

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

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

September 8, 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 1:00 p. m. on September 8, 1977, at which time President Marvin L. Holen called the meeting to order.

Directors present:

George W. Brewster  
Byron E. Cook  
Marvin L. Holen  
Gerald B. Leonard  
Mike Lewis

Thomas G. Neusom (entered  
at 1:15 p. m.)  
Jay B. Price  
Ruth E. Richter  
Charles H. Storing

Directors absent:

Donald Gibbs  
George Takei

Staff Present:

Jack R. Gilstrap, General Manager  
George W. Heinle, Manager of Operations  
Jack Stubbs, Asst. General Manager for Administration  
Richard T. Powers, General Counsel  
Joe B. Scatchard, Controller-Treasurer-Auditor

Resolution  
No. Assigned

George L. McDonald, Manager of Planning & Marketing  
Byron Lewis, Director of Personnel  
Richard Gallagher, Manager & Chief Engineer-Rapid Transit  
Richard K. Kissick, Secretary

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

Report of the Surface Operations Committee

Director Price, Chairman of the Surface Operations Committee, reported that due to the possibility of litigation, discussion of a contract amendment with the AM General Corp. in connection with the purchase of 200 E & H buses would be done in Executive Session later in the meeting.

On motion of Director Price, seconded and carried as noted below, Item Nos. 2 and 3 on the agenda were approved and the following resolutions adopted:

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

R-77-339

RESOLVED, that the General Manager is authorized to execute a contract with Calvet Trucks, 11233 San Fernando Road, San Fernando, the lowest responsible bidder under Bid No. CA-03-0121-K covering the purchase of one six-yard dump truck, at a total bid price of \$30,378, which purchase is funded in part under UMTA Capital Grant Project No. CA-03-0121; subject to the prior concurrence of UMTA; form of contract subject to approval of the General Counsel.

Resolution  
No. Assigned

R-77-340

RESOLVED, that Requisition No. 7-7300-688 is approved, and the Purchasing Agent is authorized to call for bids covering the District's requirements for brake blocks for a one-year period, with option for one additional year at the election of the District; form of bid requirements and specifications subject to approval of the General Counsel.

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-77-341

RESOLVED, that due to a delay in receiving proposals from qualified firms to conduct geotechnical services in connection with the rapid transit element of the Regional Transportation Development Program, the staff is instructed to review the proposals and bring a recommendation regarding a contract award to a special meeting of the Rapid Transit Committee, at which meeting the Committee will authorize the General Manager to execute a contract with the most qualified firm, subject to the understanding that the contract will come to the Board of Directors for ratification at its September 22 meeting.

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

Resolution  
No. Assigned

Report of the Advance Planning & Marketing Committee

On motion of Director Brewster, Chairman of the Advance Planning & Marketing Committee, seconded and carried as noted below, Item Nos. 5 and 6 on the agenda were approved and the following resolutions adopted:

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

R-77-342

RESOLVED, that the report dated September 2, 1977, a copy of which is filed with the Secretary, be and the same is adopted, and the General Manager is authorized to implement route and service modifications in the South Bay-Palos Verdes Peninsula area affecting Line Nos: 85, 101, 607, 813, 814, 846, 861, 867, 869, 870, 871 and 875, as outlined in the aforementioned report;

RESOLVED FURTHER, that the General Manager is authorized to include in the Official Route Descriptions Fourth Revised Page 85, Fourth Revised Page 607, Third Revised Page 846, Third Revised Page 861, Third Revised Page 869 and Second Revised Page 871, and to delete therefrom Tenth Revised Page 101, Original Page 870 and First Revised Page 875, effective January 15, 1978; subject to approval of the Consulting Engineer.

Resolution  
No. Assigned

R-77-343

RESOLVED, that the General Manager is authorized to execute an agreement with the Oak Tree Racing Association covering extra scheduled bus service at Santa Anita Race Track during the 1977 Oak Tree Thoroughbred racing meet effective October 7, 1977 at a cost of \$75 per bus per day; form of agreement subject to approval of the General Counsel.

