

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

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

April 23, 1975

Upon notice duly given, the Directors of the Southern California Rapid Transit District met at a special meeting in the District Board Room, 1060 South Broadway, Los Angeles, California, at 2:15 p.m. on April 23, 1975, at which time President Byron E. Cook called the meeting to order.

Directors George W. Brewster, Victor M. Carter, Byron E. Cook, A. J. Eyraud, Jr., Donald H. Gibbs and Adelina Gregory responded to Roll Call. Directors Jay B. Price and Thomas G. Neusom entered the meeting at 2:32 p.m. and 3:40 p.m., respectively. Directors Pete Schabarum, George Takei and Baxter Ward were absent from the meeting.

Also present were General Manager Jack R. Gilstrap; Manager of Operations George W. Heinle; Assistant General Manager for Administration Jack Stubbs; General Counsel Richard T. Powers; Manager of Planning & Marketing George L. McDonald; Treasurer-Controller-Auditor Joe B. Scatchard; Secretary Richard K. Kissick and the public.

Approval of Alternative Bus Service Plans for Fiscal Year 1976

General Manager Gilstrap reviewed the report dated April 21, 1976, a copy of which is filed with the Secretary, outlining alternative bus service plans for Fiscal Year 1976 for consideration and selection by the Board of a plan to be submitted to the Los Angeles County Board of Supervisors with a request for financial support to implement the plan selected.

Mr. Gilstrap also mentioned the report dated April 23, 1975, a copy of which is filed with the Secretary, transmitting Governor Brown's letter of April 21, 1975 regarding the matter of designated recipient under Section 5 of the Urban Mass Transportation Assistance Act of 1974, since this matter also affected the District's future funding plans. This matter was more fully covered later in the meeting.

Mr. Gilstrap then stated that the County Board of Supervisors had on January 21 approved the setting aside \$12-million plus for assistance to the District in Fiscal Year 1976, but that the District had requested approximately \$31-million. However, since the January 21 report the District's costs and request of the County had been revised upward substantially to \$39.6-million on April 10, and there is also the need to obtain necessary equipment to carry on the programs.

He then reported that the report being considered today was submitted at the request of the Board at its meeting on April 16, and included the four alternatives under the "C" plan; i.e., a 25-cent flat fare plan, a 25-cent plan with zones, a 35-cent flat fare plan and a 35-cent plan with zones. With respect to any plan which the Board adopts, the staff would like to include provision for the local matching share of the 200 buses the District is now considering, with delivery probable in Fiscal Year 1977, and, in addition, there is a need for approximately \$1-million to refurbish old buses, since we now have about 300 buses over 20 years old.

Director Price suggested that the District should request sufficient funds to carry on the programs, and consideration should be given to Plans B-1, B-2 or C-1, probably B-2.

Upon inquiry of Director Carter, Mr. Gilstrap reported that the County appropriated \$32.5-million this year, but a surplus of between \$7-million and \$8-million will probably be realized by reason of the work stoppage; therefore, the County will contribute roughly \$25-million for RTD alone, not including the municipal operators.

Director Carter felt that raising the fare to 35¢ in the current economic times would not be advisable.

Director Brewster said the system should be easy to ride and the fare as simple as possible and favored the continuation of the 25-cent flat fare program. He inquired if the approximate \$7-million surplus from this year could be applied to the next fiscal year and take the B-1 plan.

President Cook asked Mr. Scatchard what the RTD position would be if we received no subsidy from the County, and Mr. Scatchard replied that we would have to go to the "D" plan and raise the fare to 35¢ plus zones--an inner zone plus two zones with an additional charge of 20¢ for each zone.

President Cook stated it was apparently the concensus of the Board to adopt a plan that retained the 25-cent flat fare plan.

Director Price moved adopted of the B-1 plan and request the Board of Supervisors to carry over the approximately \$7-million surplus into the next fiscal year, which motion was seconded by Director Brewster.

Mr. Gilstrap reported that with respect to the acquisition of additonal buses, we would issue the bids for the purchase of 200 buses, and seek a grant for 320 additional buses. If 200 buses and 320 buses were not received in the next fiscal year, the County could be requested to carry over that surplus to the next fiscal year.

