

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

Minutes of Regular Meeting of
the Board of Directors of the District

July 28, 1977

Upon notice duly given, the Board of Directors of the Southern California Rapid Transit District met at a regular meeting in the District Board Room, 425 South Main Street, Los Angeles, California, at 1:05 p.m. on July 28, 1977, at which time President Marvin L. Holen called the meeting to order.

Directors present:

George W. Brewster
Donald Gibbs
Marvin L. Holen
Gerald B. Leonard
(entered at 1:50 p.m.)
Mike Lewis
(entered at 2:51 p.m.)

Thomas G. Neusom
Jay B. Price
Ruth E. Richter
Charles H. Storing
George Takei

Directors absent:

Byron E. Cook

Staff present:

Jack Stubbs, General Manager Pro Tempore
Suzanne Gifford, Assistant General Counsel
Joe B. Scatchard, Controller-Treasurer-Auditor
Richard Gallagher, Manager & Chief Engineer-Rapid Transit
Jack Walsh, General Supt. of Transportation
Paul Taylor, Manager of Surface Planning
Michael Olivas, Deputy Administrator - Equal Employment
Opportunity
Robert Williams, Manager of Customer Relations
Byron Lewis, Director of Personnel
Richard K. Kissick, Secretary

Also present were members of the public and the news media.

Presentation by Los Angeles Board of Recreation and Parks Commissioners

Mr. Nick Apodaca, representing the Los Angeles Board of Recreation and Parks Commissioners, presented to President Holen a plaque in appreciation for the District's allocation of advertising space on 100 buses to display works of art produced by the Citywide Mural Project.

Presentation of Certificates of Merit

Director Gibbs presented Certificates of Merit to Leslie Mae Smith, Information Operator-of-the-Month, Charles Higgins, Operator-of-the-Month, and to Caldwell Manley, Maintenance Employee-of-the-Month for the month of June, 1977.

Report of the Surface Operations Committee - Agenda Item Nos. 3 - 5

Director Price, Chairman of the Surface Operations Committee, reported that the Committee had received a progress report on the 200 buses equipped for the elderly and the handicapped by the AM General company and the continuing problems being encountered with the manufacturer in obtaining an acceptable bus. He stated that a further progress report would be made at the Committee of the Whole meeting on August 4.

Director Price moved approval of Requisition No. 7-2250-80 and authorization of the General Manager to purchase Excess Public Liability and Property Damage and to self-insure Uninsured Motorists' insurance coverage within limits of

\$15,000/\$30,000, as placed with underwriters by Alexander & Alexander, brokers, for a one-year period commencing August 1, 1977, at a premium rate of \$662,740, with any excesses above that amount to come back to the Board for ratification after the contract is finalized, which motion was seconded.

It was explained that the primary layer with Lloyds of London which is presently 38.6¢ per \$100 of operating revenue, amounting to an estimated premium of \$320,000, was not yet finalized, that the staff had requested authorization to negotiate this premium in an additional amount not to exceed \$40,000, but that the Committee had recommended adoption of the report as presented, with any excess above the estimated \$320,000 Lloyds' premium to come back to the Board for ratification.

Director Gibbs stated he favored going to a \$1-million retention rather than the recommended \$500,000, or to go completely self-insured, and requested a further report on information which he had requested at the morning committee meeting.

Insurance Manager Pollock reported there had been 6,000 claims filed against the District during the 1974-75 fiscal year, and 10,000 during the 1975-76 year. He reported the highest settlement during the past few years was about \$250,000, but that he certainly could not predict what the chances were of receiving a claim or settlement above the \$500,000 figure.

Mr. Harrington of Alexander & Alexander explained the negotiating procedure to the Board, and that he would estimate that going to the \$1-million level would result in a savings of about \$150,000 below the estimated \$662,740 figure for the \$500,000 retention, but that the risk level was difficult to determine.

Director Gibbs made a substitute motion that the District self-insure itself up to the \$1-million level and reduce the premium, which motion died for lack of a second.

Director Brewster felt we would have to set aside a reserve fund in order to enter into that kind of a program. On inquiry, Mr. Scatchard felt the District was not permitted to have reserve funds under county, state and federal guidelines.

President Holen felt that possibly we could enter into an inter-insurance exchange with other public agencies, and requested the Surface Operations Committee to investigate that matter as a special project.