Report of the Community and Customer Relations Committee

Director Richter, Chairman of the Community and Customer Relations Committee reviewed her report dated September 1 recommending that the staff make every effort to finalize an agreement with Ticketron covering the sale of the District's monthly passes; including a commission not to exceed 3% and without the application of a surcharge by Ticketron. Mrs. Richter recommended reconsideration of permitting Ticketron to assess a 30¢ service charge in addition to the 3% commission.

Director Storing opposed the proposal since he felt that pass buyers were not the usual types of persons who use Ticketron, and also May Company and other such outlets could request permission to make a surcharge.

Resolution  
No. Assigned

On inquiry, Mr. Powers stated he had looked at the proposal and felt the 30¢ surcharge would not be considered an increase in fares.

(Director Neusom entered the meeting at 1:15 p. m.)

Mr. Heinle stated that if a contract was approved passes could be placed on sale on October 25.

Mrs. Richter felt we should try it for a year and see how it works out since the objective was to get additional pass outlets.

On inquiry, Allen De Jardin, Western Regional Manager of Ticketron informed the Board that they do serve other public agencies including the State of California for whom they sell tickets to Hearst Castle and a service charge is included. Mr. Neusom felt this was for recreational purposes and not a public service in the sense of pass sales. He also felt the surcharge would not be fair to Boys Markets and others who handle the passes free of charge.

Mr. De Jardin stated that Ticketron would be willing to try the handling of passes for one year at the 3% commission only.

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

Resolution  
No. Assigned

R-77-344

RESOLVED, that the General Manager is authorized to execute a contract with Ticketron covering the sale of the District's monthly passes for a one year period, with said contract providing the standard 3 percent commission to Ticketron; form of contract subject to approval of the General Counsel.

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

President Holen stated that with the recent additions of the Boys and Vons markets to sell passes, the District now has 224 outlets, and Ticketron will add another 52. Director Brewster felt that all agencies, including Ticketron, were to be congratulated on their public services in selling passes.

Director Lewis requested a report on how much sales increase as a result of the Ticketron contract.

Mr. McDonald reported regarding the marketing of passes, but that the limited advertising budget would only permit some inclusion of pass sales in ads, but press releases could be sent out, car cards inserted in buses, etc.

Resolution  
No. Assigned

The staff was requested to submit a marketing plan to the Board covering the sale of passes.

Report of the Finance Committee

On motion of Director Lewis, Chairman of the Finance Committee, seconded and carried as noted below, Item Nos. 8 and 9 on the agenda were approved and the following resolutions adopted:

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

R-77-345

RESOLVED, that the report dated September 1, 1977, a copy of which is filed with the Secretary, is adopted, and the General Manager is authorized to file a contract amendment with the U.S. Department of Transportation, Urban Mass Transportation Administration, under Capital Grant Project No. CA-03-0106, to include additional funding in the estimated amount of \$5,775,000 covering purchase of thirty (30) articulated buses, radio dispatch and maintenance equipment and the Division 5 construction and design, and to execute all documents necessary to carry out the project; form of all documents subject to approval of the General Counsel.

R-77-346

CERTIFICATION

Findings of Public Hearing held August 25, 1977 at 8:00 P.M. in connection with the Southern



Resolution  
No. Assigned

R-77-346  
(continued)

California Rapid Transit District's Urban Mass Transportation Capital Grant Application for 1978 Fiscal Year funding, adopted by the District on July 14, 1977 to aid in the financing of the purchase of Land, and the construction of a new Maintenance and Operating Facility in the East San Fernando Valley area of Los Angeles.

Marvin L. Holen, President of the  
Southern California Rapid Transit District

HEREBY CERTIFIES THAT, in the development of this application for a Mass Transportation Capital Improvement Grant under the Urban Mass Transportation Act of 1964, as Amended, it:

1. Has afforded adequate opportunity for public hearings pursuant to adequate prior notice, and has held such hearings, in accordance with the requirements set forth by the Urban Mass Transportation Administration.
2. Has considered the economic and social effects of this proposed project and its impact on the environment.
3. Has found that this proposed project is consistent with official plans for the comprehensive development of the urban area.

