

**Board Report**

File #: 2016-0909, **File Type:** Motion / Motion Response**Agenda Number:** 43.

**FINANCE, BUDGET AND AUDIT COMMITTEE
NOVEMBER 16, 2016****Motion by:****Antonovich and Najarian**

November 16, 2016

Renegotiation of Metrolink Member Agency Contribution and Representation Formula

The Southern California Regional Rail Authority (SCRRA) is a partnership among the transportation agencies of Los Angeles, Ventura, Riverside, San Bernardino and Orange counties (Member Agencies), formed to operate the commuter rail system, Metrolink on their collective behalf.

Metrolink is a vital component of Southern California's regional mobility network, providing citizens with options to access employment and recreational opportunities. It also serves as a lifeline for many people without access to alternative forms of transportation.

SCRRA is currently engaged in an evaluation of the various allocations and formulae that determine the required contributions of the Member Agencies in support of Metrolink commuter rail operations. With this evaluation underway, Los Angeles County Metropolitan Transportation Authority (Metro) staff performed its own cost/benefit analysis, which was received and reviewed by the Ad-Hoc Regional Rail Committee of the Metro Board of Directors.

Results of the analysis showed that under the current formula structure, Los Angeles County has historically contributed more than half of the financial resources (an average of 52%) to SCRRA's Metrolink operations; However, as currently structured, the Metro delegation holds only 4 of 11 seats on the SCRRA Board of Directors, representing 36% of the vote. This disparity between contribution and representation has raised concerns amongst the Metro delegation.

APPROVE Motion by Antonovich and Najarian that the CEO be authorized to enter into negotiations with the SCRRA Chief Executive Officer and the Chief Executive Officers of the other Member Agencies to revise the Member Agency formulae for contributions and representation, such that:

- A. Any proposed formula(s) for the allocation of costs and revenues of the Metrolink Commuter Rail system balance both the costs of system operations as well as the benefits received by each of the Member Agencies within their jurisdiction; and

- B. Representation of each Member Agency on the SCRRA Board of Directors is aligned to more closely represent the current and expected future financial contributions to the Metrolink Commuter Rail system; and

FURTHER MOVE THAT the CEO report back to the Metro Board of Directors, as needed, with an update on the status of these negotiations and any preliminary, proposed revisions to the formulas used in Member Agencies' costs, revenues and or representation on the SCRRA Board of Directors, and seek the formal approval of this Board prior to any agreement that would implement such revisions.