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

RESOLUTION NO R-75-159

WHEREAS, on April 23, 1975 this Board of Directors considered alternate financial plans for Fiscal Year 1976, as outlined in EXHIBIT 1 attached to these Minutes, prior to submission to the Board of Supervisors of the County of Los Angeles with a request for financial support to implement a recommended plan; and

WHEREAS, it is the concensus of this Board of Directors that any financial plan adopted should contemplate retention of the present 25-cent flat fare plan within Los Angeles County, which plan is in the public interest of the residents of Los Angeles County; and

WHEREAS, it is estimated that approximately \$7-million in funds under the current fiscal year contract with the County of Los Angeles will not be used and the Board of Supervisors could be requested to carry over these surplus funds as a credit against financial support funds approved by the Board of Supervisors during the Fiscal Year 1976;

NOW, THEREFORE, BE IT RESOLVED, that this Board of Directors does hereby adopt the Plan designated as "B-1" on the attached EXHIBIT 1 requesting \$38,250,000 in financial assistance during Fiscal Year 1976, and the General Manager be and he hereby is authorized to submit said Plan B-1 to the Board of Supervisors of the County of Los Angeles for consideration, together with a request to said Board of Supervisors that contemplated surplus financial assistance funds not expended under the Fiscal Year 1975 contract be carried over to the Fiscal Year 1976 as a credit against those financial assistance funds requested during said Fiscal Year 1976;

RESOLVED FURTHER, that the General Manager be and he hereby is authorized to request of the Board of Supervisors of the County of Los Angeles that any local share matching funds not expended during Fiscal Year 1976 covering the purchase of buses, by reason of any portion of those buses not being delivered during said fiscal year, to carry said surplus funds over as a credit against financial assistance funds allocated during the Fiscal Year 1977.

Discussion of Bus Deployment

Director Gibbs inquired if the bus deployment outlined in the previously considered report was also being adopted and was informed that it was not.

Mr. Gilstrap reported that the current contract with the County did specify the major new services to be implemented and, therefore, where the added buses would run, and that the County would probably insist on such stipulations in any new contract but not particularly the ones listed in the report.

Mr. Scatchard stated in addition to the \$7-8 million surplus in Fiscal Year 1975 County subsidy resulting from the work stoppage, there could be \$16-million more to be received from the federal government which would be credited against the County.

Discussion of Specialized Fares

Mr. Gilstrap suggested that the staff would like to look at specialized fares for some of the special services being

provided--that some of the expedited services warrant a fare differential. It was the general concensus that such a report should be prepared and submitted to the Board for review.

Discussion of Annual Budget Schedule

Mr. Gilstrap stated that a schedule for review and adoption of the annual budget should be set and suggested:

- May 21 - staff submit a tentative budget to the Board for review
- June 4 - public hearing for community reaction
- June 18 - consider budget for adoption (date of last regularly scheduled meeting of the Board this fiscal year)

Director Gibbs requested to see the budget at an early date, even if in a rough draft form, and Mr. Gilstrap replied that we could probably plan to distribute something about a week before May 21 and remarked that due to the unresolved amount of County assistance at the time of budget adoption last year it had been necessary for the Board to adopt two budgets.

Consideration of Fare-Free Mass Transportation Demonstration Program Authorized by Title II, Section 201, of the National Mass Transportation Assistance Act of 1974

Mr. Gilstrap reviewed Mayor Bradley's letter of April 17, 1975, a copy of which is filed with the Secretary, requesting

that the District study a fare-free program for the Los Angeles Central Business District and file an application with UMTA for a demonstration grant under Title II, Section 201, of the National Mass Transportation Assistance Act of 1974. He stated that in a discussion with Frank Herringer, UMTA Administrator, Mr. Herringer had reported that the Office of Management and Budget (OMB) and UMTA do not intend to request funds for this fiscal year or next fiscal year, but do for Fiscal Year 1977, and that UMTA wants a year or two to develop the program and develop sites for experiments.

Director Carter moved that the District study the alternatives and work with the staff of the City and County of Los Angeles and come back to the Board with recommendations in order to base the Board's opinion as to whether the program should be implemented in central Los Angeles or other areas and where the funding would come from, which motion was seconded by Director Eyraud.

