and investment of funds, and the distribution of receipts to divisions, the RCC, and the grantees of the Authority as provided by the operating and capital budgets and funding allocations.
- the Inspector General, who would carry out investigations of the activities of the Authority at the request of the Board, at the request of any of the Officers of the Authority, or at his own initiative.

The Line Departments

Three statutorily defined line departments would have responsibility to develop and carry out programs and projects of the Authority, and to operate the Authority's bus and rail services.

Bus and rail services would be provided by the Operations Division, and the Planning and Programming Division would do systems planning and long range planning, and financial planning and allocations.

Each of these divisions would be managed by an officer appointed by the Board, who would work with a committee of the Board in the performance of his duties.

Rail systems engineering and construction activities would be carried out by the Rail Construction Corporation, which would be managed by the RCC's President and Chief Engineering Officer.

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This statutorily defined division of responsibilities would assure that one set of policies governed all activities of the Authority, while the management of the activities of the Authority was carried out by teams of professionals which were focussed on the specific and distinct responsibilities of their units.

Chief Operating Officer

The Transit Operating Division of the LACTC would be managed by the Chief Operating Officer (COO), who would be appointed by the Board. The COO work under the general direction of the Operations Committee.

Duties of the Transit Operations Division are:

- Operate public transit within Los Angeles County and into the adjacent counties. This service shall be fully coordinated with, and complementary to, existing Municipal Public Transit Operators.
- Operate commuter rail service with a major terminus within Los Angeles County.
- Control all facilities, rights-of-way, and equipment associated with bus and fixed guideway public transit that the Authority operates.
- Administer the Consolidated Transit Services Agency (CTSA).
- Administer the Americans with Disabilities Act (ADA).
- Operate Transit Police and Security functions in support of the regional transit system.
- Administer the SAFE (call boxes) program.
- Administer the Park'n Ride program.
- Provide regional transportation information to the public.
- Manage the Authority's transit operations and maintenance facilities
- Develop new technology programs for existing operations.
- Provide input to the RCC in the design, construction, and acceptance of all rail projects with regard to operations considerations.

Chief Planning and Programming Officer

The Planning and Programming Division would be managed by the Chief Planning Officer, who would be appointed by the Board and work under the direction of the Planning and Programming Division.

The duties of the Planning and Programming Division are:

- Develop street and highway plans and programs.
- Administer the Benefit Assessment District Program.
- Plan fixed guideway route alignments.
- Perform strategic transportation planning.
- Develop funding priorities and funding allocation formulae for transportation activities and capital projects within Los Angeles County for consideration by the LACTA.
- Administer the Congestion Management Agency (CMA) function.
- Administer the Economic Development Program.
- Develop and recommend funding formulae.
- Perform Research and Development on transit system technology.
- Administer qualification of new service providers.
- Administer the LACTA's responsibilities under the Air Quality Management Plan (AQMP).

RAIL CONSTRUCTION CORPORATION

The duties of the Rail Construction Corporation would be the same as those currently administered by the RCC. This Board would continue to be made up of highly qualified technical professionals, in several disciplines related to public transportation.

The composition and powers of the RCC's Board of Directors shall remain unchanged. The current members of the Board would retain their seats on the Board, and would be eligible for reappointment as their terms expire.

The RCC would be managed by a President/Chief Engineering Officer, who would be appointed by and report to the RCC Board.

The duties of the RCC are:

- Develop, acquire, design, construct and turnover to the operator, all fixed guideway public transit projects within Los Angeles County, as directed by the LACTA.
- Coordinate with the Transit Operations Division during the design, construction and test phases of all transit projects to ensure that operational criteria are fully integrated into systems development.

COMMITTEES OF THE LACTA

The extensive work load of the Authority will require that it carry out a significant amount of its routine affairs through a small number of committees of the Board, and through the Rail Construction Corporation.

To illustrate how this process might work, we have designed a committee structure which assigns a committee to provide oversight and support of each of the Authority Officers.

- **Operations Committee** - this committee would provide oversight and guidance in all functional area of the Operations Division of the LACTA.
- **Planning and Programming Committee** - this committee would provide oversight and guidance on all functional areas of the Planning and Programming Division of the LACTA.
- **Audit Committee** - This committee would work with the Auditor General and the Inspector General and provide guidance and direction to the managers of these functions.
- **Finance and Budget Committee** - This committee would be the focal point for the development and discussion of the annual operating and capital budgets of the Authority that would be created from the budgets of the individual divisions, and provide review and revisions to the overall budget during the course of the fiscal year. It would also provide guidance and direction to the Treasurer/Chief Financial Officer in the management of the funds of the Authority.