DATED: September 8, 1977 SOUTHERN CALIFORNIA  
RAPID TRANSIT  
DISTRICT

Resolution No. R-77-346

By \_\_\_\_\_  
Marvin L. Holen, President

(Director Brewster left the meeting at 1:45 p. m. )

Resolution  
No. Assigned

Report of the Personnel Committee

Director Lewis, Chairman of the Personnel Committee, reported that the Committee had reviewed the report dated September 1, 1977 regarding the Non-Contract Salary Plan and that the Committee recommended (1) withdrawal of the moratorium on on-contract merit step increases retroactive to July 1, 1977, and (2) that the non-contract salary schedule with the 1% differential between grades, numbering 1 through 130, be adopted with implementation effective July 1, 1978, moved approval of the recommendations, which motion was seconded.

Director Cook moved that the two items be considered separately, which motion was seconded and unanimously carried.

On motion of Director Lewis, seconded and carried as noted below, part 1 of the Personnel Committee's recommendation was approved, and the following resolution adopted.

Resolution  
No. Assigned

R-77-347

RESOLVED, that the moratorium on non-contract merit step increases under the Non-Contract Salary and Classification Plan be and the same is withdrawn effective July 1, 1977.

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

Director Lewis then repeated his motion regarding Item No. 2 of the Personnel Committee concerning establishing the non-contract salary schedule with the 1% between grades, which motion was seconded.

General Manager Gilstrap and Director of Personnel Byron Lewis explained the proposed system.

(Director Brewster returned to the meeting 1:55 p.m.)

Directors Neusom and Richter opposed the establishment of 130 salary grades, feeling it would not accomplish the purpose and be unwieldy, and felt the existing plan should be retained at the present time. Director Storing felt it was a good plan and gave the Board and staff flexibility and was a start in the right direction. Mr. Gilstrap stated it was a difficult recommendation to evaluate and felt that possibly it would be better to leave the plan as it is at present.

Resolution  
No. Assigned

Following a lengthy discussion, Director Cook made a substitute motion that the matter be referred back to the Personnel Committee for further study and recommendation, which was followed by a further substitute motion that the matter be tabled until clear definitions of objectives are available, at which time the Personnel Committee would then come back to the Board with further recommendations, which motion was seconded, carried as noted below and the following resolution adopted:

R-77-348

RESOLVED, that the proposed establishment of 130 salary grades under the Non-Contract Salary and Classification Plan be and the same is hereby tabled and referred back to the Personnel Committee for review and recommendations after clear definitions of objectives regarding said plan are available.

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

(Director Neusom left the meeting at 2:00 p. m. )

On motion of Director Lewis, seconded and carried as noted below, Agenda Item No. 10 (b) was approved, and the following resolution adopted:

Resolution  
No. Assigned  
R-77-349

RESOLVED, that the report dated September 2, 1977 is approved, and the General Manager is authorized to include in the Non-Contract Salary and Classification Plan six new positions of Radio Dispatcher at Salary Grade 12 and one position of Chief Radio Dispatcher at Salary Grade 13, effective immediately;

RESOLVED FURTHER, that the General Manager is directed to delete from the Non-Contract Salary and Classification Plan seven positions of Supervisor of Vehicle Operations at Salary Grade 11.

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

Employee Suggestion Plan - Tabled

On motion of Director Lewis, seconded and unanimously carried, the Employee Suggestion Program, which had been under review for the past several weeks by the Personnel Committee, was order tabled.

(Director Neusom returned to the meeting 2:05 p. m.)

Approval of Director Travel to National Conference on  
Transit Performance

On motion of Director Lewis, seconded and unanimously carried, consideration of Director travel to the National Conference on Transit Performance was added to the agenda.

