

Agenda

Regular Board Meeting Board of Directors

One Gateway Plaza
3rd Floor Board Room

Call to Order

Directors

Gloria Molina, Chair
Pam O'Connor, 1st Vice Chair
Antonio Villaraigosa, 2nd Vice Chair
Mike Antonovich
Yvonne B. Burke
John Fasana
David Fleming
Richard Katz
Don Knabe
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

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

PUBLIC INPUT

The meetings of the Metropolitan Transportation Authority Board are open to the public. 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 up to 5 minutes 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 prior to the start of the meeting.

The public may also address the MTA on non-agenda items within the subject matter jurisdiction of the MTA during the public comment period, which will be held at the end of each meeting. Each person will be allowed to speak for one minute and may speak no more than once during the Public Comment period. Public Comment will last a maximum of 30 minutes, or as otherwise indicated by the Chair. Speakers will be called according to the order in which the speaker request forms are received until the Public Comment period has expired. Elected officials, not their staff or deputies, may be called out of order and prior to the Board's consideration of the relevant item.

At the discretion of the Chair, the Board may limit public input on any item, based on the number of people requesting to speak and the business of the Board.

In the interest of hearing from as many members of the public as possible, if at the time your name is called, your issue has been addressed or your opinion expressed by a previous speaker, please simply state that fact and your name for the record.

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:

Disorderly behavior toward the Board or any member of the staff thereof, tending to interrupt the due and orderly course of said meeting.
A breach of the peace, boisterous conduct or violent disturbance, tending to interrupt the due and orderly course of said meeting.
Disobedience of any lawful order of the Chair, which shall include an order to be seated or to refrain from addressing the Board; and
Any other unlawful interference with the due and orderly course of said meeting.

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 cassette tapes, and duplicate tapes are available for a nominal charge. A Spanish language translator is available at all Board Meetings. Translators for other languages must be requested 72 hours in advance. After each Board meeting, a record is prepared which indicates the actions taken by the Board. This record is available on the second business day following the meeting.

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.

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

**SUMMARY OF AGENDA ITEMS
LOS ANGELES COUNTY
METROPOLITAN TRANSPORTATION AUTHORITY**

**REGULAR BOARD MEETING
THURSDAY, JUNE 28, 2007**

CONSENT CALENDAR ITEMS	COMMITTEE AUTHORITY	NON-CONSENT ITEMS	CLOSED SESSION
2	NONE	3	36
5		4	
6		9	
7		10	
8		11	
13		12	
16		27	
17		28	
18		29	
19		49	
20		51	
24		52F	
26		53	
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40		59	
41		60	
42		61	
44		62	
45		63	
46		64	
47		65	
48		66	
52A-E			

1. APPROVE **Consent Calendar** Items: 2, 5, 6, 7, 8, 13, 16, 17, 18, 19, 20, 24, 26, 30, 31, 32, 33, 34, 40, 41, 42, 44, 45, 46, 47, 48 and 52A-E.

CONSENT CALENDAR

2. APPROVE **Minutes** of Regular Board Meeting held April 30, 2007 and Special Board Meeting held May 24, 2007.

5. PLANNING AND PROGRAMMING COMMITTEE RECOMMENDED (5-0):
 - A. approving programming of \$14 million in **Proposition A Incentive Reserve funds to Fiscal Year 2008 Mini Call** for Locally Funded Transit Operator Vehicle Replacement Projects; and
 - B. authorizing the Chief Executive Officer to negotiate and execute funding agreements with project sponsors.

6. PLANNING AND PROGRAMMING COMMITTEE RECOMMENDED (5-0):
 - A. establishing **Proposition A and Proposition C Local Return funded Capital Reserve Accounts for local jurisdiction projects**;
 - B. approving extensions for existing Local Return Capital Reserve Accounts as prescribed in their Memoranda of Understanding for an additional three years for the Cities of Hermosa Beach and Pasadena; and
 - C. authorizing the Chief Executive Officer to negotiate and execute all necessary agreements between Metro and the Cities for their Capital Reserve Accounts as approved.

