

REPORT

A weekly report
from the office
of the CEO

November 14, 1994



Last week the FTA gave us the green light to resume tunneling on Hollywood Boulevard. This is great news, considering the action also releases \$1.3 billion in federal funding for future Metro Rail Projects.

In making its decision, the FTA cited the steps we've taken to improve oversight of the rail construction program. The abolition of the Rail Construction Corporation, the creation of a committee of the board and MTA's assumption of responsibility for construction quality and safety were keys to the FTA's action.

Remedial work on the damaged tunnels has already begun. We expect to resume excavation work in one of the twin tunnels under Hollywood Boulevard by mid-December, and, hopefully, in the other one by early January.

Lifting the federal funding restriction will also positively affect our projects in the San Fernando Valley, East Los Angeles and the Mid-City area.

Let me caution, however, that although we have crossed a big hurdle, the real work is ahead of us. The FTA has clearly indicated that it will monitor our progress as we go; thus, everyone working on the rail projects must do his or her part to eliminate the kinds of problems that have plagued this project in recent months.

Independent Review

To help us rethink our construction procedures, the

MTA board authorized the hiring of the firm of Arthur Andersen and Co. to review the construction program.

The first phase of the review, to be completed by Jan. 30, will examine our contract award process, design and construction policies, and the role of the construction management firm. Phase two of the review, slated for completion by March 31, will cover change order and claims processes, safety and quality assurance procedures, and the risk management program.

Proposed Ancillary Benefits

Last week, the Executive Management Committee took a significant step toward unifying our agency by forwarding the final proposal for ancillary benefits to the full board for approval. Highlights of the proposed policy are:

- **Time Off With Pay (TOWP):** TOWP is the amount of time off that each non-represented employee is entitled to within each calendar year, by combining both vacation and sick leave as a total TOWP. Two tiers have been set up to differentiate between current employees and those hired after TOWP is implemented. For the most part, new hires will receive five less TOWP days a year than current employees.

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For example, current employees with zero to five years of service will receive 25 days (200 hours) of TOWP a year, while new hires will receive 20 days. Those with five to 10 years of service will receive 30 days, with new hires receiving 25 days for the same length of service, and so on up the scale to 25+ years of service when current employees will receive 45 days. However, new hires who become long-term employees will reach their maximum time off of 35 days after 15 years.

- **Controls and Options:** In order to ensure fiscal responsibility, and to develop appropriate controls on cashouts, employees may not accrue TOWP in excess of twice his or her annual accrual rate. Also, employees may not cashout more than 20 TOWP days, and cashout options will be available only once in a calendar year, and they will be paid at the hourly rate earned when the time was accrued. Finally, employees must use at least ten days of TOWP or vacation prior to exercising cashout options.
- **Current Vacation Hours:** Instead of transferring all remaining vacation hours into the TOWP, a "vacation bank" would be set up for employees to use as approved by their supervisors. Employees would be allowed to cashout up to one-half of the bank's balance each year, not to exceed 20 days, as long as they've already taken at least 80 hours of vacation or TOWP in that year.
- **Sick Leave Bank:** Employees who have remaining sick leave hours must bank them, and these hours may be used for long-term illnesses (over five days) only during the first two years of the TOWP program. After that, employees must use up their current TOWP balances before accessing the sick leave bank.
- **Transportation Passes/Subsidies:** Non-represented employees, retirees, board members and eligible dependents will be provided with transportation passes, with an optional subsidy up to \$102 per month for use on transit services not operated by the MTA.
- **Holiday Schedule:** Martin Luther King, Jr. Day is added to the current list of paid holidays (for a total of 8).
- **Flexible Work Schedules/Workweek:** Before the merger, former LACTC and SCRTRD non-represented employees essentially worked the same amount of hours in a year, but they were account-

ed for in a different manner. Upon conversion to a uniform 40-hour workweek, former LACTC employees would be entitled to a *one-time* credit to their vacation accounts of 5.263% of their remaining hours to compensate for a decrease in vacation account value due to a lower hourly pay under the new accounting method.

The complete details of the new ancillary benefits policy will be provided to all employees once final approval by the MTA board has been obtained.

Retirement Program Update

The IRS has not yet given us a ruling on the MTA's participation in Social Security for our non-represented employees.

Meanwhile, the Public Employees Retirement System (PERS) is in the process of preparing price options for all non-represented MTA employees to participate in PERS.

The current contract with PERS for former LACTC non-represented employees is due to expire this year on December 31. PERS has conditionally agreed to extend participation in PERS for former LACTC employees on a month-to-month basis until the MTA has a ruling from the IRS on the Social Security issue.

Bus Operator Survey on Fare Collection

In recent discussions with a few bus drivers, I've been told that collecting fares is more difficult in some areas than in others. I've directed the Operations unit to make all reasonable efforts to collect the correct fares on our bus system. Last week, bus operators completed a questionnaire concerning the specific problems they face with fare collection and fare evasion.

I'm hopeful that survey responses will help us identify better ways we can deploy our Transit Police Officers to help deter fare evasion. In this time of reduced operating subsidies, it's imperative that the proper fare be collected from our riders.

- 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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