Resolution  
No. Assigned

On motion of Director Lewis, seconded and carried

as noted below, the following resolution was adopted:

R-77-350

RESOLVED, that members of the Board of Directors are authorized to attend the National Conference on Transit Performance to be held September 19-21, 1977 in Norfolk, Virginia, and the Treasurer is authorized to reimburse expenses incurred in connection with said attendance.

Ayes : Brewster, Cook, Holen, Leonard,  
Price, Lewis, Neusom, Richter

Noes : Storing

Abstain: None

Absent : Gibbs, Takei

Director Storing stated that the reason he opposed the motion was that with the present tight budget and service curtailments he felt that Director travel to meetings over the country should be looked at and reduced.

Director Cook inquired if Mr. David Yunich's speech at APTA in San Francisco had been transmitted to the Board, and Mr. Gilstrp stated that it had but that the speech would be transmitted again to the Board together with a staff report.

Resolution  
No. Assigned

Approval of Consent Calendar

On motion of Director Cook, seconded and carried as noted below, Agenda Item Nos. 11 through 16 on the Consent Calendar were approved, and the following resolutions adopted and/or actions taken:

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

R-77-351

RESOLVED, that the General Manager is authorized to award a contract to Wilson Paper, 2300 Pellissier Road, Los Angeles, the lowest responsible bidder under Bid No. 8-7722 covering the District's requirements for industrial wipe cloths for a six-month period at an estimated cost of \$13,170; form of contract subject to approval of the General Counsel.

R-77-352

RESOLVED, that Requisition No. 7-7300-664 is approved, and the Purchasing Agent is authorized to call for bids covering the District's requirements for freon gas for a two-year period, with option for one additional year at the election of the District; form of bid requirements and specifications subject to approval of the General Counsel.

R-77-353

RESOLVED, that Requisition No. 7-9500-021 is approved, and the General Manager is authorized to amend the contract with Mejia, Shreenan & Associates, 7466 Beverly Boulevard, Los Angeles, to raise the total dollar amount

Resolution  
No. Assigned

R-77-353  
(continued)

from \$4,000 to an amount not to exceed \$12,000 to cover Phase II construction survey work at Division 3, which project is funded in part under UMTA Capital Grant Project No. CA-03-0049; with form of contract amendment subject to approval of the General Counsel.

R-77-354

RESOLVED, that Requisition No. 7-9500-022 is approved, and the General Manager is authorized to amend the contract with Converse Davis Dixon & Associates, 126 West Delmar Boulevard, Pasadena, to raise the total dollar amount from \$3,000 to an amount not to exceed \$7,000 to cover additional work required with regard to geotechnical consultant services at Division 3, which project is funded in part under UMTA Capital Grant Project No. CA-03-0049; with form of contract amendment subject to approval of the General Counsel.

R-77-355

RESOLVED, that the report dated September 1, 1977, a copy of which is filed with the Secretary, is adopted and the Controller is authorized to write off as uncollectible \$2,867.43 balance of debt from Michael Montante, former operator of the District's Ontario and Pomona ticket agencies.

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Approved the Minutes of Regular Meeting held August 25, 1977.

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Ratified bus stop zone changes as described in report dated September 2, 1977 filed with the Secretary.

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Ratified temporary route diversions as described in report dated September 2, 1977 filed with the Secretary.



Resolution  
No. Assigned

Adoption of Resolution Supporting the Regional Transportation  
Development Program

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President Holen briefly reviewed Mayor Bradley's request that the Board adopt a resolution supporting the Regional Transportation Development Program and felt the draft resolution transmitted by the Mayor was acceptable except that reference should be made in it to the two resolutions calling for operation of the people mover by RTD and that RTD be involved in all planning previously adopted by the Board regarding the program proposed by the City of Los Angeles.

