

**EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE**  
**July 17, 2003**

**SUBJECT: MTA ADMINISTRATIVE CODE**

**ACTION: RECEIVE AND FILE ORDINANCE AT JULY BOARD MEETING AND ADOPT AT FOLLOWING MEETING**

**RECOMMENDATION**

Receive and file the ordinance set forth in Attachment B enacting an MTA Administrative Code at the July Board meeting and formally adopt it at the next regular Board meeting.

**ISSUE**

Since the MTA came into existence in 1993 it has approved several ordinances, policies and resolutions. In addition, there are several ordinances which were adopted by the Southern California Rapid Transit District and by the Los Angeles County Transportation Commission, which may have some continuing application to the operation of the MTA. However, the MTA has never adopted an administrative code, even though Public Utilities Code Section 130105 requires that the MTA do so, as the successor agency to the LACTC, to describe the powers and duties of its officers and the methods, systems and procedures for its operation.

The recommended action would create an MTA Administrative Code, containing a comprehensive set of ordinances for the operation of the MTA which would satisfy the requirements of the Public Utilities Code. Any previously adopted ordinance not included in the new Code would be repealed as of the effective date of the new Code.

With some minor exceptions discussed below and in Attachment A, the ordinance being recommended for adoption does not contain substantive changes from current policy or practice. The proposal includes current ordinances, policies and practices, but enacts them in ordinance form with a uniform numbering system and a consistent format. Attachment A provides a chapter-by-chapter analysis of the proposed Administrative Code showing the origin of each chapter and describing any substantive change from current policy or practice.

If this Code is adopted, future ordinances of the MTA will be included in the Code at appropriate locations utilizing the same format and numbering system. Copies of the Code would be provided to appropriate offices and libraries and updated on a regular basis as changes are enacted.

A new ordinance may not be adopted at the Board meeting where it is first introduced. Therefore, this ordinance is being proposed as a “read and file” matter at the first meeting where it is presented, and will be represented for adoption at the next regular Board meeting.

### **POLICY IMPLICATIONS**

The proposed ordinance would adopt a formal Administrative Code for the MTA which would essentially continue current policies and practices. The only significant policy change being proposed as part of the recommendation is to increase the CEO authority to approve workers’ compensation settlements from \$50,000 to \$200,000. If approved this would eliminate the staff committee, which currently has workers’ compensation settlement authority between \$50,000 and \$200,000. The CEO would continue to have up to \$50,000 of settlement authority for all matters other than workers’ compensation. Workers’ compensation settlements exceeding \$200,000 currently require Board approval and this requirement would remain unchanged under the proposed ordinance. This increase in the CEO authority to approve workers’ compensation settlements is being recommended to allow for more expeditious approval of favorable settlements, which are often offered during or just before trial with a limited window of opportunity for the MTA to accept.

### **ALTERNATIVES CONSIDERED**

The alternative is to maintain the status quo and not adopt an administrative code for the MTA. However, this would leave the same uncertainty that exist today as to the precise ordinances, policies and practices which are in place and applicable to the governance of the MTA. It would also continue to leave the MTA without a comprehensive administrative code even though such an ordinance is required by the Public Utilities Code.

If the Board decides to adopt an Administrative Code for the MTA, there are countless possible alternatives to the various provisions being proposed. However, the proposed Code generally describes the current MTA ordinances, policies and practices. The only proposal of any significant substantive change from the status quo, is the recommendation discussed above regarding workers’ compensation claims settlement authority. The alternative of maintaining the current policy for such settlements is not being recommended because the ability to be able to move more quickly to take advantage of favorable settlement offers would be advantageous to the MTA.

## **FINANCIAL IMPACT**

There is no significant direct financial impact which will flow from the adoption of this ordinance.

## **BACKGROUND**

The MTA has a number of Board enacted ordinances and policies, as well as ordinances which were enacted by its predecessor agencies which have never been formally repealed. However, locating all such ordinances and policies and determining exactly which ones are still effective is often difficult, especially for persons who do not regularly interact with the MTA. The proposed MTA Administrative Code would be similar to the codes adopted by the County of Los Angeles and each of the cities within the County in that it would contain a complete set of all MTA ordinances with a uniform format and numbering system.