7. PLANNING AND PROGRAMMING COMMITTEE RECOMMENDED (4-1-0):
 - A. approving a \$48,147,200 financial contribution of Proposition C 10% local sales tax funding from the Los Angeles County Metropolitan Transportation Authority (Metro) to the **Southern California Regional Rail Authority (SCRRA) FY 2007-08 Preliminary Budget for Metrolink**, consistent with a Board-approved FY 2007-08 Metro Budget;

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- B. approving the reprogramming of \$4,898,900 in Proposition C 10% local sales tax funding from the FY 2005-06 SCRRA subsidy to Metrolink projects;
 - C. approving a two-year time extension for the Eastern Maintenance Facility project; and
 - D. authorizing the Chief Executive Officer to negotiate and execute all necessary agreements between Metro and the SCRRA for funding approved.
8. PLANNING AND PROGRAMMING COMMITTEE RECOMMENDED (5-0):
- A. directing staff to procure a contract for specialized consultant expertise to develop a **Los Angeles County Bus Speed and Street Design Improvement Plan**; and
 - B. amending the FY08 budget in the amount of \$250,000, which will be funded from Proposition A, C, and TDA Administration Funds.
13. PLANNING AND PROGRAMMING COMMITTEE RECOMMENDED (3-0-1) authorizing the Chief Executive Officer to execute Amendment No. 1 to Contract No. 4320-1699 with Jones and Stokes for the preparation of the **Project Report for the State Route 2 (Glendale Freeway) Terminus** for a period of one year for the (amount not to exceed/firm fixed price of) \$472,281, increasing the total contract value from \$1,076,018 to \$1,548,299.
16. FINANCE AND BUDGET COMMITTEE RECOMMENDED (4-0) AND EXECUTIVE MANAGMENT AND AUDIT COMMITTEE RECOMMENDED (3-0-1):
- A. receiving and filing report summarizing the proposed **Metro Energy and Sustainability Policy**; and
 - B. adopting the proposed Metro Energy and Sustainability Policy.

17. FINANCE AND BUDGET COMMITTEE RECOMMENDED (3-0-2) ratifying the Chief Executive Officer's purchase of **All Risk Property insurance policies and a Boiler and Machinery insurance policy for all Metro property** for a combined cost not to exceed \$3.2 million for the 12-month period effective May 10, 2007 through May 9, 2008.

18. FINANCE AND BUDGET COMMITTEE RECOMMENDED (5-0) authorizing the Chief Executive Officer to award a five-year, fixed rate Contract No. PS 0740161979 to Los Angeles Federal Armored Services, Inc., for the **sale of currency** for an amount not to exceed \$7,800,000, inclusive of four one-year options, effective July 1, 2007.

19. FINANCE AND BUDGET COMMITTEE RECOMMENDED (4-0-1) appointing the following firms to participate in **Metro's Municipal Finance Counsel Pool** for a period of five years:
 1. Fulbright & Jaworski LLP
 2. Hawkins, Delafield & Wood LLP
 3. Kutak Rock LLP
 4. Law Offices of Samuel Norber
 5. Nixon Peabody LLP
 6. Nossaman, Guthner, Knox & Elliott LLP
 7. Orrick, Herrington & Sutcliffe LLP
 8. Quateman LLP
 9. Robinson and Pearman LLP
 10. Squire, Sanders and Dempsey LLP

20. FINANCE AND BUDGET COMMITTEE RECOMMENDED (4-0):
 - A. **adopting the proposed Fiscal Year 2008 (FY08) budget** as presented in the proposed budget document and modified by the actions in Attachment A of the Board report; ([click here for Proposed Budget document](#))
 - B. approving the life-of-project budgets for all new capital projects in the proposed budget with a life-of-project budget greater than \$5 million;
 - C. approving the total budgeted salaries and benefits for each union/non-contract group as required by the Position Authorization and Compensation policy;

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- D. approving the non-represented employee salary schedule adjusted for the annual inflationary increase as required by the Position Authorization and Compensation policy;
 - E. approving the safety and security budget as required by the Financial Stability policy adopted by the Board in January 2007; and
 - F. amending the proposed budget to add 8 FTE's and \$1 million for implementation of TAP operations to be funded with General Fund reserves.
24. EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE RECOMMENDED (3-0) adopting the following **position on Federal Legislation**:
- H.R. 1475 (McGovern) - A bill that amends the Internal Revenue Code to create parity between the parking and transit portions of the transportation tax benefit. **SUPPORT.**
26. EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE RECOMMENDED (3-0) authorizing the Chief Executive Officer to:
- A. exercise the second of two option years related to Memorandum of Understanding (MOU) No. TCP2610LASD; and
 - B. execute Modification No. 11 to MOU TCP2610LASD to **provide funding for FY08 transit community policing services** for an amount not to exceed \$62,524,538.52 for the period July 1, 2007 through June 30, 2008, revising the total contract value from \$223,892,411 to \$286,416,950.
30. EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE RECOMMENDED (4-0) authorizing the Chief Executive Officer to approve:
- A. **MOU with the Gateway Cities Council of Government** for an amount not to exceed \$377,775 plus any percentage in annual salary increases that the Board approves for Metro non-represented employees, for five years; and
 - B. **MOU with South Bay Council of Government** for an amount not to exceed \$377,775 plus any percentage in annual salary increases that the Board approves for Metro non-represented employees, for five years.

31. EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE RECOMMENDED (4-0) authorizing the Chief Executive Officer to award an eight-year unit rate Contract No. PS625011 to Medtox Laboratories, Inc. for **drug testing laboratory analysis services** for an amount not to exceed \$670,000 inclusive of five one-year options, effective August 1, 2007.
32. EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE RECOMMENDED (4-0) authorizing the Chief Executive Officer to award a five-year firm fixed price Contract No. PS25141978 to LexisNexis for **database information subscription services** for an amount not to exceed \$467,400, effective July 1, 2007.
33. EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE RECOMMENDED (4-0) approving:
- A. the **scope for the audit of ASI**, which will be included in the Request For Proposal to obtain a contractor to perform the audit; and
 - B. revising the date that the OIG reports the results of the audit back to the Board from October 18 to November 15, 2007. The report date is revised because the award of the contract will be delayed 1 month due to the cancellation of the regular May Committee and Board meetings.; ~~and~~
 - ~~C. using up to \$120,000 from Board contingency funds to secure contractual services for the audit of ASI, and giving the OIG discretion to (1) use OIG funds or (2) seek additional Board funding should the contract cost exceed \$120,000.~~
34. EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE RECOMMENDED (3-1-0) approving:
- KNABE/LOWENTHAL/O'CONNOR MOTION** that the following change be made to the Formula Allocation Procedure (FAP).

FAP Funding Stability:

In the application of this FAP formula adjustment, all Operators' FAP dollar funding levels shall be held to a minimum of their FY 2007 dollar funding levels. Where necessary, funding to implement this provision shall come from the Proposition A 40% Discretionary Growth Over CPI Account.

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However, no additional funding will be allocated to an operator to mitigate against a reduction in funding from the fiscal year 2007 level, if this reduction is caused by a reduction in service level provided by that operator.

Application of FAP Formula:

- A. a new rule be added to the current FAP effective immediately for application to the FY 2009 Allocation Year (whose allocations are based on FY 2007 TPM data).

If an operator increases its base fare anytime from July 1, 2006 forward, their **fare units** will be frozen at that Operator's fare unit level during the last full fiscal year of the old lower fare. It will remain at this level, until the new fare unit calculation based on the new higher fare becomes greater than the frozen level. After that point, their fare units will be calculated normally.

Example: If an Operator implements a fare increase on July 1, 2006, or anytime during FY 2007, their fare units will be frozen at the FY 2006 level until fare unit growth occurs. Thus the fare units utilized to calculate the FAP will be the higher of the fare units calculated using current TPM data or the fare units from the FAP calculation from the fiscal year prior to the fare increase.

If an Operator lowers their base fare anytime from July 1, 2006 forward, their fare units will be frozen at that Operator's fare unit level during the last full fiscal year of the old higher fare. Thus, an Operator could not trigger an increase in their fare units by lowering their base fare and would have no incentive to do so. Operators would be required to increase their base fare to an amount equal to or greater than the base fare established using FY 2006 TPM data to again calculate their fare units utilizing current TPM data.

- B. Los Angeles Department of Transportation's annual fare units calculation for the purpose of determining its annual FAP subsidy funded from the County's Proposition A Discretionary Growth Over CPI account be adjusted as described below.

Effective with the FY 2008 allocation year, the calculation of fare units for LADOT will be conducted utilizing a \$0.90 base fare for its eligible express services and a \$0.50 base fare for its eligible local services.

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LADOT's annual FAP subsidy allocation will continue to be funded from the County's Proposition A Discretionary Growth Over CPI account, which is the primary source of FAP funding designated by Metro for all Eligible Operators in the County. LADOT will also be subject to the proposed new FAP formula/distribution rules discussed above for all Included and Eligible Operators. This includes holding all of the other Eligible Operators to a minimum of their FY 2007 dollar funding levels.

