

CEO Report

Linda Bohlinger, Chief Executive Officer
February 24, 1997

After more than 10 years of construction on the Metro Red Line, the project has recorded its first fatality. Jaime Pasillas, 52, of Los Angeles was killed in an accident, February 15, while working in a tunnel beneath Hollywood Boulevard. MTA Chairman Larry Zarian and I expressed the agency's condolences to the Pasillas family privately and during a news conference the following Monday.

That same day, a team of inspectors led by MTA Director of Construction Safety Dan Jackson began a thorough safety inspection along a three-quarter mile segment from Hollywood and Vine to Hollywood and Highland that includes the accident site. The team also was ordered to inspect the station under construction at Hollywood/ Highland.

Our inspectors are meeting with representatives of the contractor, Tutor-Saliba-Perini, and the construction manager, JMA, to review on-site safety policies and procedures. When this is completed, the team will move on to the North Hollywood project. Regular inspections and surprise safety inspections are planned. In addition, Charles Stark, executive officer, Construction, is meeting with top officials of the major Metro Red Line contractors to hammer home the safety message.

I can assure you that every effort to improve and maintain a safe working environment for Metro Rail workers is being made. In fact, our safety record compares very favorably with those of other major transit properties in the United States. During 1994, contractors experienced only 3.1 lost-time accidents per 200,000 work hours on the Wilshire/Vermont/Hollywood Boulevard project. That figure was below the national average and, today, it has been reduced to 2.5. On the North Hollywood subway project, the rate of lost-time accidents is less than one-tenth the national average.

The accident was a tragedy for the Pasillas family, for Mr. Pasillas' co-workers and for the MTA. Chairman Zarian and I paid our respects to the Pasillas family by attending the funeral last Saturday. Several key executive staff attended either the funeral or the rosary. We will continue to work diligently to avoid accidents on Metro Construction projects. The lives and safety of those who work to build or operate our transit system must be, and will be, given our highest priority.

Organizational Assessment

As a result of Board action, February 19, we've made a major commitment to improve the way the MTA does business. A new management plan, which includes six major themes to improve the agency's structure and practices, incorporates dozens of suggestions from the nationally known auditing firm of Coopers & Lybrand.

These changes will help us focus on our primary mission to provide more and better transportation options to the public. We've highlighted four areas for management action: greater fiscal responsibility, increased focus on customers,

emphasis on a more timely and thorough response to community and regional needs, and greater support for employees. The Coopers report also recommends that the Board take responsibility for governance issues such as Board and committee structure.

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Most of the recommendations will be accomplished within the next six to 18 months and others already are being acted upon. Some, which involve capital costs, will take up to five years to implement. I'll keep you informed and I hope I can count on your full support for this important effort.

Interim Deputy CEO

Please congratulate Terry Matsumoto on his appointment as Interim Deputy Chief Executive Officer. Effective February 12, Terry now oversees the Finance, Administration, Employee and Labor Relations, Procurement and Transit Police functions. Rod Dawson has been named to fill in for Terry as Interim Executive Officer, Finance.

In his new post, Terry will be responsible for the merger of the MTA's procurement activities, which will move from Administration and Metro Rail Construction and will report directly to the Deputy CEO. The head of the new consolidated procurement office will be selected this week through an internal recruitment effort. Terry also will over-

see the MTA's major financing transactions and will be responsible for many items presented for consideration by the Board.

Terry has more than 25 years' experience in financial and administrative management. During his tenure with the MTA, he has served as Executive Officer, Administration; Executive Officer, Finance; as Director of Capital Planning and as Controller. A certified public accountant, he earned an MBA at UCLA.

As Acting Executive Officer, Rod Dawson will be responsible for managing day-to-day operations of the Finance Division. Rod has more than 25 years' experience in public and private sector operations. Since 1992, he has served as Deputy Executive Officer, Metro Rail Construction and Deputy Executive Officer, Finance.

Transit Police Update

The proposed merger of MTA Transit Police into the LAPD is on the move again. Earlier this month, a joint committee of the LA City Council directed its staff to resume negotiating the merger with the MTA and to report back to the committee, with a completed contract, by mid-March.

The City staff reported to the Council committee on 27 issues. At that meeting, I told the committee that the MTA was in agreement on all but four. Two involved the transfer of personnel, one concerned the transfer of accrued MTA benefits, and the other whether the LAPD will provide security services. We're negotiating these issues now and I am confident we can reach agreement.

Our target date for reaching a final agreement is April 1, with a merger implementation date of July 1, 1997. Our goals for the negotiations include implementing our Board's policy that merger costs remain within the MTA's budget, that the merger is fair to MTA personnel and that it enhances public safety.

Employee Honors

Congratulations to Juan L. Pena of Division 7 and to Frank Archuletta of Division 18. Juan was chosen by Transit Operations as the Operator of the Month for December. Frank was voted Maintenance Employee of the Month for January.

Juan Pena, 55, joined the MTA in 1974 after working for a number of years as a truck driver. Since moving to Division 7 in 1979, he has been chosen Bus Operator of the Month three times. He and his wife, Maria, live in North Hollywood. They have six children.

Frank Archuletta, 48, joined the MTA in 1974 as a bus operator, but began working as a mechanic at Division 18 a year-and-a-half ago when the department was short-handed. He and his wife, Victoria, live in Anaheim Hills with their son, Ricardo, 14.

Late (Good) News

The Board's Executive Management Committee approved a motion at its February 20th meeting that will permit the MTA to pay the OASDI portion of Social Security taxes for

those employees who were due to transfer into PTSC (Public Transportation Services Corp.) on Jan. 1, 1997. The full Board is expected to act on the motion at its February 26th meeting.

If approved, this will mean that non-represented employees and Teamsters members currently paying Social Security taxes, who were scheduled to transfer into PTSC will realize a take-home pay increase equal to the amount currently being deducted from their paychecks for OASDI, without any adverse impact on tax status.

Those for whom the MTA currently pays Social Security taxes will see no change in their take-home pay, but also will be protected from any adverse impact on tax status. I'll bring you more information about this issue and about the proposed shift into PERS at a later date.

**Have an issue or concern?
Call the CEO HotLine at 922-6282.
Give your name and location if you
want a personal reply.**

Keep It Confidential

Have you had a call from someone asking for such confidential information as your Social Security number or home address? Some employees have been contacted by outside callers claiming to represent our Human Resources Department. They've said they're helping update confidential employee files.

It's a scam. HR has not contracted outside consultants to update its files. Any requests for confidential information will come through appropriate internal channels. If you receive a call requesting personal information, please report it immediately to Gwen Keene in HR, at 922-7148.

Closing Thoughts

It's budget time! It's that season when we take a hard look at what we want to accomplish during the next fiscal year, how we're going to do it, and how much we can spend to get it done. We've set goals for the agency in the 1997-98 fiscal year which begins July 1. Programs developed by the MTA, which may involve one or more of the six major divisions, must fit within these goals.

Executive officers and their department directors spend considerable time discussing how they can contribute to the agency's goals. Determining division objectives is a "building block" process. The objectives set by the individual departments will help the division meet its objectives which, in turn, will help the MTA achieve its overall goals. I will report on budget issues in a future CEO Report.



Linda Bohlinger

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