

Minutes/Proceedings

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Los Angeles County
Metropolitan Transportation Authority

Special Board Meeting Budget Workshop Board of Directors

One Gateway Plaza
3rd Floor Boardroom

Called to Order at 9:37 A.M.

Directors Present:

Zev Yaroslavsky, Chair
Frank Roberts, 1st Vice Chair
Mike Antonovich
Yvonne Brathwaite Burke
John Fasana
Don Knabe
Tom LaBonge
Martin Ludlow
Gloria Molina
Pam O'Connor
Beatrice Proo

Officers

Roger Snoble, Chief Executive Officer
Michele Jackson, Board Secretary
Karen Gorman, Ethics Officer
William Waters, Inspector General
County Counsel, General Counsel



Metropolitan Transportation Authority

Metro

1. **CONSIDERED the FY05 draft Budget outline.**

Chairman Yaroslavsky thanked Board staff for working long hours with the staff of the MTA. The work product from this team effort has resulted in a \$155 million budget reduction. Also thanked MTA staff for cooperating and collaborating with them.

CEO Roger Snoble commented that the state budget put the agency in this position. In order to reach the goal more cuts had to be made than those recommended by Board staff. The result is that today the budget is balanced and the structural operating deficit is solved, without having to propose a fare increase or go out for any special funding. This year's budget is higher than FY04 including inflation, pass-throughs, higher fuel costs and homeland security efforts.

Nonetheless, there are still risks in this budget, e.g., additional Consent Decree service, escalating fuel and propulsion costs, decreased fare revenues, workers' compensation and the ATU arbitration.

Richard Brumbaugh explained the specifics of the \$155 million cut and the \$74 million increase in the proposed budget.

Director Fasana commented on the Call for Projects and TDA Bikeways and services and expressed the hope that adequate oversight of these projects will be maintained. He also questioned the number of FTE's cut from Planning and Construction as compared to the smaller number in Communications and Support Services, and how those cuts affect the agency's three core missions.

Director Burke commended the Chair for spearheading the process and including their staffs. Ms. Burke sought clarification regarding the \$10 million earmarked for security and homeland security. Staff explained that the agency received a \$3.5 million grant for homeland security, but they were not optimistic about being reimbursed for the remainder.

Director Burke submitted the following MOTION That the Board direct the CEO and staff to re-examine the “Prop C 40% discretionary” funding commitments as well as other discretionary funding sources in an effort to continue funding the Immediate Needs Program and report back with alternative funding proposals for Immediate Needs at the next Board Budget Workshop and Budget presentation.

The motion was AMENDED by Yaroslavsky to include a comprehensive review of the Immediate Needs Program in terms of the possibility of local funding, how monies are disbursed, if it has ever been audited, are we getting a return on our investment, and is there a better way. The amended motion was APPROVED.

Director Proo asked if there was a transition program for employees being laid off. Staff explained that employees are being notified if their positions are in jeopardy. They will receive a package and the ability to apply for other vacant positions. Meetings have been set up for resume building and out placement assistance, and a room will be maintained for the next 6 months to allow the use of MTA computers for job searches.

Director Ludlow inquired about the possible impact to community outreach. Maria Guerra replied that there should be no impact as the community outreach is funded through the sectors. Mr. Ludlow requested a breakdown on the intern program, what they do and how they are paid.

In response to a query regarding a reduction to the Exposition Project, Michelle Caldwell explained that it is an \$11 million project funded through the State of California to perform preliminary engineering and environmental work, \$3 million this year and \$3 million next year. Roger Snoble added that they would be coming back next month with complete analysis on what needs to be done to keep the project moving.

Director Molina requested a report to the Executive Management Committee outlining the specific cuts made to Support Services, including salaries.

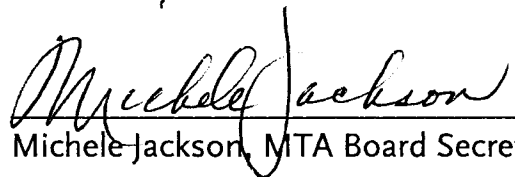
Director Burke requested a breakdown of the \$23 million for the category of “other miscellaneous” and stated that she feels the number shown for bus acquisition sends the wrong message.

Director Knabe asked to have Service Sector reductions identified and Director LaBonge would like to know more about what the fare checkers do.

Director Fasana asked the cost to operate the system prior to Service Sectors vs. now and Director O'Connor requested additional information regarding fuel and propulsion costs.

2. RECEIVED Public Comment.

ADJOURNED at 11:45 A.M.


Michele Jackson, MTA Board Secretary

RECAP OF PROCEEDINGS
LOS ANGELES COUNTY, METROPOLITAN TRANSPORTATION AUTHORITY
SPECIAL BOARD MEETING

MONDAY, APRIL 12, 2004 9:00 A.M.

DIRECTORS VOTING

ATTENDANCE																		
ITEM NO.	SUBJECT ITEM	ACTION TAKEN	O'CONNOR	LUDLOW	MOLINA	ANTONOVICH	HAHN	ROBERTS	YAROSLAVSKY	BURKE	FASANA	KNABE	PROO	VILLARAIGOSA	LABONGE	WONG		
1	CONSIDER THE FY05 DRAFT BUDGET OUTLINE	APPROVED MOTION BY BURKE, AS AMENDED BY YAROSLAVSKY, FOR THE BOARD TO DIRECT THE CEO AND STAFF TO RE-EXAMINE THE "PROP C 40% DISCRETIONARY" FUNDING COMMITMENTS AS WELL AS OTHER DISCRETIONARY FUNDING SOURCES IN AN EFFORT TO CONTINUE FUNDING THE IMMEDIATE NEEDS PROGRAM AND TO REPORT BACK TO THE BOARD WITH ALTERNATIVE FUNDING PROPOSALS FOR IMMEDIATE NEEDS AT THE NEXT BOARD BUDGET WORKSHOP AND BUDGET PRESENTATION.	Y	Y	Y	Y	A	Y	Y	Y	Y	Y	Y	Y	Y	A	Y	

LEGEND: Y-YES, N-NO, C-CONFLICT, AB-ABSTAIN, A-ABSENT, P-PRESENT

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1		AMENDMENT: INCLUDE A COMPREHENSIVE REVIEW OF THE IMMEDIATE NEEDS PROGRAM IN TERMS OF THE POSSIBILITY OF LOCAL FUNDING, HOW MONIES ARE DISBURSED, IF IT HAS EVER BEEN AUDITED, ARE WE GETTING A RETURN ON OUR INVESTMENT, AND IS THERE A BETTER WAY.	Y	Y	Y	Y	A	Y	Y	Y	Y	Y	Y	Y	A	Y	
2	PUBLIC COMMENT	RECEIVED															

LEGEND: Y-YES, N-NO, C-CONFLICT, AB-ABSTAIN, A-ABSENT, P-PRESENT