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

R-77-356

WHEREAS, the Regional Transportation Development Program is a cooperative effort of local, regional, state and federal agencies to help solve major problems of concern to the community; and

WHEREAS, the Regional Transportation Development Program is determining the design, cost, environmental impacts, and financing of specific proposed transportation systems; and

WHEREAS, these systems include Transportation Systems Management, Freeway Management, Freeway Transit, People Mover, and Rail Transit; and

Resolution  
No. Assigned

R-77-356  
(continued)

WHEREAS, the Regional Transportation Development Program will provide the necessary information to enable decisions on actual implementation of any one or more of the proposed systems;

NOW THEREFORE, BE IT RESOLVED, that in accordance with Resolution No. R-76-385 adopted August 17, 1976 and Resolution No. R-76-420 adopted September 8, 1976, the Board of Directors of the Southern California Rapid Transit District endorses the Regional Transportation Development Program;

RESOLVED FURTHER, that the Board of Directors of the Southern California Rapid Transit District be provided progress reports on the aforementioned program for review;

RESOLVED FURTHER, that all agencies within the County of Los Angeles are encouraged to support the Regional Transportation Development Program.

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

Prior to the vote on the above resolution, Director Lewis inquired concerning labor protective 13 (c) agreements, and Mr. Gilstrap felt that if the District is the operator of the people mover system the 13 (c) problem would be resolved at that time, and further stated he felt the City would automatically be responsible for 13 (c) protective agreements.

Request for Report on Supervisor Ward's letter Regarding Retirement of Older Buses

Director Leonard read a letter to him dated September 6 from Supervisor Baxter Ward regarding the continued operation of older buses on District lines and requesting a report as to when the older equipment can be retired.

The letter was referred to the Equipment and Maintenance Committee for a report.

Director Leonard requested the staff to investigate and report on a means of funding a minibus service in the Granada Hills area.

Appearance of Sante Bellante Regarding Thefts and Vandalism at La Mirada Park and Ride Lot

Ms. Sante Bellante, 14421 San Feliciano Drive, La Mirada, appeared before the Board regarding thefts and vandalism at the La Mirada Park and Ride lot (Line No. 758), and requested that the lot be provided with more security.

Ms. Bellante distributed a list of names and addresses of persons who had experienced thefts or vandalism at the lot.

Director Price reported on the results of the recent staff investigation and that patrolling of the lot was being accelerated by both the Sheriff and the District's security forces.

Resolution  
No. Assigned

Mr. Heinle reported that a letter signed by President Holen and Director Price was being distributed to all riders of Line No. 758 early next week.

Report on Meeting with UMTA Administrator Richard Page

Director Neusom reported that during the recent Light Rail Conference Meeting in Boston he had the opportunity to attend a meeting along with other transit operators with UMTA Administrator Richard Page. He felt that Mr. Page's transportation experience will be helpful to the transit industry; that the Transbus program will proceed and with the cooperation of Transportation Secretary Brock Adams; that UMTA is being decentralized and more decision making will be made in the regional offices, with changes in contract procedures, work on transit productivity, together with institution of a more open door policy at UMTA.

Report on Supervisor Schabarum's Motion Regarding RTD Contract with County

President Holen reported on Supervisor Schabarum's recent motion to include an "In Kind" contribution clause in the District's contract with the County, and Director Lewis explained that this proposed clause meant use of County

) Resolution  
No. Assigned

offices for District business where applicable, and related contributions.

(Director Leonard left the meeting at 2:55 p. m.)

Change of Dates of October Committee of the Whole Meeting and First Regular Meeting in October

With the approval of all Directors present, consideration of certain changes in meeting dates was added to the agenda.

President Holen reported that the October 6 meeting date for the next Committee of the Whole conflicted with an all-day SCAG General Conference.

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

R-77-357

RESOLVED, that the Committee of the Whole meeting scheduled for Thursday, October 6 be and the same is rescheduled to be held on Tuesday, October 4, 1977 at 1:00 p. m.

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

Resolution  
No. Assigned

President Holen reported that the October 13 date for the first regular meeting in October conflicted with the meeting dates of the APTA National Conference.