Continuation of Current Transit Operating Funds:

C. The LACMTA shall continue to allocate funds to the Included and Eligible Operators from the following sources for both the FAP and non-FAP programs:

- *Transportation Development Act, Article 4 (includes interest)
- *State Transit Assistance (includes interest)
- *Proposition A 40% Discretionary
- *Proposition A 40% Discretionary Interest
- *Proposition A 40% Discretionary Growth Over CPI
- *Proposition C 5% Security
- *Proposition C 40% Discretionary Municipal Operator Service Improvement Program (MOSIP)
- *Proposition C 40% Discretionary Transit Service Expansion (TSE)
- *Proposition C 40% Discretionary Bus System Improvement Plan (BSIP)/Overcrowding Relief
- *Proposition C 40% Discretionary Base Restructuring
- *Proposition C 40% Discretionary Foothill Transit Mitigation
- *Proposition C 40% Discretionary Interest

40. OPERATIONS COMMITTEE RECOMMENDED(4-0) approving the staff recommendation to except, effective June 24, 2007, the following Metro Rapid bus lines from certain service parameters specified in the **Consent Decree New Service Plan**:

- Line 703 – Lincoln (operated by Santa Monica)
- Line 704 – Santa Monica Blvd.
- Line 705 – La Cienega/Vernon
- Line 714 – Beverly

41. OPERATIONS COMMITTEE RECOMMENDED (4-0) establishing a life-of-project budget for the **mid-life refurbishment of the Metro Red Line heavy rail subway vehicles**, CP# 206034, in the amount of \$202,000,000.
42. OPERATIONS COMMITTEE RECOMMENDED (4-0) establishing a life-of-project budget for 50 **Expo and Metro Blue Line Light Rail Vehicles procurement** Option No. 1 to Contract No. P2550 Light Rail Vehicles, CP# 206035, in the amount of \$174,500,000.
44. OPERATIONS COMMITTEE RECOMMENDED (3-0-1) authorizing the Chief Executive Officer to award a 36-month, firm fixed price contract under Bid Number 07-0006 to National Petroleum, Inc., the lowest responsive and responsible bidder for **Synthetic Transmission Fluid**, for an amount not to exceed \$6,434,169, inclusive of sales tax and two one-year options.
45. OPERATIONS COMMITTEE RECOMMENDED (4-0) authorizing the Chief Executive Officer to award five-year, unit price, multiple award agreements with A&R Brokers, Kirk Papers, Unisource, and Xpedx for the provision of **non-inventory paper supplies** for an amount not to exceed \$2,700,000, inclusive of two one-year options, effective July 1, 2007.
46. OPERATIONS COMMITTEE RECOMMENDED (4-0) authorizing the Chief Executive Officer to execute contract modification No. 5 to Contract No. PS-6810-1346 with Enternet Business Systems to provide **consulting services for the on-going implementation and support of the integrated Transitsafe™ and Vehicle Accident Monitoring System** for a period of 24 months for an amount not to exceed \$330,000, increasing the total contract value from \$577,999 to \$907,999.
47. OPERATIONS COMMITTEE RECOMMENDED (3-0-1) authorizing the Chief Executive Officer to award a five-year, unit rate Contract No. PS07642013 to Danka Office Imaging Company for **Copy Services** for an amount not to exceed \$1,369,000, including supplies and applicable sales/use taxes, effective upon installation of all equipment.
48. OPERATIONS COMMITTEE RECOMMENDED (3-0-1) authorizing the Chief Executive Officer to award a firm fixed price contract under Bid No. OP39221990 to North American Video, Inc. for **pan/tilt/zoom dome cameras and equipment** for an amount not to exceed \$200,293 inclusive of sales tax.

52. EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE RECOMMENDED (4-0) adopting the following **positions on State Legislation**:
- A. SB 9 (LOWENTHAL) – Would establish conditions for allocating goods movement project funds from the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act (November 2006). **SUPPORT IF AMENDED**
 - B. SB 375 (STEINBERG) – Would require Regional Transportation Plans to address the reduction of greenhouse gases and require transportation funding to be allocated according to those plans. Would authorize modified environmental review procedures for projects conforming to the new plans. **OPPOSE UNLESS AMENDED**
 - C. SB 716 (PERATA) – Would establish an allocation process for public transit funding made available from the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act (November 2006). **OPPOSE**
 - D. SB 803 (LOWENTHAL) - Would require that projects utilizing a community conservation corps be given priority in the allocation of transportation enhancement funds. **SUPPORT**
 - E. SB 964 (ROMERO) – Would prohibit a majority of the members of a legislative body from using a series of communications, directly or through intermediaries, to conduct deliberations, including, but not limited to any communications that advance or clarify a member’s understanding of an issue. **WORK WITH AUTHOR.**

NON-CONSENT

- 3. Chair’s Report.
 - Presentation of Resolutions to APTA Bus and Rail Roadeo Winners.
- 4. Chief Executive Officer’s Report.

9. **PLANNING AND PROGRAMMING COMMITTEE RECOMMENDED (3-0-2) AS AMENDED WITHOUT REQUESTED FTE'S** authorizing the Chief Executive Officer to award and execute:
- A. a cost plus fixed fee Contract No. PS4340-1939 to URS Corporation to provide professional services not to exceed \$22,700,000 to prepare an **EIR/EIS and engineering Project Report for the I-710 Corridor Project** (Project) from SR-60 to the Ports of Long Beach and Los Angeles, subject to execution of Funding Agreements with the funding partners;
 - B. a firm fixed price Contract No. PS4340-1940 to Moore Iacafano Goltsman to provide professional services not to exceed \$1,779,000 for the Facilitation of Community Participation, subject to execution of Funding Agreements with the funding partners;
 - C. contract modifications for up to \$2,521,000 to cover the cost of any potentially unforeseen issues that may arise during the environmental, engineering and community participation phase; and
 - D. amendment to the FY08 Budget in the amount of \$7 million and addition of a total of 1.1 FTE's for Communication, and Construction Departments of which \$1.4 million will cover Metro's share of the cost and \$5.6 million will be reimbursed from the funding partners per the Funding Agreements.
10. **PLANNING AND PROGRAMMING COMMITTEE RECOMMENDED (4-0-1) AS AMENDED WITHOUT REQUESTED FTE'S** authorizing the Chief Executive Officer to award and execute the following contracts for the **Eastside Phase II Transit Corridor Project**:
- A. a firm fixed price Contract No. PS-4320-2003 to Camp Dresser & McKee/DMJM Harris Joint Venture (CDM/DMJM Harris) to provide professional services for an amount not to exceed \$2,203,584 for an Alternative Analysis for the Eastside Phase II Transit Corridor Project, with options for environmental clearance;
 - B. a firm fixed price Contract No. PS-4320-2006 to Arellano Associates to provide professional services for an amount not to exceed \$358,428 for facilitation of community participation;
 - C. contract modifications for up to \$240,000 to cover the cost of any potentially unforeseen issues that may arise during the above phases; and
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D. amending the FY08 Budget in the amount of \$1,733,000 and add a total of 1.25 FTE's for the Communications, Construction and Planning Departments.

11. **PLANNING AND PROGRAMMING COMMITTEE RECOMMENDED (3-0-1) AS AMENDED WITHOUT REQUESTED FTE'S** authorizing the Chief Executive Officer to award and execute the following contracts for the **Westside Extension Transit Corridor**:

- A. a firm fixed price Contract No. PS 4350-2000 to PB Americas, Inc. to provide professional services in the amount of \$3,654,061 for alternatives analysis, tunnel feasibility assessment and conceptual engineering with options for future preliminary engineering and environmental clearance;
- B. a firm fixed price Contract No. PS4350-1995 to The Robert Group to provide professional services in the amount of \$650,394 for facilitation of community participation in support of the above contract with options for future phases;
- C. contract modifications for up to \$600,000 to cover the cost of any potentially unforeseen issues that may arise during the above phases; and
- D. amending the FY08 Budget by adding \$3.0 million to the STIP-PPM fund to cover the portion of the work to be completed in FY08 plus the addition of a combined total of 1.7 FTEs to Construction, Communications, and Planning Departments.