Mr. Brewster felt we should investigate the matter but proceed at this time with the program as recommended. Mr. Gibbs felt we should be completely self-insured and have to pay all claims out of operating expenses.

The question was called for on Director Price's motion, carried as noted below, and the following resolution adopted:

Resolution
No. assigned

R-77-299

RESOLVED, that Requisition No. 7-2250-80 is approved, and the General Manager is authorized to purchase Excess Public Liability and Property Damage insurance coverage as placed with underwriters by Alexander & Alexander, brokers, for a one-year period commencing August 1, 1977, as outlined in the report dated July 22, 1977, at a cost not to exceed \$662,740; form of insuring agreements subject to approval of the General Counsel;

RESOLVED FURTHER, that the District is authorized to self-insure its Uninsured Motorist's coverage within the limits of \$15,000/\$30,000 effective August 1, 1977, as required by law;

RESOLVED FURTHER, that if the agreements as finalized exceed the amount of \$662,740, the excesses above that amount shall come back to this Board of Directors for ratification.

Ayes:	Brewster, Holen, Neusom, Price, Richter, Storing, Takei
Noes:	Gibbs
Abstain:	None
Absent:	Cook, Leonard, Lewis

On motion of Director Price, seconded and carried as noted below, Agenda Item No. 5 was approved and the following resolution adopted:

R-77-300

RESOLVED, that the report dated July 20, 1977, a copy of which is filed with the Secretary, be and the same is hereby adopted, and the General Manager is authorized to enter into a contract with Firestone Tire & Rubber Company, 1200 Firestone Parkway, Akron, Ohio, the lowest responsible bidder under Bid No. 7-7718 covering a tire mileage contract for the District's fleet of buses and other equipment, for a five-year period commencing September 1, 1977, at an estimated price of \$1,562,000 per year; form of contract subject to approval of the General Counsel.

Resolution
No. assigned

Ayes: Brewster, Gibbs, Holen, Neusom,
Price, Richter, Storing, Takei
Noes: None
Abstain: None
Absent: Cook, Leonard, Lewis

Report of the Advance Planning & Marketing
Committee - Agenda Item No. 6-11

On motion of Director Brewster, Chairman
of the Advance Planning & Marketing Committee,
seconded and carried as noted below, Agenda Item
Nos. 6, 7 and 8 were approved, and the following
resolutions adopted:

Ayes: Brewster, Gibbs, Holen, Neusom,
Price, Richter, Storing, Takei
Noes: None
Abstain: None
Absent: Cook, Leonard, Lewis

R-77-301

RESOLVED, that the establishment of new
Line No. 489-Los Angeles-Rosemead Boulevard-
Hastings Ranch in the San Gabriel Valley is
approved, and the General Manager is
authorized to include in the Official Route
Descriptions Original Page 489 effective
December 25, 1977; subject to approval of
the Consulting Engineer.

R-77-302

RESOLVED, that the General Manager is
authorized to modify the present Inter County
tariff by establishing a line fare for travel
between the County of Los Angeles and the
eastern terminal of Line No. 445 in the
County of San Bernardino, contingent upon
the execution of the contract now pending
with San Bernardino County (Omnitrans), as
outlined in the report dated July 20, 1977;
subject to approval of the Consulting
Engineer;

Resolution
No. assigned

R-77-302
(continued)

RESOLVED FURTHER, that since there is no possibility that a decrease in fares will have a significant effect on the environment, this action is not covered by the District's environmental guidelines or the requirements set forth in the California Environmental Quality Act, and pursuant to Title 14 California Administrative Code Section 15060, the preparation and review of environmental documents is not required;

RESOLVED FURTHER, that the staff's actions in establishing a new turnaround loop on Line No. 445 in the City of Claremont is hereby ratified, and the General Manager is authorized to include in the Official Route Descriptions Fourth Revised Page 445, effective immediately; subject to approval of the Consulting Engineer.

R-77-303

RESOLVED, that the President of the Board of Directors is authorized to sign and transmit to Mayor Tom Bradley, City of Los Angeles, a letter expressing District support and endorsement of the City's Senate Bill 283 demonstration grant applications for the Broadway Mall and the Sunset-Glendale Boulevards exclusive bus lanes, as outlined in the report dated July 21, 1977, a copy of which is filed with the Secretary.

