

Wednesday, June 19, 2013 12:00 PM

REVISED Agenda

Finance, Budget and Audit Committee Meeting

One Gateway Plaza
3rd Floor Board Room

Call to Order

Directors

Gloria Molina, Chair

Mel Wilson, Vice Chair

Diane DuBois

Richard Katz

Pam O'Connor

Michael Miles, non-voting member

Officers

Arthur T. Leahy, Chief Executive Officer

Michele Jackson, Board Secretary

Karen Gorman, Ethics Officer

Karen Gorman, Acting 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. 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:

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

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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 CD's and as MP3's and can be made available for a nominal charge.

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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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Internet Access to Agendas - www.metro.net
TDD line (800) 252-9040

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

5. RECEIVE report from the Chief Financial Services Officer.
6. RECEIVE **report from the Chief Executive Officer.**
7. RECEIVE **oral Federal/State Affairs update.**
8. RECEIVE oral report on Project Budget and Schedule Status.

(ALSO ON CONSTRUCTION COMMITTEE)
9. CONSIDER:
 - A. amending the LACMTA Budget for FY 2013-14 to reflect the programming of funds to the Southern California Regional Rail Authority (SCRRA) FY 2013-14 Budget,
 1. \$52,746,000 for Metrolink Operations;
 2. \$2,094,759 for Right of Way (ROW) Security;
 3. \$4,500,000 ROTEM reimbursement, using Measure R 3% funds;
 4. \$250,000 for a Joint Development Station Project, using Measure R 3% funds;
 - B. authorizing the Chief Executive Officer to add additional funding of \$2.2 million should the proposed 5% fare increase not pass;
 - C. reprogramming \$1,098,159 in FY 2010-11 and FY 2011-12 Proposition C 10% prior year operating surplus funds;
 - D. reprogramming \$500,000 in project savings from the Lang Siding project, to the Doran Street grade crossing improvement project;
 - E. programming \$16,006,500 to SCRRA for LACMTA's contribution to the renovation and rehabilitation program for FY 2013-14;

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- F. extending the lapsing date one year, from June 30, 2013 to June 30 2014, for \$4,877,284 in FY 2010-11 Proposition C 10% funds previously allocated to SCRRA for the FY 2010-11 Rehabilitation/Renovation Program;
 - G. approving for FY 2013-14, the Transfers to Other Operators payment rate of \$1.10 per boarding to LACMTA and an EZ Pass reimbursement cap to LACMTA of \$5,592,000 pending an evaluation of TAP data after the subway gates are latched in 2013; and
 - H. authorizing the Chief Executive Officer or his designee to amend LACMTA's Commuter Rail Program budget and to negotiate and execute all necessary agreements between LACMTA and the SCRRA for the approved funding.
10. APPROVE an [amendment to the Measure R Ordinance and Expenditure Plan](#) to advance "Funds Available Beginning" dates for transit corridor projects. [\[HANDOUT\]](#)
- (ALSO ON EXECUTIVE MANAGEMENT COMMITTEE)
11. APPROVE a [Motion by Directors O'Connor, Najarian, Dubois and Knabe to approve the "Highway Capital Subfund Protection Policy 2013" as an amendment to the previously Board adopted 2011 Measure R Fiscal Responsibility Policy](#) to allow Measure R Highway Operational Improvement Programs the option to opt-out of any Highway Acceleration program at there own discretion.

We therefore move that the Metro Board incorporate the following recommendations as permanent Board Policy to the 2011 Measure R Fiscal Responsibility Policy as follows:

Metro will focus on transit project acceleration and provide flexibility to allow a subregion the choice to opt out of highway-related acceleration:

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- A. concurrently protective the subregion’s share of Highway Contingency/Escalation Funds (as reflected in Line 39, Measure R Highway Expenditure Plan) used for acceleration in proportion to the subregional share of Measure R funds allocated to each subregion in the 2008 Measure R Expenditure Plan, i.e. as reflected in the original 2008 Measure R Expenditure Plan *Subregional Comparison – Highway Projects FY 2010-2039*; and
- B. if (in 2019) a Subfund Transfer (from Highway to Transit, or vice versa) is approved, the proportionate amount of the subregion’s Subfund Contingency/Escalation funding will also be available for transfer and allocated to the project being funded; and
- C. having originally set forth in 2011 the policy protections contained in the O’Connor/Molina/Dubois *Measure R Fiscal Responsibility Policy*, i.e. Highway Capital Project Contingency/Escalation funds will have equal access to Measure R Contingency funds in the later decades; staff is hereby directed to conform those provisions to reflect the above updated policy amendments.

12. CONSIDER:

- A. ~~approving~~ accepting the updated [Long Range Transportation Plan \(LRTP\) Financial Forecast](#), including:
 - 1. additional “up to” cost assumptions for the following LRTP programs:
 - a. State of Good Repair: \$750 Million;
 - b. Accelerated Regional Transportation Improvement Project (ARTI) [Assumes toll based borrowing]: \$410 Million;
 - c. A summary of the use of fund assignment authority delegated to the Chief Executive Officer (CEO);

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2. Measure R Project Cost Control Process and Policy compliance recommendations:
 - a. Crenshaw/LAX (LACMTA funds, base project): \$160 Million;
 - b. Interstate 5 South (LACMTA funds): \$153 Million;
 - c. Interstate 5 South (Excess ROW, State, & Other): \$50 Million;
 - d. Interstate 405 Northbound HOV Lane: \$75 Million;
 - e. Westside Subway Section 1 (LACMTA funds): \$73 Million;
 - f. Regional Connector (LACMTA funds): \$32 Million;
 - g. Exposition Ph. 1 (LACMTA funds, Expo. Auth. costs): \$32 Million;
 - h. Exposition Ph. 1 (LACMTA funds and costs): \$7 Million.