12. **PLANNING AND PROGRAMMING COMMITTEE RECOMMENDED (4-0) AS AMENDED WITHOUT REQUESTED FTE'S** authorizing the Chief Executive Officer to award and execute the following contracts for the **Regional Light Rail Connector Downtown (Regional Connector)**:

- A. a firm fixed price Contract No. PS 4320-1985 to Camp Dresser & McKee Inc. (CDM) to provide professional services for an amount not to exceed \$2,091,696 for an Alternatives Analysis for the Regional Connector with options for environmental clearance;
- B. a firm fixed price Contract No. PS-4320-1988 to Robert Group to provide professional services for an amount not to exceed \$192,269 for facilitation of community participation;

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- C. contract modifications for up to \$240,000 to cover the cost of any potentially unforeseen issues that may arise during the above phases; and
 - D. amending the FY08 Budget by adding \$1,967,000 to the STIP-PPM fund to cover the portion of the work to be completed in FY08; and adding a combined total of 1.45 FTE's for the Communications, Construction and Planning Departments.
27. EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE RECOMMENDED (4-0) AND OPERATIONS COMMITTEE FORWARDED TO THE FULL BOARD WITHOUT RECOMMENDATION:
- A. establishing a life-of-project budget for the **UFS/TAP barrier gate analysis** in the amount of \$999,663 and include the project in the FY08 capital program budget;
 - B. amending the FY08 budget to add in \$999,663 of expenditures and \$999,663 of Prop A 35% revenues for the gating project;
 - C. authorizing the Chief Executive Officer to execute Contract Modification No. 9 to Booz Allen Hamilton, Contract PS-4610-1026, to complete the Metro Gating Study for an amount not to exceed \$400,000, increasing the total contract value from \$9,025,250 to \$9,425,250; and
 - D. monitoring progress of pending Proposition 1B funding.
28. EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE FORWARDED TO THE FULL BOARD WITHOUT RECOMMENDATION DUE TO CONFLICTS authorizing the Chief Executive Officer to award Contract No. PS0771401971, a five-year firm fixed price revenue contract inclusive of three one-year options effective January 1, 2008, to CBS Outdoor Group Incorporated for a **license to sell and display the following on the Metro Rail system**:
- A. Standard Exterior Rail Car Advertising, for a firm fixed revenue price of \$2,494,000 inclusive of three one-year options;
 - B. Wrapped Exterior Rail Car Advertising, for a firm fixed revenue price of \$2,668,000 inclusive of three one-year options;

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- C. Subway Station Prominence Displays, for a firm fixed revenue price of \$3,712,000 inclusive of three one-year options; and
- D. Rail Station Back-lit Cases and Interior Rail Car Frame Advertising, for a firm fixed revenue price of \$2,726,000 inclusive of three one-year options;

For a total revenue amount to Metro of \$11,600,000.

29. EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE FORWARDED TO THE FULL BOARD WITHOUT RECOMMENDATION DUE TO CONFLICTS authorizing the Chief Executive Officer to award Contract No. PS0771401970, a five-year firm fixed price revenue contract inclusive of three one-year options effective January 1, 2008, to CBS Outdoor Group Incorporated for a **license to sell and display the following on the Metro bus fleet:**

- A. Standard Exterior Advertising, for a firm fixed revenue price of \$106,049,000 inclusive of three one-year options;
- B. Standard Interior Advertising, for a firm fixed revenue price of \$1,226,000 inclusive of three one-year options;
- C. Enhanced Tail Advertising, for a firm fixed revenue price of \$3,065,000 inclusive of three one-year options; and
- D. Exterior Wrapped Advertising, for a firm fixed revenue price of \$12,260,000 inclusive of three one-year options;

For a total revenue amount to Metro of \$122,600,000.

49. OPERATIONS COMMITTEE RECEIVED AND FILED **report on Service Sector effectiveness** and DIRECTED staff to report back at the June 28, 2007 Regular Board Meeting on the possibility of providing community relations positions to each Service Sector. **(HANDOUT)**

51. EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE FORWARDED TO THE FULL BOARD WITHOUT RECOMMENDATION:

FASANA MOTION that:

A new simplified and equitable **Formula Application Procedure (FAP)** be developed that would replace the existing FAP, Municipal Operator Service Improvement Program (MOSIP), and other bus funding pools and incorporate these features:

FAP Formula: A participant's funding share will be the ratio of their total vehicle service hours (VSH) to all participants' total VSH.

Single Funding Pool: All current and future funding that LACMTA elects to allocate to any and all participants for transit operations must be allocated by this formula, including but not limited to TDA, STA, interest, Proposition A and C.