On motion of Director Brewster, seconded and carried as noted below, Agenda Item No. 9 was approved, and the following resolution adopted:

Resolution
No. assigned

R-77-304

WHEREAS, the Advance Planning & Marketing Committee considered the report dated July 20, 1977 recommending increases in fares for Special Services and concurred in recommendations (a) and (b) of said report except for recommending the addition of student passes to be honored towards payment of said fares, and further recommended that recommendation (c) regarding student fare regulations be placed on the agenda for consideration at the next meeting of the Board;

NOW, THEREFORE, BE IT RESOLVED, that the previous action of the staff in implementing special fares for race track and baseball services effective July 1, 1977 be and the same is hereby ratified;

RESOLVED FURTHER, that the Staff proposals for tariff modifications covering special services which the District will or may provide during the 1978 fiscal year, as indicated in the report dated July 20, 1977, be and the same is approved, with senior and handicapped fares to be contingent upon a ruling from the Urban Mass Transportation Administration, except that student passes are to be honored as payment toward said special fares;

RESOLVED FURTHER, that there is no possibility that the proposed increases in fares on said special services will have a significant effect on the environment; therefore, this action is not covered by the District's environmental guidelines or the requirements set forth in the California Environmental Quality Act, and pursuant to Title 14 California Administrative Code Section 15060, the preparation and review of environmental documents is not required;

RESOLVED FURTHER, that implementation of the above changes in special fares is subject to approval of the Consulting Engineer.

Resolution
No. assigned

R-77-304
(continued)

RESOLVED FURTHER, that student pass regulations, including age limitations, are to be placed on the agenda for consideration by this Board at its next meeting.

Ayes: Brewster, Gibbs, Holen, Neusom,
Price, Richter, Storing, Takei
Noes: None
Abstain: None
Absent: Cook, Leonard, Lewis

Submission of Marketing Plan for Fiscal Year
1978 - Carried Over to a Special Meeting

Director Brewster reported that the Advance Planning & Marketing Committee had not had sufficient time at its meeting to properly review the Marketing Plan for 1978 and that the Committee had recommended the calling of a Special Meeting on August 4 to consider the plan, so moved, which motion was seconded and carried as noted below, and the following resolution adopted:

R-77-305

RESOLVED, that a Special Meeting of the Board of Directors is called to be convened at 1:00 p.m. on Thursday, August 4, 1977, in the District Board Room, 425 South Main Street, Los Angeles, for the purpose of considering the Marketing Plan submitted by the staff for Fiscal Year 1978, with the regularly scheduled monthly Committee of the Whole meeting to be convened immediately following the Special Meeting.

Ayes: Brewster, Gibbs, Holen, Neusom,
Price, Richter, Storing, Takei
Noes: None
Abstain: None
Absent: Cook, Leonard, Lewis

Resolution
No. assigned

Approval to Expend Funds for Sector Brochures

Acting Manager of Marketing & Communications Dimon reported there were no problems in carrying over consideration of the Marketing Plan but did urge authorization to expend funds in the production of the Sector brochures in an amount not to exceed \$10,000.

On motion of Director Price, seconded and carried as noted below, the following resolution was adopted:

R-77-306

RESOLVED, that the staff is authorized to expend funds in an amount not to exceed \$10,000 for the purpose of continuing production of the Sector brochures.

Ayes: Brewster, Gibbs, Holen, Neusom, Price, Richter, Storing, Takei
Noes: None
Abstain: None
Absent: Cook, Leonard, Lewis

Instructions to Staff to Continue Weekend Services on Lines 813 and 875 Through Sept. 18

Director Brewster reported on the plan ~~adopted by the Board to reduce services in lieu of discontinuing lines,~~ and the results of community meetings with South Bay residents and organizations which has resulted in tentative agreement which would continue weekend service in some areas for the present but eventually

Should ready this way
↓
prepared by staff as the first-year refinement out of South Bay Sector improvements

PCT
8/10

Resolution
No. assigned

result in savings. He stated that Plan "H", copies of which were distributed, was recommended for implementation, and which plan could result in savings of \$1-1/2 million with weekend service, within one half million dollars of the \$2-million goal, and \$2-1/2 million with elimination of weekend services.

