

REPORT FROM THE CEO

A weekly report
from the office
of the CEO

October 23, 1995



Nearly 1,100 of you are in the Gateway Building this week. I know some of you have had on and off again phone service. I appreciate your patience as we iron out the bugs in the system.

Our chief priority was to honor a commitment to be fully out of the 425 Building by Sept. 30. As you know, we achieved that, and now we're in the process of getting all phones on line. Because of the quirks, we've moved back several departments' move dates, but right now, we still intend to be completely moved in by the first of the year.

Despite the phone troubles, we've heard great comments from those of you who have relocated. The east portal of the plaza opened on Oct. 22, which means that instead of walking around the whole Gateway Building, you can access the Red Line promptly.

Board Committee Meetings

Our first Board meetings at Gateway were held last week. Despite some trepidation, they worked well. My thanks to all who worked hard to be sure we were ready.

New Parking Policy

Just a reminder that effective Oct. 15 all parking subsidies were eliminated for all MTA employees. I've approved a revised parking policy which sets forth new parking rules for our organization at the Gateway Building. All employees, including executive officers and myself, will be required to pay the parking fee. Gateway parking rates for each employee will be \$44 per month or \$5 per day. We will retain a commercial parking corporation to manage all parking.

Also, effective Jan. 1, 1996, all vehicle stipends or car allowances will be eliminated. If you need a car for MTA business, please make an application through your department's executive officer or through the director of external affairs. A single fleet manager reporting to Art Leahy will manage the fleet in accordance with the new parking policy.

All MTA employees will be permitted to park free in the Gateway parking garage for the remainder of October.

However, effective Nov. 1, a parking fee will be charged for all users of the parking garage. Monthly parking access cards can be purchased from the parking operator. The parking operator will be on the premises the last full week in October to sell monthly parking passes. Additional information regarding the purchase procedures will be distributed prior to that time.

Child Care Facility

About 30 to 40 employees attended a meeting on the future child care facility at Gateway about 10 days ago. We're about to put out a request for procurement (RFP) for a child care provider which will be awarded to the most responsive bidder. It's obviously too early to know exactly what the child care center will cost, but we estimate right now it will fall in the \$500-\$600 a month range per child, which we understand is a good price in the industry.

Some talk at this meeting centered around a parent advisory board to the center, with some employees suggesting that perhaps the advisory board could hold fundraisers to provide scholarships or subsidies for employees who can't afford to place their child in the facility.

Social Security

As you know, for the past two years, the MTA has been continuing to investigate the potential for leaving the Social Security system.

Prospects have brightened recently, but there are many complex issues to be resolved among several parties — the Internal Revenue Service (IRS); the Social Security Administration; the MTA Board; PERS and our unions. We are working hard to make sure that any change is to the advantage of all MTA employees and provides more flexible options.

We intend to continue communicating with you (and

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when applicable, the unions) as details of any changes are decided. No decision has been made. In the near future, you will receive a detailed communication plan, including employee meetings where you can ask questions of the team working on any proposed retirement plan changes. This team is the only source of accurate information on any proposed changes.

Cause of Hollywood Sinkhole

Last week, we released the report of Wiss, Janney, Elstner, a forensic engineering firm hired to determine the cause of the sinkhole. The report concluded that the sinkhole was caused by a deficient retaining plan developed by an engineer hired by the construction company (Shea) and by the failure of the MTA's designer consultants, The Engineering Management Consortium (EMC), to detect the error in its review of the plan. This finding confirms the correctness of the decision to terminate Shea. Allegations of finger-pointing by the MTA are nonsense. The MTA hired world-class firms and they failed us in this instance. We are studying how we can reduce our vulnerability to these kinds of errors.

Warren Morse is New Marketing Director

We have a new marketing director on board. Please welcome Warren Morse, who brings to the job 17 years of communications and marketing expertise. His last assignment was working as promotion manager for *Los Angeles Magazine*. He was responsible for advertising sales promotion, marketing research, as well as special events and publicity. Prior to that he worked for ten years as advertising promotion manager for the *Los Angeles Times*.

Red Line, Blue Line Ridership Up

Red Line boardings have soared in the past couple of months, thanks to the Green Line opening. Average weekday boardings for the Red Line are averaging more than 25,000 as compared to 18,000 a year ago. The Blue Line has gained, too, with average weekday boardings up 5,000 over last year. The Green Line continues to average 10,800 each weekday!

Deferred Compensation Update

As you are aware, the MTA has undertaken an extensive search for an organization to provide full-service plan administration and education services for our Deferred Compensation Plan (457) and Thrift Plan (401k). The selection process has included a detailed review of proposal responses, personal interviews with potential providers, and on-site visits with the final candidates.

ICMA Retirement Corporation (RC) has been selected as the MTA's new full-service plan provider. RC is an independent not-for-profit corporation dedicated exclusively to the needs of public sector employees. This change becomes effective Jan. 1, 1996.

Each of you currently invested in the Deferred Compensation Plan or the Thrift Plan must make a personal

choice on reallocating your investments. The new program offers employees an extensive range of investments.

A personal information packet was mailed last week to the home address of employees currently enrolled in the Deferred Compensation Plan or the Thrift Plan. We'll soon be posting the schedule of informational meetings.

For employees who aren't currently participating in the tax deferred savings program, this transition period will be an excellent opportunity to learn more about this employee benefit. You're encouraged to attend the informational meetings and to meet with a representative of RC.

Time Sheets for Non-Contract Employees

And now for this long-awaited change — beginning this pay period (Oct. 8), all time sheets for non-contract employees will be exactly the same! Hopefully, all of the inconsistencies talked so much about in the past will be eliminated, and everybody will be content.

Policies and Procedures

If you're interested in reviewing the MTA's policies and procedures, they are available in binders on each floor of the Gateway and 818 Buildings, and in each division. There are 31 new policies, which you may be interested in taking a look at.

"60 Minutes" Television Segment

The CBS news magazine "60 Minutes" has been in town over the past couple of weeks to do a story on the MTA's role in transportation construction and planning in Los Angeles. I and others have been interviewed off-camera for the program; I expect to be interviewed on-camera this next week. The segment is expected to be broadcast in early December.

Congrats to Service Managers

Our anti-graffiti program has been a resounding success. Our buses are looking shinier and exterior graffiti is a rarity. Congratulations to our regional and division managers. You have proven we can get it done.

Let's focus now on our next battleground: the interiors.

—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 my Special Assistant, Phyllis Tucker, at 244-6191. Also, employees can fax comments to 244-6014.

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