Transition: During the first three years after implementation of the New FAP, all participants will be guaranteed a minimum allocation equal to the total Fiscal Year 2006-2007 Transit Fund Allocation approved by the Metro Board at the July 27, 2006 meeting (participants with shortfalls below their FY 2006-2007 allocations would receive funds from participants with surpluses above their FY 2006-2007 allocations on a pro rata basis).

52. EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE RECOMMENDED (4-0) **AS AMENDED** adopting the following **position on State Legislation**:

F. SB 974 (LOWENTHAL) – Requires the Ports of Los Angeles, Long Beach and Oakland to impose container fees. **SUPPORT IF AMENDED**

53. OPERATIONS COMMITTEE RECOMMENDED (4-0) **possible reinstatement of Line 442.**

54. **ANTONOVICH MOTION** that the Metro Board of Directors instruct the CEO to return to the Operations Committee and the Full Board within 60 days with a new policy or policy amendment that:

1. **restricts Metro buses in revenue and non-revenue service to the outermost lane on all freeways;**
2. makes the second outermost lane only available for passing provided that the freeway has three or more lanes;

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3. creates exceptions for all Metro buses in revenue service on current and future express bus routes, transitway routes and other similar service dependent upon the use of HOV lanes; and
4. creates exceptions for instances in which the left lanes are used to exit or enter a freeway/highway.

ALSO that the Metro Board of Directors instruct the CEO to do the following:

1. send a letter on behalf of the Metro Board to Governor Arnold Schwarzenegger; Secretary of Business, Transportation and Housing Dale Bonner; and California Highway Patrol Commissioner Mike L. Brown; and
2. this letter will request within 90 days an assessment on how current laws prohibiting trucks and other large vehicles from using the Number One and HOV lanes can 1) be enforced to the greatest extent possible and 2) be expanded in future legislation to accommodate new provisions and threats to the safety of highway users from increasing traffic attributed to freight trucks, long buses and other vehicles of similar size.

55. **VILLARAIGOSA MOTION** that the MTA Board direct the CEO to:

1. report back within 60 days on the transition and implementation timetable and required actions for each of the **transit security models** currently under consideration; and
2. recommend to the Board no later than September 2007 with a recommended transit security model and actions required to implement beginning in FY 2008-2009.

56. **VILLARAIGOSA MOTION** that the MTA Board direct the CEO to:

1. request **Proposition 1B Transit Security funding to fund the Gating Study**;
2. if the MTA Board decides to implement gating, pursue Proposition 1B Transit Security funding for implementation costs; and
3. report back to the Board within 60 days, or sooner if necessary, on the status of the Proposition 1B Transit Security legislation.

57. APPROVE the following nominee for membership on the **Gateway Cities Service Sector Governance Council**:
- Harley Rubenstein – New appointment to fill unexpired term of Cynde Soto
Appointed by: Gateway Cities Council of Governments
Term ending: June 2009
58. APPROVE the following nominee for membership on the **San Gabriel Valley Service Sector Governance Council**:
- David Spence – New appointment to fill unexpired term of Bart Doyle
Appointed by: Supervisor Michael Antonovich
Term ending: June 2009
59. AUTHORIZE the Chief Executive Officer to award a ten year, unit rate Contract No. PS0752101933 to Bank of America **for general and specific banking services** for an amount not to exceed \$1,675,260, inclusive of five one-year options, effective ~~June~~ **July 1, 2007**.
- (FORWARDED FROM APRIL FINANCE AND BUDGET COMMITTEE)
60. ESTABLISH a life-of-project budget for **FY08 Bus System Support Replacement Non-Revenue Vehicles**, CP #208007, in the amount of \$10,846,844.
- (FORWARDED FROM APRIL OPERATIONS COMMITTEE)
61. ESTABLISH a life-of-project budget for the **Bauchet Street Storage and Facilities Maintenance Structure Project**, CP#202246, in the amount of \$12,925,000.
- (FORWARDED FROM APRIL OPERATIONS COMMITTEE)
62. ESTABLISH a life-of-project budget for the **Divisions 1, 3, 8, 9, and 15 Improvements Project**, CP# 202239, in the amount of \$13,720,000.
- (FORWARDED FROM APRIL OPERATIONS COMMITTEE)

63. ESTABLISH a life-of-project budget for the **Advanced Transportation Management System Upgrade**, CP# 202232, in the amount of \$12,107,000 and include the project in the FY08 capital program budget.

