

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

Minutes of Special Meeting of the  
Board of Directors of the District

December 15, 1977

Upon notice duly given, the Board of Directors of the Southern California Rapid Transit District met at a special meeting in the District Board Room, 425 South Main Street, Los Angeles, California, at 1:40 p.m. on December 15, 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  
Thomas G. Neusom

Jay B. Price  
Ruth E. Richter  
Charles H. Storing  
George Takei (entered  
at 2:00 p.m.)

Directrs Absent:

Donald Gibbs  
Mike Lewis

Staff Present:

Jack R. Gilstrap, General Manager  
George W. Heinle, Manager of Operations  
Jack Stubbs, Assistant General Manager  
for Administration  
Richard T. Powers, General Counsel  
Joe B. Scatchard, Controller-Treasurer-Auditor  
George L. McDonald, Manager of Planning  
& Marketing

Resolution  
No. Assigned

Robert Williams, Manager of Customer  
Relations  
Richard K. Kissick, Secretary

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

President Holen announced that the purpose  
of the meeting was to consider adoption of a  
Financial and Short-Term Plan for Fiscal Year  
1979 for submission to the Los Angeles County  
Transportation Commission and the Southern  
California Association of Governments.

Mr. Holen further reported that replacement  
pages to the five-year plan book had been hand  
delivered to Directors on the previous Tuesday,  
together with a one-page summary which indicates  
the differences in the District's estimated funds  
available during FY 1979 and the figures esti-  
mated by SCAG.

Mr. Gilstrap explained that it is necessary  
to submit to the LACTC and SCAG the Transportation  
Improvement Plan (TIP) and the short-term plans,  
and to request local funding to cover financial  
shortfalls resulting from whatever program the

Resolution  
No. Assigned

Board selects for next year. He reviewed Plans "A," "B," "C" and "D" which were contained on pages 69 through 74 and the anticipated deficits under each plan. He recommended that if Plan "A," "B" or "C" is adopted that the District submit a letter to appropriate agencies requesting assistance for whatever shortfall results from the plan selected.

President Holen reviewed the summary sheet on which SCAG estimates the District's shortfall next year will be about \$22 million, compared to the District's estimate of \$14 million. Mr. Scatchard reported it is evident in looking at the SCAG numbers the only significant difference was in the UMTA Section 5 area, which SCAG estimates at 4% less next year. Also, SCAG agreements with Orange and San Bernardino counties contribute to the difference.

(Director Takei entered the meeting at 2:00 p.m.)

On inquiry regarding Plan "A," Mr. Gilstrap stated the \$14 million deficit would have to come

Resolution  
No. Assigned

from outside sources, that we may be able to come up with \$2 or \$3 million more in sales tax funds, with no guarantee, however, or to request the full \$14 million from the County. Within the District, it would take a fare increase or additional service reductions, or both. A 10-cent fare increase might make it up with possible minor reductions in service.

Mr. Gilstrap further reported that if the County gives the District \$5 million, the same as this year, making the estimated deficit \$9-million, one option would be to go with a 10-cent fare increase to make up that portion of the deficit, and with the balance of funds that might result from the 10¢ fare increase we could add service to reduce current overcrowding existing on several lines. The important decisions will come from the LACTC and SCAG, and he recommended that whatever plan we go with, we immediately submit a request to the County and then to the LACTC and SCAG, which may help get early decisions from all concerned.

Resolution  
No. Assigned

Director Price moved to accept the no-growth Plan "A," that a letter be addressed to the County Board of Supervisors requesting assistance, and that Plan "A" be submitted to the LACTC and SCAG, together with the Transportation Improvement Plan and the Short-term Plan, which motion was seconded.

There was discussion pro and con on submitting a no-growth plan or a plan for improving service, following which Director Leonard made a substitute motion to adopt Director Price's previous motion except to submit Plan "B" instead of Plan "A," which motion was seconded.

President Holen pointed out the differences in RTD and SCAG estimates which could make the deficit under Plan "B" as high as \$31 million.

It was determined that Plan "B" projections anticipated the 150 buses purchased for expansion would be in service only one or two months at the end of the next fiscal year, and if operated all year it would add approximately \$13 million

Resolution  
No. Assigned

in operating expenses, plus \$3 million towards purchase of buses. It was determined that the estimated mileage under Plan "B" was incorrect on the high side.

President Holen inquired about the Board adopting a policy of 5% increased service, and pointed out that the District has the obligation to make every effort for legislative relief for additional funding such as an increase in the automobile in lieu tax.

Mr. Gilstrap stated that if a fare increase is proposed, a public hearing should be set, probably no later than next April, and plan to implement the fare increase July 1, with any service decreases implemented in September.