The Rail Construction Corporation Board would serve this function to the Chief Engineering Officer.

External Committees

To provide the Board with a means of getting advice and counsel from outside the internal membership and management, two "external" committees would be created.

CITIZEN'S ADVISORY COMMITTEE

The LACTA Board of Directors would appoint a Citizens Advisory Committee to encourage citizen participation and to facilitate public access to the decision making process.

This Citizens Advisory Committee would be representative of the broad cross section of communities and diverse groups that enrich Los Angeles County.

The President's Advisory Committee to the SCRTD currently provides this important insight. This body should transition to the LACTA. The Citizens Advisory Committee would meet throughout the County to facilitate citizen participation in the task of developing a world class transportation system for Southern California.

The Citizens Advisory Committee would make recommendations to the LACTA. The Citizen's Advisory Committee would be staffed by the Ombudsman.

CAPITAL INVESTMENT ADVISORY COMMITTEE

This committee of technical experts would provide advice and counsel to the Board on its major investment and capital improvement decisions.

The Committee would consist of experts in transportation, engineering, public administration, management, finance, business administration, economics, public policy and other appropriate disciplines to provide technical advice to the Board.

The committee shall make recommendations to the LACTA as required.

ANALYSIS OF SINGLE AGENCY APPROACH

GOAL 1: Improve delivery of public transportation programs, projects and services in Southern California.

This single policy body approach provides the institutional cohesiveness necessary to focus the actions and energies of the diverse interests of the existing organizations on a single set of policies and programs.

This should result in a more efficient operation, allow more attention to service quality and delivery, and reduce the overhead costs allowing for better services and facilities.

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GOAL 2: Reduce or eliminate institutional conflict.

By combining the SCRTD, LACTC and RCC under a single agency, with a single governing board, the potential for divisiveness between organizational components is significantly reduced.

Such internal disagreements that may develop would have a single arbiter, in the person of the Board of Directors.

All institutional components will be working for the same governing board and will be collectively engaged in furthering a unified transportation policy.

GOAL 3: Create an institutional structure that is accountable and provides the greatest amount of citizen participation.

Accountability

Specific levels of accountability have been designed into this approach.

The first is at the board level. Under this approach, one board of directors would be expanded for the overall program of the Authority. The focus would be on this board as the body that is accountable for the overall program.

The second is in establishment of the three operating units within the Authority. Each of these units would be accountable to the Board for the performance of its specific and individual responsibilities.

The third is in the creation of the small, central administrative apparatus, which provides for the checks and balances over the operating divisions that are represented by the Inspector General, the Internal Auditor, and the General Counsel.

Citizen Participation

This organizational design allows for a high degree of citizen participation. Citizens have broad opportunities for access to decision makers in both the governing body and the administration.

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The specific points at which citizens may formally state their views include:

- the full Board of Directors meetings
- meetings of the standing committees of the
- meetings of other standing and ad hoc committee
- meetings of the Citizens Advisory Committee

In addition, each of the operating units would retain a specific program of citizen participation in its activities, such as:

- citizen participation in the planning and project development process
- community relations in operations management and planning
- community relations and citizen participation in the design, engineering, and construction of major rail projects by the RCC

A single, unified Policy Board can determine funding priorities and formulae in an objective and unbiased manner, considering the individual and collective interests of the planners, operators, and builders of transit system improvements.

This unified Policy Board can determine the optimum allocation of transportation resources between capital construction projects and the operations and maintenance requirements of transit services.

This Policy Board can also determine the optimum mix of rail, bus, electric trolleybus, new technology and, other modes of transit, that will best achieve the goals of public transportation in Southern California.



LEGISLATIVE REORGANIZATION GOALS

- Improve Delivery of Public Transportation Services in Southern California
- Reduce or Eliminate Institutional Conflict
- Create a Structure that is:
 - Accountable
 - Provides for the Greatest Amount of Public Input

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OBJECTIVES OF THE SINGLE POLICY BOARD APPROACH

- **Creates a Governing Body that is:**
 - **Representative**
 - **Large Enough to Carry the Work Load**
 - **Small Enough Not to Dilute the Members' Votes**
 - **Consistent With California Governance Traditions**
- **Provides Clear Definition of Duties and Powers**
- **Provides Checks and Balances**
- **Provides Management with The Necessary Tools**
- **Builds on the Strengths of the Existing Agencies**
- **Honors Current Collective Bargaining Agreements**
- **Eliminates or Combines Duplicative Functions**
- **Adapts to Future Requirements**
- **Retains Savings From Compensation Differentials**
- **Provides for Integration of Design and Operation**



STRUCTURE, POWERS, and DUTIES of the LACTA

The LACTA assumes all of the powers, duties, responsibilities and obligations of the SCRTD, LACTC, and RCC.