(FORWARDED FROM APRIL OPERATIONS COMMITTEE)

64. **ANTONOVICH MOTION** that the Metro Board of Directors take the following actions:

1) Introduce a **maximum spending cap on Support Services charged against the Enterprise Fund** by the Communications, Financial Services, Administrative Services, Construction, Countywide Planning and Development, Economic Development and Management Audit Services Business Units and any new Metro Business Units that come into existence. This cap shall be set at 9.0% of the Enterprise Fund in the FY09 budget and subsequent fiscal year budgets;

2) Reinvest all savings as a result of this Support Services cap directly into the Enterprise Fund structural deficit in FY09 and subsequent years until the structural deficit is resolved, before reinvesting these savings into new Operations expenditures;

3) Direct the CEO to present to the Board within 90 days a budget policy and/or amendments to the Financial Standards to be considered for FY09 and beyond;

- a. This policy will clearly prioritize the programming of bus and rail operations, service sectors and operations capital projects first before the programming of support services and other secondary programs through the Enterprise Fund.

4) Instruct the CEO to appoint the Interim Chief Operating Officer to create, to make appointments to, and to chair an *ad hoc* committee:

- a. This committee will comprise key Operations staff, Service Sector staff and representatives, Board staff and other key Metro staff (if necessary).
b. This committee will conduct an audit/evaluation of charges against the Enterprise Fund in FY06, FY07 and FY08.

c. The committee chair will return to the Operations Committee, Finance and Budget Committee and Metro Board of Directors before November 1, 2007, with a report on the following:

- An analysis of the charges made to the Enterprise Fund from FY06 to FY08.
 - The analysis will contain an evaluation and description of the relevance of the totality of each charge to the Operations core functions.

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- The analysis will present the percentage of each charge that should and should not be charged against the Enterprise Fund.
 - A recommendation of which charges to the Enterprise Fund should (in part or in full) either be charged against other parts of the Metro budget or eliminated from future budgets.
 - A recommendation of policies governing the Support Services charges that will:
 - Create a tiered prioritization of Support Services charges against the Enterprise Fund.
 - Ensure that charges deemed to be of higher priority for supporting the Operations core functions are programmed prior to charges of lesser priority.
 - Ensure that charges of lesser priority are identified and brought to the board for consideration prior to programming through the budget process to be charged against the Enterprise Fund.
 - A recommendation for a more stringent cap on Support Services than 9.0% for FY 09 and beyond for consideration by the Board.
 - A benchmark analysis of other major transit agencies' Enterprise Funds (or similar funds), their ratios of core-function charges versus secondary/support charges, and other relevant information to provide context to the Committee's report to the Board;
- 5) Instruct the CEO to incorporate the recommendations of the *ad hoc* committee into the FY09 Budget process, the FY09 Financial Standards and other relevant financial documents upon approval by the Board; and
- 6) Instruct the CEO to identify clearly in all future relevant documents the amount of the savings generated by this new fiscal policy and its impact on the Enterprise Fund structural deficit in FY09 and beyond.

65. ELECTION of **Board Officers**.

66. APPROVE the following nominees for membership on the **Westside/Central Service Sector Governance Council**:

Art Ida – New appointment to fill seat vacated by Carol Gross.
Appointed by: Westside Cities Council of Governments
Term ending: June 2010

Terri Slimmer – New appointment to fill seat vacated by Anny Semonco
Appointed by: Westside Cities Council of Governments
Term ending: June 2010

36. **CLOSED SESSION:**

A. Conference with Legal Counsel - Pending Litigation- G.C. 54956.9(a):

1. Gary Spiegel v. LACMTA, Case No.: SC089123
2. Rutilio Rubalcava v. LACMTA, Case No.: TC019872
3. Kamira Barron V. LACMTA, Case No.: SC084448
4. LACMTA v. RAD Jefferson, Case No.: BC351804
5. Tutor-Saliba-Perini v. LACMTA, Case No.: BC123559

B. Conference with Legal Counsel - Anticipated Litigation - G.C. 54956.9(c):

1. Initiation of Litigation (One case)

C. Conference with Labor Negotiator - G.C. 54957.6:

Agency Negotiator: Carolyn Flowers
Employee Organization: AFSCME

D. Personnel Matters – G.C. 54957:

Public Employee Performance Evaluation

- 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