(Director Leonard entered the meeting at 1:50 p.m.)

Mr. Brewster explained the problems in reducing the services as planned on August 1, and recommended that Plan "H" be implemented at the beginning of the school term, together with extension of weekend service on Lines 813 and 875 at the present time.

Mr. Stubbs reported that Plan "H" could be implemented about January 1 in its entirety, and Mr. Brewster stated that the plan has not yet been reviewed by the staff New Services Review Board.

Director Price requested the staff to also look into the problem in cutting weekend service to the Cerritos Shopping Center, in view of the recent correspondence from Cerritos regarding that subject.

Resolution
No. assigned

Councilwoman Gordana Swanson and Eleanor Curry, representing the Peninsula Committee for Bus Utilization, Jackie Bacharach, representing the Peninsula League of Women Voters, and James Penne, of Palos Verdes Estates, appeared before the Board.

They reported their groups had been working with the RTD staff and felt elimination of weekend service would be disastrous to the ridership which has been building up. They requested continuance of weekend service on Lines 813 and 875 in August and September, that Line 869 should also be included, and would like to have all present weekend services continue until Plan "H" could be placed in effect.

President Holen pointed out that with respect to Line 869 a subsidy of \$1.90 was needed per boarding passenger, while the average rider throughout the District was only 35¢.

Director Brewster reported that the staff had estimated the monthly cost for continuing weekend operation on Lines 813 and 875 would be about \$40,000, and that the monthly cost if operation were also continued on Line 869 would add another \$20,000, or a total of \$60,000 per month for the three lines.

Resolution
No. assigned

On inquiry, Mr. Taylor reported on the passengers per bus hour for the three lines on weekend services:

<u>Line</u>	<u>Passengers per bus hour</u>	
	<u>Saturday</u>	<u>Sunday</u>
813	14.0	18.8
869	5.2	5.6
875	4.6	8.7

Mr. Penne requested a five-mile extension of Line 814 to Golden Cane, and Mr. Holen suggested he address a letter to the District regarding the request.

Director Storing was sympathetic but felt the continuance of the services was for recreational purposes only, while in other areas services were being discontinued which affected the working population. He felt that Plan "H" should be implemented prior to January 1.

On motion of Director Brewster, seconded and carried as noted below, the following resolution was adopted:

R-77-307

RESOLVED, that the staff is directed to continue to operate weekend services on Lines 813 and 875, which services are scheduled for discontinuance on August 1, for an interim period from August 1 through September 18, 1977.

Resolution
No. assigned

R-77-307
(continued)

Ayes:	Brewster, Gibbs, Holen, Leonard, Neusom, Price, Richter, Storing, Takei
Noes:	None
Abstain:	None
Absent:	Cook, Lewis

The Peninsula group expressed their thanks to Directors Brewster and Gibbs and the RTD staff for the time and efforts they devoted to meetings and conferences regarding services in the South Bay area.

Approval to Continue Downtown Minibus Service

President Holen stated he had requested the Downtown Minibus service be placed on the agenda since there is a resolution in effect to discontinue the service if the subsidy contracts are not finalized by August 1. He stated that the County had voted not to subsidize its 20 percent share of the service. He further reported that at the former 10-cent fare the service had carried 2.7 million passengers annually, 1.3 million at the former 25-cent fare, and that the staff had estimated it would carry 1.6 million at the present 15-cent fare. He further reported that the City 60 percent share of the subsidy would come from downtown parking revenues, not

Resolution
No. assigned

from the general fund, and further, discontinuance of the service would eliminate 15 more operators.

Mr. Holen then quoted a letter from the District to Supervisor Chairman Edelman which moved \$275,000 from the Fiscal Year 1978 advertising budget to operations for use as wages for 10 to 12 additional operators. He felt the subsidy per passenger would be no more than 35¢ for the balance of the year, felt that the line should be continued and suggested that funds for the County share be provided out of the \$275,000 which had been transferred.

On motion of Director Richter, seconded and carried as noted below, the following resolution was adopted:

R-77-308

RESOLVED, that Resolution No. R-77-228 adopted June 9, 1977 be and the same is amended in that the Central Business District Minibus service is to be continued past August 1, 1977, with County of Los Angeles subsidy funding in the amount of \$123,540 during the Fiscal Year 1978 to be allocated from District funds transferred from the advertising budget to the operations budget;

RESOLVED FURTHER, that continuance of said service is contingent upon the successful finalization of the subsidy agreements with the City of Los Angeles and the Community Redevelopment Agency of the City of Los Angeles.