MEMBERS

- Los Angeles County Supervisors
- City of Los Angeles Representatives
- League of City Representatives

ALTERNATES

- Selected by Appointing Authority
- Full Voting Power in Absence of Primary Member
- May Serve on any Committee or Subcommittee

STATUTORY BOARD COMMITTEES

- Finance and Budget
- Audit
- Operations
- Rail Construction Corporation (RCC)
- Planning and Programming

MEMBERSHIP OF THE COMMITTEES

- Selected From Members and Alternates
- Can Make Final Decisions Within Adopted Budget
- RCC: Current Membership

BASIC DECISION MAKING PROCESS

AUTHORITY BOARD

- **Makes All Major Policy Decisions**
- **Makes All Major Strategic, Financial, & Systems Development Decisions**
- **Approves Annual Capital and Operating Budgets**
- **Exercises Eminent Domain Powers**
- **Makes All Borrowings and Investment Policies**
- **Relies on Committees to Implement Policy**

OPERATIONS AND PLANNING COMMITTEES

- **Oversee Management of Respective Divisions**
- **Carry Out Board Policy, Through Division Officers**
- **Monitor Division Performance, Results**
- **Can Make Commitments, Contracts, Within Budget**

FINANCE AND BUDGET COMMITTEE

- **Develops Basic Financial Policies**
- **Develops Operating and Capital Budgets**
- **Reviews Performance of Divisions**
- **Develops Remedies to Budget Compliance**
- **Resolves Disputes Between Divisions**

RAIL CONSTRUCTION CORPORATION

- **Oversees Design, Engineering, Construction**
- **Designs and Builds Approved Capital Projects**
- **Designs and Builds with Advice of Operations**

BASIC MANAGEMENT PROCESS

Policy Decisions are Made at the Board Level

Executive Decisions are Made at Committee Level

Four Key Management Officers Work under the Direction of the Key Committees or the RCC:

- Chief Operating Officer
- Chief Planning and Programming Officer
- Chief Administrative Officer
- Chief Engineering Officer / President RCC



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BASIC MANAGEMENT PROCESS (Cont.)

CHIEF ADMINISTRATIVE OFFICER MANAGES:

- Support for Board
- Support for Finance and Budget Committee
- Support for Audit Committee
- Budget Coordination
- Investments, Borrowings
- Government Relations
- Internal Audits, Performance Audits

CHIEF ENGINEERING OFFICER MANAGES:

- Design, Engineering, Construction of all Rail Projects

CHIEF OPERATING OFFICER MANAGES:

- Bus and Rail Services
- Bus and Rail Facility and Equipment Maintenance
- Contract Services and Service Coordination
- Operations Related Ancillary Services
- Transit Police Services

CHIEF PLANNING & PROGRAMMING OFFICER MANAGES:

- Long Term and Policy Planning
- Strategic and Financial Planning
- Corridor Planning
- Systems Technology Development
- Funding Allocation Process Administration
- Market Entry
- Congestion Management Plan Administration

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BOARD COMMITTEE STRUCTURE

FINANCE AND BUDGET COMMITTEE

- Develops Capital and Operating Budgets
- Develops Fiscal Policies, Priorities and Allocations
- Ensures Balanced Perspective on Capital and Operating
- Resolves Internal Disputes

AUDIT COMMITTEE

- Supported by Auditor General
- Oversees Integrity of Authority Activities
- Works with External Auditor

OPERATIONS COMMITTEE

- Oversees Activities of Operations Division
- Represents Operations Perspective on Full Board

RAIL CONSTRUCTION CORPORATION

- Oversees Activities of the Engineering Division
- Represents Engineering Perspective on Full Board

PLANNING AND PROGRAMMING COMMITTEE

- Oversees Activities of the Planning and Programming Division
- Represents Planning and Programming on Full Board



ADVISORY COMMITTEE STRUCTURE

Two Committees Provide Independent Access to the Board

CITIZEN ADVISORY COMMITTEE

- **Membership from Various Constituencies**
- **Built on Current "President's Advisory Committee"**
- **Increase Public Access to Decision Making**
- **Meets Quarterly**
- **Staffed by Independent Ombudsman**