(CARRIED OVER FROM MAY COMMITTEE CYCLE) [HANDOUT](#)

(ALSO ON PLANNING AND PROGRAMMING COMMITTEE)

13. CONSIDER:

- A. adopting findings and recommendations for using fiscal year [\(FY\) 2013-14 Transportation Development Act \(TDA\) Article 8 funds](#) estimated at \$23,462,835 as follows:

1. in the City of Avalon there are unmet transit needs that are reasonable to meet, and the City of Avalon chooses to use \$141,093 of their Article 8 funds for their services; therefore, TDA Article 8 funds will be used to meet the unmet transit needs;

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2. in the Antelope Valley, which includes the Cities of Lancaster and Palmdale, and in the Los Angeles County Unincorporated areas of the Antelope Valley, transit needs are met using other funding sources, such as Proposition A and Proposition C Local Return; therefore, their transit needs can be met with other funding sources. Hence, TDA Article 8 funds in the amount of \$5,894,535 and \$5,742,396 (Lancaster and Palmdale, respectively), may be used for street and road purposes and/or transit;
3. in the Santa Clarita Valley, which includes the City of Santa Clarita and the Los Angeles County unincorporated areas of the Santa Clarita Valley, transit needs are met with other funding sources, such as Proposition A and Proposition C Local Return, and TDA Article 8 funds in the amount of \$7,615,778 for the City of Santa Clarita may be used for street and road and/or transit purposes, as long as their transit needs continue to be met; and
4. in the Los Angeles County Unincorporated areas of North County, the areas encompass both the Antelope Valley and the Santa Clarita Valley, the allocation is \$4,069,061 and may be used for street and road purposes and/or transit.

- B. adopting a resolution making a determination of unmet public transportation needs in the areas of Los Angeles County outside the Metro service area.

14. CONSIDER:

- A. establishing [Proposition C Local Return funded Capital Reserve Accounts for the Cities of El Monte, Lynwood and South El Monte](#);
- B. approving extensions for existing Local Return Capital Reserve Accounts as prescribed in their Agreements for an additional three years for the Cities of Arcadia, Lomita, Manhattan Beach, and Santa Monica; and

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- C. authorizing the Chief Executive Officer to negotiate and execute all necessary agreements between Los Angeles County Metropolitan Transportation Authority and the City for their Capital Reserve Account as approved.

15. CONSIDER:

- A. approving \$1.9 billion in [FY2014 Transit Fund Allocations for Los Angeles County jurisdictions, transit operators and Metro operations.](#) These allocations comply with federal and state regulations and LACMTA Board policies and guidelines;
 - 1. Planning and Administrative allocations of Transportation Development Act (TDA), Proposition A, Proposition C and Measure R in the amount of \$69.0 million;
 - 2. Bus Transit Subsidies of State, Local and Federal funds in the amount of \$1.4 billion and includes:
 - a. \$6.0 million for the continuation of the Tier 2 Operators Funding Program;
 - b. \$102,243 additional funding for LADOT in accordance with the 2-Year Lag policy previously adopted by the Board;
 - 3. Proposition A Incentive Programs in the amount of \$12.9 million including a \$50,000 increase in Avalon's Ferry Subsidy Program from \$600,000 to \$650,000;
 - 4. Proposition A Local Return, Proposition C Local Return, Measure R Local Return, TDA Article 3 (Pedestrian and Bikeways) and TDA Article 8 (Street and Highways) for \$445.4 million; and

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- B. authorizing the Chief Executive Officer to adjust FY2014 Federal Section 5307 (Urbanized Formula), Section 5339 (Bus and Bus Facilities) and Section 5337 (State of Good Repair) allocations upon receipt of final apportionment from the Federal Transit Authority and amend FY2014 budget as necessary to reflect the aforementioned adjustment;
 - C. approving fund exchange in the amount of \$8.9 million of Santa Monica's Big Blue Bus' FY2014 Federal Section 5307 formula share allocation with Metro's TDA Article 4 revenues, to be adjusted upon receipt of final apportionment and will be disbursed in FY2015;
 - D. approving fund exchanges in the amount totaling \$19.9 million of Metro's share of Federal Section 5307 with municipal operators' shares of Federal Sections 5339 and 5337;
 - E. adopting a resolution designating Transportation Development Act (TDA) and State Transit Assistance (STA) fund allocations in compliance to the terms and conditions of the allocation; and
 - F. upon approval, authorizing the Chief Executive Officer to negotiate and execute all necessary agreements to implement the above funding programs.
16. RECEIVE AND FILE the [Fiscal Year \(FY\) 2010-2012 Triennial Performance Review](#) of:
- A. Los Angeles County Transit Operators and Metro Operations; and
 - B. Los Angeles County Metropolitan Transportation Authority as the Regional Transportation Agency.
17. RECEIVE AND FILE [the third quarter financial performance for Fiscal Year 2013.](#)
18. ADOPT the [FY14 Proposed Audit Plan.](#)

19. RECEIVE AND FILE the third quarter report of Management Audit Services for the period ending March 31, 2013.
20. RECEIVE AND FILE report on the proposed excess liability insurance program.
21. RECEIVE AND FILE report on budget themes and performance metrics. [HANDOUT]

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