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## **ATTACHMENTS**

- A. Chapter by Chapter Analysis of Proposed MTA Administrative Code
- B. [\*\*Proposed Los Angeles County Metropolitan  
Transportation Authority Administrative Code\*\*](#)

## **ATTACHMENT A**

### **Chapter by Chapter Analysis of Proposed MTA Administrative Code**

#### **Title 1           General Provisions**

##### **Chapter 1-01           Establishment**

This chapter contains the basic sections enacting the MTA Administrative Code. It includes a provision that repeals all previously adopted ordinances of the MTA and its predecessor agencies, which are not included in the new Administrative Code. This chapter also provides that the ordinance enacted as Proposition A in 1980, the ordinance enacted as Proposition C in 1990, and the ordinance enacted as Proposition A in 1998, are included in the Administrative Code and renumbered consistent with the format of the rest of the Code for convenience, but are not to be considered as reenactments. This is to avoid any unintended consequences that might flow from a reenactment of ordinances by the Board of Directors, which required voter approval to become effective.

##### **Chapter 1-05           Interpretation**

This chapter contains only general provisions related to interpretation and is similar to provisions found in most codes.

#### **Title 2           Administration**

##### **Chapter 2-01           Board of Directors**

This chapter contains the more significant rules and procedures for the operation of the Board of Directors. It is derived from the “Rules and Procedures” originally adopted by the Board of Directors in June 1993, as amended in September and October 1995, July and October 1997 and December 1999. Minor changes have been made to conform the rules to current Board practices.

##### **Chapter 2-05           Chief Executive Officer**

This chapter describes the Chief Executive Officer position for the MTA. There is no current equivalent ordinance. However, the authority and responsibilities of the CEO are derived from the CEO employment agreement currently in effect. The provisions related to the term of office and release are consistent with the requirements set forth in the Public Utilities Code.

## **Chapter 2-10            Board Secretary**

This chapter describes the Board Secretary position. The authority and duties are derived from the Rules and Procedures adopted in June 1993.

## **Chapter 2-15            General Counsel**

This chapter describes the General Counsel position. The Board of Directors has never formally taken action regarding the General Counsel position, except to appoint the Los Angeles County Counsel as the MTA General Counsel. The authority and responsibilities set forth describe the current practices of the office of General Counsel.

## **Chapter 2-20            Inspector General**

This chapter describes the Inspector General position. Its provisions are derived from the Inspector General Charter which is included in the MTA Rules and Procedures, and which was adopted by the Board of Directors in October 1997.

## **Chapter 2-25            Ethics Officer**

This chapter describes the Ethics Officer position. Its provisions are derived from duties set forth in the various codes of conduct and the Public Utilities Code, as well as the duties currently performed by the Ethics Officer.

## **Chapter 2-30            Public Transportation Services Corporation**

The Public Transportation Services Corporation ("PTSC") was established by the MTA in December 1996, to act as a sub-unit of the MTA. It is primarily used as a mechanism through which certain MTA officials are employed in order to allow them to be included in the Public Employees Retirement System ("PERS"). PERS generally requires that all employees of an employer be members of PERS before PERS will provide coverage. Since most of the represented MTA employees are members of a separate retirement system, the MTA would not be able to have all of its employees be members of PERS. Thus, the PTSC was formed to address this problem. This chapter describes the current functions of PERS and explains its relationship to the MTA.

## **Chapter 2-35            Tort Claims**

This chapter is a reenactment of the MTA Tort Claims Ordinance originally approved in February 2000.

## **Chapter 2-40            Settlement of Claims**

This chapter is an enactment as an ordinance of the resolution related to settlement of claims, which was approved by the Board in July 2000. However, the proposed ordinance does contain one substantive change from the previous resolution. Currently, the CEO has authority to approve workers' compensation case settlements that do not exceed \$50,000. A committee consisting of four MTA staff members has been delegated authority to approve workers' compensation settlements that do not exceed \$200,000. The proposed ordinance would eliminate this staff committee and increase the CEO settlement authority for workers' compensation claims to \$200,000. Workers' compensation settlements exceeding \$200,000 would continue to require Board approval. This one change is being recommended to allow for more expeditious approval of favorable workers' compensation settlements that are often offered during or just before trial with a limited window of opportunity to accept. The ordinance would make no changes from current practices regarding all other settlements.

## **Chapter 2-45            Transit Operator Jurisdictional Disputes**

This chapter is a reenactment of Ordinance 10 adopted by the Los Angeles County Transportation Commission in the early 1980's. It provides a procedure to resolve disputes between transit operators regarding which operator has the right to run service on a particular route. Public Utilities Code § 130370 requires the adoption of such a procedure. The proposed procedure is as adopted by the LACTC, except that it has been revised to clear up some ambiguities and to reflect the fact that the MTA now serves as the transportation commission in Los Angeles County.