CAPITAL INVESTMENT ADVISORY COMMITTEE

Provide Independent, Professional and Technical Perspective on Major Capital Investments

Membership Would Include:

- **Other Agency Heads**
- **Financial, Transportation Professionals**
- **Major Employers**

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SINGLE POLICY BODY APPROACH

ADVANTAGES

- Preserves Independence of Municipal Operations
- Reduces Institutional Conflict
- Provides for High Degree of Citizen Participation
 - At Board level
 - At Committee level
 - Through Citizen's Advisory Committee
 - Through Capital Investment Advisory Committee
 - Through Administration
- Board Is Representative - One person, One Vote
- No Service Disruption
- Adaptable to Change
- Operations and Construction Groups Become Peers
- Committees Provide Checks and Balances
- Separate Officers Provide Internal Balance

SINGLE POLICY BODY APPROACH

DISADVANTAGES

- Agency Operates and Allocates Funding
- Transition to Single Agency More Difficult Than Two Agency Option



TRANSITION SCHEDULE

TASK:

DATE:

Legislation Passed	Fall 1992
Governance in place	January 1993
Activate implementation group	January 1993
First Stage of Transition	January 1994
Transition Complete	January 1996

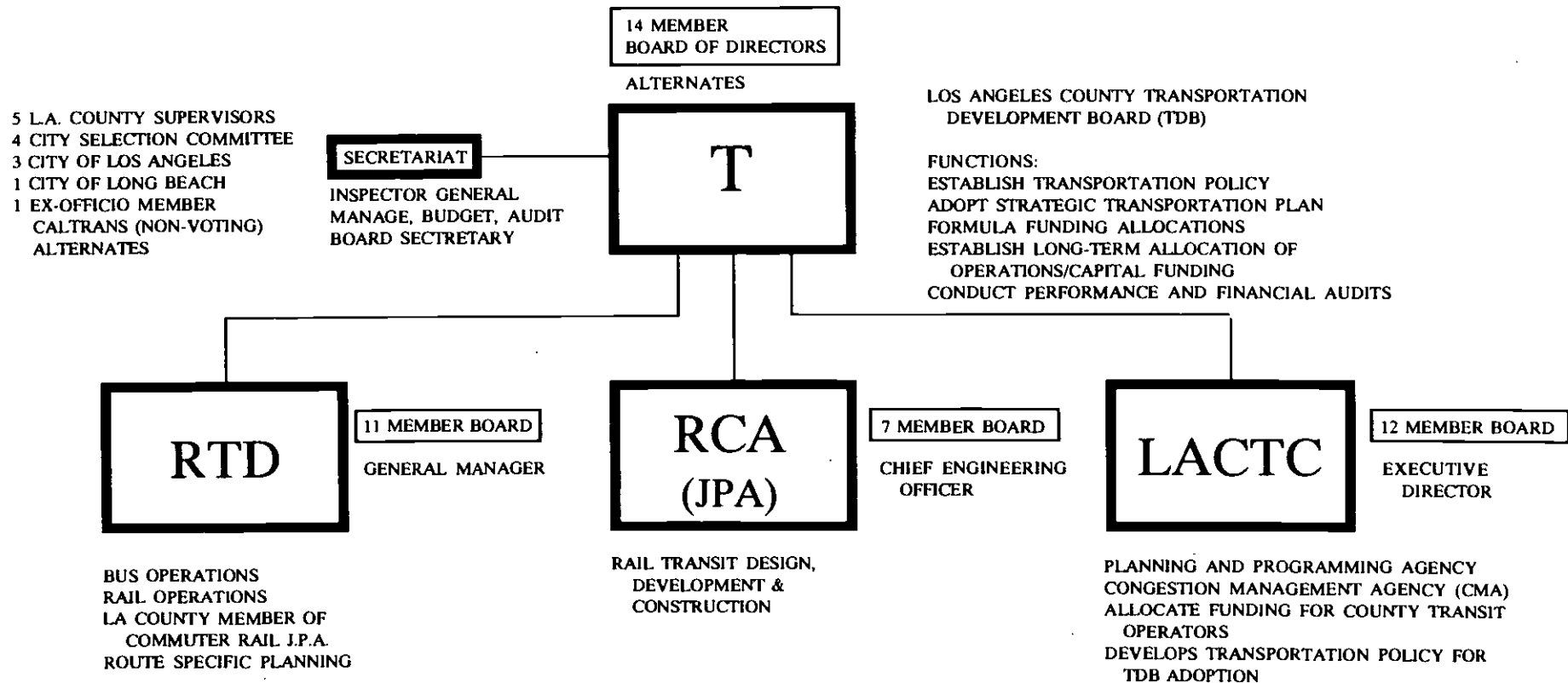
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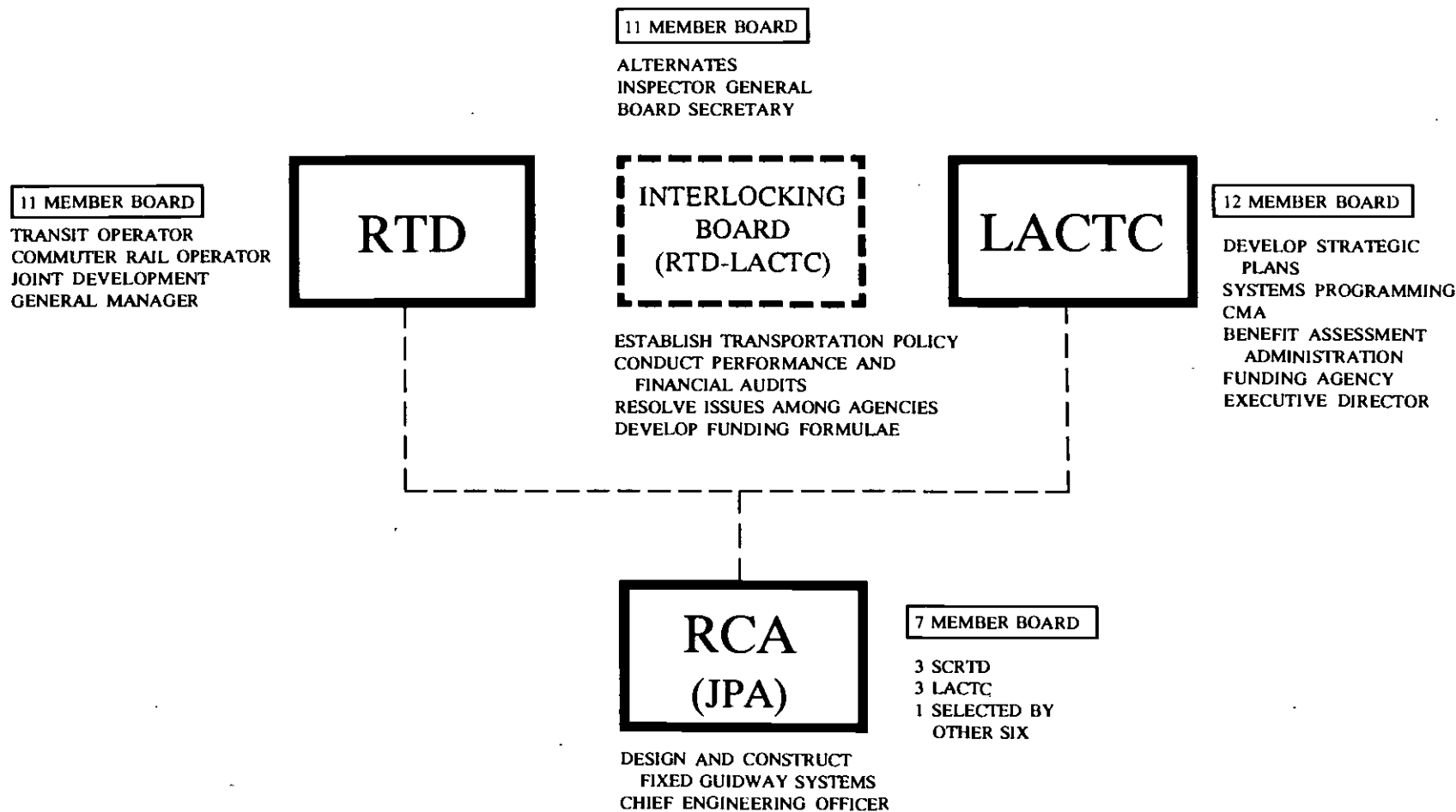
REORGANIZATION - MULTIPLE AGENCY APPROACH





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REORGANIZATION - INTERLOCKING BOARD APPROACH



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REORGANIZATION - SINGLE POLICY BOARD APPROACH