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

R-77-358

RESOLVED, that the first regular meeting of the Board of Directors in the month of October be and the same is changed from Thursday, October 13, to Tuesday, October 18, 1977, at 1:00 p. m.

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

(Director Leonard returned to the meeting at 3:02 p. m. )

Authorization for Staff to Cooperate with County of Los Angeles in Preparing Report as Result of a Motion by Supervisor Chairman Edelman

Mr. Gilstrap reported on the motion of Supervisor Chairman Edelman which was adopted by the Board of Supervisors on August 2, which motion requested the County staff to submit recommendations to the Supervisors early in October on a short-range public transportation plan, and further requesting assistance of the Technical Advisory

Committee of the Los Angeles County Transportation Commission in the endeavor. Mr. Gilstrap reported that the County staff had requested the RTD staff to aid in preparing the report and that he had advised County Road Commissioner Morhar that the RTD staff could do so if there was a reimbursement for staff time devoted.

Copies of the August 2 motion, together with a letter from Mr. Morhar to SCAG dated September 2 requesting \$10,000 in funds for RTD staff time were distributed to the Board.

Director Neusom moved that the matter be added to the agenda for consideration, which motion was seconded and unanimously carried.

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

R-77-359

RESOLVED, that the General Manager is authorized to provide staff time to aid the staff of Los Angeles County in preparing a report and recommendations to the Board of Supervisors of the County of Los Angeles regarding a short-range transportation plan connected with the District's 5-Year Plan and its four-point rapid transit planning program, provided that the District is reimbursed in an amount up to \$10,000 for said staff time.

Resolution  
No. Assigned

R-77-359  
(continued)

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

General Manager's Report Concerning Budget

Mr. Gilstrap reported regarding a budget problem and a possible shortage of \$4 to \$5-million, as previously mentioned by Director Lewis. He stated the staff is working on service adjustments and attempting to accelerate the program. He also reported the staff is looking at all low use lines and trying to reduce the budget without eliminating lines, but that we are not realizing the savings which had hoped to be realized by the service reductions. He is hopeful the necessary service adjustments can be accomplished without eliminating lines, but we will need 30 to 60 days more into the fiscal period at least before we can know with certainty the impact of the scheduled service adjustments. He further stated that this type of difficulty was anticipated when the General Manager's budget proposed a 1% contingency fund which was subsequently eliminated from the District budget in negotiations with Los Angeles County.



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The General Manager noted that neither the City or County of Los Angeles, nor any private company approaching RTD's \$230-million annual budget size would consider it sound business practice to attempt to carry on business without reasonable contingency funding.

He further reported that the staff has estimated the fare increase resulted in only a 5 to 6 percent decrease, not the 9 percent reported by the news media. The additional 3 percent dropoff was the usual summer decline due to school vacations, etc.

#### Report of Meeting of the Rapid Transit Committee

Director Leonard, Chairman of the Rapid Transit Committee, reported that the Committee would hold a meeting on Tuesday, September 13, at 1:00 p. m.

#### Discussion of 200 E & H Buses Being Manufactured by AM General Corp.

Mr. Heinle gave a progress report on the 200 E & H buses being manufactured by AM General Corp. and the problems in obtaining an acceptable bus. The staff has been working constantly with AM General; however, the acquisition means completely new elements and parts for the lift mechanism which will delay delivery, due September 1, and AM General has suggested that due to the liquidated damage clause contained in the contract, that the contract be amended.

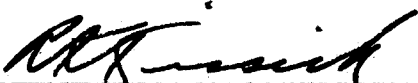
On inquiry of President Holen, Mr. Powers stated that the matter could result in litigation and was appropriate for discussion in Executive Session.

On motion duly made, seconded and unanimously carried, the Board of Directors recessed in Executive Session at 3:15 p. m.

The Board reconvened at 4:00 p. m. with all Directors present except Brewster, Gibbs and Takei.

President Holen announced that the Board has received two reports while in Executive Session regarding matters which could result in litigation.

The meeting was adjourned at 4:03 p. m.

  
Secretary