Resolution
No. assigned

R-77-308
(continued)

Ayes: Brewster, Gibbs, Holen, Leonard,
Neusom, Price, Richter, Storing,
Takei
Noes: None
Abstain: None
Absent: Cook, Lewis

(Director Lewis entered the meeting and
President Holen and Director Neusom left
the meeting at 2:51 p.m. In the temporary
absence of Vice-President Brewster,
Director Price assumed the chair.)

Report of the Rapid Transit Committee

On motion of Director Leonard, Chairman
of the Rapid Transit Committee, seconded and
carried as noted below, the following resolution
was adopted:

R-77-309

RESOLVED, that the General Manager is
authorized to enter into an agreement with
the Port Authority Transit Corporation to
furnish consulting services in the area of
rapid transit operations in connection with
the Rapid Transit Element of the Regional
Transit Development Program at a cost not
to exceed \$10,000, subject to the concurrence
of the Urban Mass Transportation Administra-
tion; form of agreement subject to approval
of the General Counsel.

Ayes: Brewster, Gibbs, Leonard,
Lewis, Price, Richter, Storing,
Takei
Noes: None
Abstain: None
Absent: Cook, Holen, Neusom

Report of the Finance Committee

On motion of Director Lewis, Chairman of the Finance Committee, seconded and carried as noted below, the following resolution was adopted:

R-77-310

RESOLVED, that Requisition No. 7-7099-26 is approved, and the General Manager is authorized to enter into a fixed price contract with Blyth Eastman Dillon & Company in the amount of \$37,500 to act as financial advisor to the District on the refunding of its outstanding revenue bonds, issued originally in 1958, as outlined in the report dated July 18, 1977, a copy of which is filed with the Secretary; form of contract subject to approval of the General Counsel.

Ayes: Brewster, Gibbs, Leonard, Lewis,
Price, Richter, Storing, Takei
Noes: None
Abstain: None
Absent: Cook, Holen, Neusom

On motion of Director Lewis, seconded and unanimously carried, the Preliminary Operating Report for the month of June, 1977 was received and filed.

Director Lewis announced that the Finance Committee was investigating additional sources of funds and that the Committee would be reporting to the Board from time to time.

Resolution
No. assigned

Report of the Administration, Efficiency & Economy Committee - Disapproval of Proposed Changes in the Rules and Regulations Regarding Purchasing Procedures

Director Leonard, Vice-Chairman of the Administration, Efficiency & Economy Committee, reported that the Committee had reviewed the staff recommendation proposing certain changes in the Rules and Regulations regarding purchasing procedures, with the principal change being a recommendation to permit the General Manager to award contracts up to \$20,000. Mr. Leonard reported that the Committee had recommended no changes in the purchasing procedures at this time.

On motion of Director Leonard, seconded and unanimously carried, the staff report dated July 20, 1977, recommending changes in purchasing procedures under Article VIII, Sections 8.3 (b) and 8.4 (c), was disapproved.

Director Leonard reported that the Administration, Efficiency & Economy Committee had scheduled a meeting immediately following the regular Board meeting on August 11 for the purpose of meeting with the consultants regarding the contract which is being negotiated to conduct the organizational and policy study for the Board.

Report of the Personnel Committee

Director Takei, Chairman of the Personnel Committee, reported that the Committee had reviewed a preliminary report on an employee suggestion program, and that it was anticipated a complete proposal will be submitted to the Committee and to the Board for consideration at the next meeting.

Mr. Takei also reported that the Committee had received a progress report on the three-month non-contract salary step freeze program and it was anticipated that more comprehensive reports would be provided at the next two meetings of the Committee.