(Director Brewster left the meeting at 3:05 p.m.)

There was discussion of submitting two plans such as "A" and "B" or "A" and "C," but Mr. Scatchard felt that it was necessary to

Resolution  
No. Assigned

submit only one plan to the LACTC and SCAG.

(Director Neusom left the meeting at  
3:15 p.m.)

Director Leonard's substitute motion  
carried as noted below, and the following  
resolution was adopted:

R-77-461

RESOLVED, that the General Manager  
is authorized to submit to the Los Angeles  
County Transportation Commission and the  
Southern California Association of Govern-  
ments Plan "B" as contained in the Draft  
Five Year Financial Projections Report  
dated November 29, 1977, revised as of  
December 15, 1977, a copy of which is  
attached to these Minutes as EXHIBIT 1,  
together with a Short Range Plan and  
Transportation Improvement Program to  
be developed from the aforementioned  
report;

RESOLVED FURTHER, that a communica-  
tion be addressed to the Board of Supervisors,  
County of Los Angeles, submitting the afore-  
mentioned Plan "B" for the Fiscal Year 1979,  
and requesting said Board for assistance in  
meeting an anticipated deficit in an esti-  
mated amount of \$19,845,000.

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

Resolution  
No. Assigned

(Director Brewster returned to the meeting  
at 3:25 p.m.)

In response to Mr. Gilstrap's suggestion,  
on motion of Director Takei, seconded and  
carried as noted below, the following resolution  
was adopted:

R-77-462

RESOLVED, that a communication be  
addressed to all cities within the District  
seeking their help in making up the anti-  
cipated deficit the District will incur  
during the Fiscal Year 1979.

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

Director Takei inquired about marketing  
of increased service during the holiday season  
and Mr. McDonald stated that a press release  
has been issued and additional marketing efforts  
will be made early next week.

Director Price requested that a report  
which he had previously requested regarding  
purchase of the Administration Building be



Resolution  
No. Assigned

submitted, together with a report on the possibility of federal funding for the purchase.

Mr. Gilstrap distributed a report dated December 14, 1977, a copy of which is filed with the Secretary, advising that the Los Angeles Community Redevelopment Agency will sign an agreement to fund the City's entire 80% share of the additional cost of the increased Line 202 Minibus service during the holiday season. Also included in the report was the request of Councilman Lindsay for minibus service on Broadway in downtown Los Angeles during the holiday season. Mr. Gilstrap suggested the Councilman be advised that the request came too late to implement this year, and suggest that it be considered next year with funding assistance from the Broadway merchants.

On motion duly made, seconded and unanimously carried, the Board concurred in the General Manager's suggestion.

Resolution  
No. Assigned

The meeting was adjourned at 3:45 p.m.

  
Secretary

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT  
 FIVE-YEAR FINANCIAL PROJECTION -PLAN B  
 (In Thousands of Dollars)

	This Fiscal Year	FY 1979	FY 1980	FY 1981	FY 1982	FY 1983
<u>FUNDS REQUIRED</u>						
For bus operations	\$195,120	\$216,845	\$251,450	\$287,995	\$328,270	\$373,610
For bus capital equipment, facilities	30,780	72,220	88,695	91,400	99,155	106,120
For transit development plan	2,100	3,000	-	-	-	-
For debt service	2,000	2,800	2,800	2,800	2,800	2,800
Total	<u>\$230,000</u>	<u>\$294,865</u>	<u>\$342,945</u>	<u>\$382,095</u>	<u>\$430,225</u>	<u>\$482,530</u>
<u>SOURCES OF FUNDS</u>						
From passenger revenue **	\$ 79,100	\$ 82,750	\$100,580	\$115,160	\$131,310	\$149,440
From sales tax for operations	57,420	53,470	58,445	62,820	68,835	75,715
From sales tax for capital projects, debt service	8,780	18,690	20,205	22,910	24,615	26,145
From UMTA for operations	49,400	57,280	63,700	70,000	77,000	84,800
From UMTA for capital projects	24,000	56,330	69,180	71,290	77,340	82,775
From Los Angeles County	5,200	-	-	-	-	-
From other sources	6,100	6,500	5,500	6,000	6,500	6,500
Total	<u>\$230,000</u>	<u>\$275,020</u>	<u>\$317,610</u>	<u>\$348,180</u>	<u>\$385,600</u>	<u>\$425,375</u>
Requirements not covered	-	19,845	25,335	33,915	44,625	57,155
Buses purchased for expansion	-	150	150	150	150	150
Buses purchased as replacements	200	330	300	300	300	300
Buses in inventory	2,210*	2,360	2,510	2,660	2,810	2,960

\* January, 1978

\*\* FOOTNOTE: Fare increases are included for all fiscal years except 1979.