



Even though post-earthquake transportation planning has taken a large chunk of my time, my staff and I continue to seek solutions to an array of programs that directly impact employees. In this second issue of my report, I want to detail the very latest on cost reduction plans, the Social Security issue, and the outcome of the benefit focus groups.

No doubt many of you are worried about the budget crunch and have heard rumblings about possible staff lay-offs. I've insisted from my first day on the job that we must get our financial house in order. We continue to be challenged by a \$126 million shortfall in bus and rail operations. On top of that, we must deal with capital demands which far exceed our financial capacity.

Cost Reduction Plan Moves Forward

In December, the Board mandated that we present a plan for cost-reductions within the agency. In response to that mandate, I ordered a hiring freeze agency-wide. It did not apply to operators, mechanics, service attendants, transit police officers, and those units impacted by the recent voluntary severance package.

At the same time, I instructed the Budget Office to identify reduction target goals. That office, in turn, directed departments to conduct an in-depth review of staffing and other expenditures.

Suggested Cost-Cutting Measures Debated

The Budget Office reviewed and presented them with its suggestions to the Budget Review Group, composed of Chief Financial Officer Terry Matsumoto, Special Assistant Caprice Young, Deputy CEO Kim Kimball, Budget Director Larry Schlegel and myself. I'll be reviewing the cost-cutting measures with each executive officer before presenting the final recommendations to the Board's Finance,

Budget, and Efficiency Committee. As soon as the numbers become available, I will share them with you. The entire MTA Board will review the plan this spring.

Social Security Issue Reviewed

My staff also is busy moving forward on the Social Security issue. As you know, I've appointed my assistant, Michael Gonzalez, to coordinate our activities regarding MTA's participation in the Old Age, Survivor and Disability (OASDI) system under the Social Security Administration. Many of you are aware that former RTD employees paid into the Social Security system, where former LACTC employees participated in the Public Employees Retirement System, or PERS.

Decision Expected Soon

Last week the Board approved my request to fund the employee contribution to Social Security for the first eight weeks of 1994 for former LACTC employees.

I also was authorized to hire a third law firm to review the matter. We conducted a search for an expert in the field, and last week, hired the distinguished Washington, D.C.-based firm of Covington and Burling. Richard Shea, a former attorney with the U.S. Treasury Department and a partner in that firm, is handling the matter, and we expect to present some answers from him this Wednesday at our Executive Management Committee meeting. In the meantime, I appreciate your patience on a complex issue.

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Benefit Focus Groups

I'm pleased that significant feedback was provided by those of you who were randomly selected to take part in the focus group on benefits. Focus group members will meet again this week to review the draft report based on last month's input. You will recall that our consultant, A. Foster Higgins, developed their benefit recommendations last spring, after comparing existing LACTC and SCRTD benefit programs, and after conducting an employee survey and initial focus groups one year ago.

The Benefits Implementation Team (BIT), including Jerry Givens, Julie Austin, Joanne Kawai, and David Miller, tell me that most of the input received from last month's groups support that made by the original focus groups.

Beginning this week, look for a bi-weekly newsletter, authored by the Benefits Implementation Team, that will answer employee questions about the new plan. Those of you who wish to know more about the MTA Benefits Program can call the Benefits Hotline at extension 4-6508. You will receive a return call within three days. We hope to have a new benefits plan in place sometime this spring.

Some of you have mentioned in letters that you'd like more communication with me. In December, I — with my assistant Phyllis Tucker who was charged with making it all happen — launched an aggressive employee communications program. I hope it will enable us to more effectively problem-solve. This newsletter is one example of our new program.

Brown Bag Lunches Kick Off

I'm also very excited about our newly implemented brown bag lunches in which I get to meet with individual sections on a one-on-one basis. We've held four "brown bags" thus far — with Operations, Finance, Contracts, and the Area Teams. On February 17, I will meet with Countywide Planning. I'm enjoying the exchange of philosophies with you and hope that you will continue to express what is on your mind. I hope to meet with all of you by year's end.

Earthquake Recovery Goes On

In the aftermath of the quake, I hope that each of you and your families are continuing to heal.

Our MTA records show that about 1,000 of you live in the areas hardest hit. I encourage you to share your concerns and fears with our highly-trained employee assistance programs. Already, they have staged quake workshops at our Chatsworth operating division, which is located near the quake's epicenter, at the Central Maintenance Facility, where we lost a popular employee and in the administrative buildings downtown. Note, too, that our credit union is offering financial assistance to members who need help. Please know that every day I'm inspired with your tremendous devotion to getting the Southland moving again.

Fond Farewell

Lastly, I want to congratulate my assistant, Caprice Young, who recently accepted a job as assistant deputy mayor in charge of city services for the city of Los Angeles. She, like so many of you, wins praise for her energy in achieving so much here during the MTA's first year.

Thank you all, for your extraordinary spirit!

- Franklin White

I welcome your comments and questions in response to CEO Report, which is designed to provide employees with direct communication with my office. Please contact either of my Special Assistants, Michael Gonzalez at 244-7476, or Phyllis Tucker at 244-6191. Also, employees can fax comments to 244-6014.

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