Approval of Consent Calendar - Agenda Item
Nos. 17 through 23

On motion of Director Brewster, seconded and carried as noted below, items on the Consent Calendar, Nos. 17 through 23, were approved, and the following resolutions adopted and/or actions taken:

Ayes:	Brewster, Gibbs, Leonard, Lewis, Price, Richter, Storing, Takei
Noes:	None
Abstain:	None
Absent:	Cook, Holen, Neusom

Resolution
No. assigned

R-77-311

RESOLVED, that the report dated July 21, 1977, relative to the combining of certain lines as part of the Service Economies Program is approved, and the General Manager is authorized to include in the Official Route Descriptions First Revised Page 425 and First Revised Page 831 and to delete Second Revised Page 143 and Fourth Revised Page 821, which changes will become effective December 25, 1977; subject to approval of the Consulting Engineer.

R-77-312

RESOLVED, that the report dated July 21, 1977, relative to a minor route modification of Line No. 161 is approved, and the General Manager is authorized to include in the Official Route Descriptions First Revised Page 161; subject to approval of the Consulting Engineer.

R-77-313

RESOLVED, that the report dated July 20, 1977, relative to minor route modification to Line Nos. 800/802 in the City of Anaheim is approved, and the General Manager is authorized to include in the Official Route Descriptions Fourth Revised Page 802 and First Revised Page 800A, effective August 14, 1977; subject to approval of the Consulting Engineer.

R-77-314

RESOLVED, that Requisition No. 7-7300-639 is approved, and the Purchasing Agent is authorized to call for bids covering the District's requirements for industrial wiping cloths for a six-month period; form of bid requirements and specifications subject to approval of the General Counsel.

R-77-315

RESOLVED, that Requisition No. 7-7300-637 is approved, and the General Manager is authorized to exercise an option with Flexible Co., 326 North Water Street, Loudonville, Ohio, covering the District's requirements for brake drums for one additional year at an estimated cost of \$25,000; form of option subject to approval of the General Counsel.

Resolution
No. assigned

R-77-316

RESOLVED, that Requisition No. 7-7300-641 is approved, and the General Manager is authorized to exercise an option with Cal-Wipe, Inc., 4380 Worth, Los Angeles, covering the District's requirements for paper towels for one additional year at an estimated cost of \$20,000; form of option subject to approval of the General Counsel.

--- Approved Minutes of Regular Meeting held July 14, 1977.

--- Ratified temporary route diversions as described in report dated July 22, 1977, filed with the Secretary.

--- Ratified bus stop zone changes as described in report dated July 22, 1977, filed with the Secretary.

--- Received and Filed Purchasing Agent's Statement of Purchases Over \$1,000 for the month of June, 1977.

(President Holen and Director Neusom returned to the meeting at 2:55 p.m.)

Director Richter introduced Mrs. Anne Ehrlich, Administrator of the Illinois Public Transit Association, who made a brief appearance before the Board.

Discussion of Airport Service

Director Gibbs moved that the Airport service be reconsidered and the California Public Utilities Commission be requested to name a

Resolution
No. assigned

private carrier to operate the service, which motion was seconded.

It was determined that the motion was out of order, since the Rules and Regulations prevent major reductions of service or changes in fares to be considered that are not on the agenda.

Director Lewis felt we should have definite input from the Airport Commission regarding the service, in addition to the Airport shuttle and terminal agreement presently being considered.

After discussion, it was ordered that the matter be placed on the agenda for consideration at the Regular Meeting on September 22, 1977.

Authorization for Travel to Attend International Disabled Exposition

Director Neusom reported on the International Disabled Exposition to be held at O'Hare Airport in Chicago, August 19-21, and felt the District should have a representative attend, especially since there would be displays regarding accessible buses.

On motion of Director Price, seconded and carried as noted below, the following resolution was adopted:

Resolution
No. assigned

R-77-317

RESOLVED, that Director Thomas G. Neusom is authorized to attend the International Disabled Exposition to be held at the O'Hare Airport, Chicago, Illinois, August 19-21, 1977, and the Treasurer authorized to reimburse expenses in connection with said attendance.


Ayes:	Brewster, Gibbs, Holen, Leonard, Lewis, Neusom, Price, Richter, Storing, Takei
Noes:	None
Abstain:	None
Absent:	Cook

Report on Congressional Briefing

Mr. Stubbs announced that the Administration Department had arranged a Congressional briefing session, mostly staff members, on the morning of August 10, and invited Directors to attend whose schedules would permit.

President Holen announced that a meeting of the Government Relations Committee would be convened immediately following adjournment.

The meeting was adjourned at 3:20 p.m.



Secretary