## **Chapter 2-50            Public Hearings**

This chapter is a codification of the MTA policy, last revised in December 1997, as to when the MTA will hold public hearings. The ordinance provides for public hearings before fare increases and before significant service reductions.

## **Title 3                Finance**

### **Chapter 3-05            An Ordinance Establishing A Retail Transactions and Use Tax in the County of Los Angeles for Public Transit Purposes**

This chapter reprints and renumbers for convenience the above-named existing ordinance that was approved by the voters as Proposition A in November 1980.

**Chapter 3-10            An Ordinance Establishing An Additional Retail Transactions and Use Tax in the County of Los Angeles for Public Transit Purposes**

This chapter reprints and renumbers for convenience the above-named existing ordinance that was approved by the voters as Proposition C in November 1990.

**Chapter 3-15            The Metropolitan Transportation Authority (MTA) Reform and Accountability Act of 1998**

This chapter reprints and renumbers for convenience the above-named existing ordinance which was approved by the voters as Proposition A in November 1998

**Title 4            Contracting**

**Chapter 4-05            Pre-Qualification of Bidders**

This chapter briefly describes the current MTA program for the pre-qualification of bidders. It is being proposed essentially as a placeholder for a more comprehensive pre-qualification ordinance that will be proposed in the next few months.

**Chapter 4-10            Debarment and Suspension**

This chapter reenacts the Debarment and Suspension Ordinance approved by the Board in December 2002. Minor, non-substantive changes are included to clarify a few provisions of the ordinance as previously adopted.

**Title 5            Ethics**

**Chapter 5-05            General Provisions and Definitions**

This chapter introduces the Title as setting forth the codes of conduct for MTA officers and employees and those doing business with the MTA. It authorizes the Board of Directors to waive provisions not mandated by statute in individual situations with a finding that the waiver is in the best interest of the MTA. It also defines the terms that are used throughout this Title.

**Chapter 5-10            Board Member Code of Conduct**

In February 1995, the Board of Directors approved its Ethics Policy, which established an MTA Code of Conduct for Board members and their staffs. In 1997, the legislature enacted almost all, but not entirely all, of the Ethics Policy provisions as the “Code of Conduct for the Board of the Los Angeles County Metropolitan Transportation Authority,”

and codified it at Public Utilities Code §§ 130600 *et seq.* In the same legislative session, Public Utilities Code § 130051.20 [the Hayden Bill] was enacted to place limits on campaign contributions to MTA Board Members. The enactment of this legislation has left some confusion as to the continuing validity of the earlier adopted Ethics Policy. This chapter makes it clear that the MTA Board Member Code of Conduct is as set forth in the Public Utilities Code. However, the enforcement provisions from the earlier Ethics Policy, which were not included in the provisions of the Public Utilities Code are included in the ordinance.

**Chapter 5-15            Employee Code of Conduct**

This chapter is an enactment in ordinance form of the Employee Code of Conduct adopted in May 1997. A number of revisions have been made to more precisely describe the requirements being placed on MTA employees.

**Chapter 5-20            Contractor Code of Conduct**

This chapter is an enactment in ordinance form of the Contractor Code of Conduct adopted in May 1997.

**Chapter 5-25            Lobbying the MTA**

This chapter is a reenactment of the MTA Lobbyist ordinance first adopted as a policy in February 1993, and enacted in ordinance form in February 2000. As reenacted in this chapter the ordinance contains several non-substantive procedural modifications to reflect current practices and to accommodate such procedural changes as electronic filing and fee collection.

**Chapter 5-30            Code of Conduct for Financial Employees**

This chapter is new. It establishes a code of conduct for MTA employees whose duties include the administration or expenditure of MTA funds. The requirements of this code are in addition to the other requirements imposed on all MTA employees by Title 5. This code was suggested by the Ethics Officer and the Chief Financial Officer to highlight the critical need for accurate and honest financial reporting in recognition of the recent private sector financial abuses which have resulted in major corporate failures.

**Chapter 5-35            MTA Conflict of Interest Code**

This is the enactment in ordinance form of the previously adopted MTA Conflict of Interest Code required by the California Political Reform Act.



**ATTACHMENT B**

**PROPOSED**

**LOS ANGELES COUNTY**

**METROPOLITAN TRANSPORTATION AUTHORITY**

**ADMINISTRATIVE CODE**