Mr. Gilstrap stated that the Minibus Advisory Committee would be an excellent group to assign the project to for a joint study, since representatives of the City, County and CRA serve on that Committee, as well as RTD.

The question arose as to whether the center city only should be considered, since there are other cities in the

area which might also want to institute similar programs.

Director Eyraud questioned the Mayor's suggestion for replacing the present minibuses in central Los Angeles with standard-size buses, and also whether we had enough buses to implement such a program.

Mr. Norm Emerson, representing Mayor Bradley, appeared before the Board and reported the Mayor feels the central city is unique and the plan would work like it is in Seattle, and that the Mayor is asking for RTD to look at the benefits which this program would provide. He further reported the Mayor would like for the staff to study and report on alternatives, especially the central city, and apply for funds under the UMTA Act and work closely with our Congressional delegation. He offered the assistance of the Mayor's office and that they are aware of the local matching funds requirements.

President Cook inquired if the City of Los Angeles was going to provide the local matching funds, and Mr. Emerson stated he could not speak for the City on that question and, also, that the RTD Board has not yet taken an action to send in an application.

Director Carter felt that his motion took care of these aspects and the Board needs the requested information before it can act.

Mr. Gurney Turner, representing the Central City Association, appeared before the Board and stated that his Association had not been aware of the Mayor's suggestion until reading it in the newspaper last Friday. He further reported that his Association protests the removal of the minibuses from the central city.

Mr. Art White, representing Councilman Bernardi, appeared before the Board and stated that about two years ago the councilman had suggested the concept of free transportation and had asked the RTD to work on the program. He further stated the motion on the floor did not confine the plan to the downtown area, and that he felt Councilman Bernardi would be in favor of the study for a demonstration grant in whatever area would be applicable.

The question was called for on Director Carter's motion and the following resolution was unanimously adopted:

RESOLUTION NO. R-75-160

WHEREAS, this Board of Directors has reviewed the request of City of Los Angeles Mayor Tom Bradley dated April 17, 1975, a copy of which is filed with the Secretary, recommending that the District file an application with the U. S. Department of Transportation for a Demonstration Grant to provide funding for a fare-free transit system for the Los Angeles Central Business District under Title II of the National Mass Transportation Assistance Act of 1974;

NOW, THEREFORE, BE IT RESOLVED, that the District staff, working with the staff of the City and County of Los Angeles, study the alternatives in connection with the aforementioned request and bring back to this Board recommendations, including whether or not such a project should be instituted in the Central Business District, or other areas, together with recommendations as to the method of obtaining local matching funds necessary in connection with the implementation of said project.

Discussion of Governor Brown's letter Regarding Designated Recipient Under Section 5 of the UMTA Act

Mr. Gilstrap reviewed Governor Brown's letter dated April 21, 1975, a copy of which is filed with the Secretary, and the Assistant General Counsel's opinion dated April 23, 1975 which stated that it is the opinion of the RTD counsel that the Governor cannot unilaterally designate himself as the sole recipient for Section 5 federal funds.

After discussion, on motion of Director Eyraud, seconded and unanimously carried, the staff was directed to prepare a communication to the Governor that the District would follow the legal interpretation of the law and inquire as to the legality of the status of the position taken by the Governor.

Letter from City of Commerce Regarding Providing of Service to Freedom Train

Director Price read a letter addressed to him from the City of Commerce, a copy of which is filed with the Secretary,

requesting the District to provide service on a 25-cent fare basis from the Great Western Exhibit Center to Union Station, Los Angeles, during the tentative period December 9, 1975 to January 6, 1976 when the Bi-Centennial Freedom Train will be in Los Angeles on display for visitors.

The staff was directed to contact the County Commission regarding the request and submit an appropriate report to the Board, if necessary.

Meetings with Richard Doyle of UMTA

Director Gibbs stated he had received reports of meetings scheduled at the District with Richard Doyle of UMTA and several cities in the area, and inquired as to why other cities in the area had not been invited.

Mr. Gilstrap stated that Mr. Doyle had asked the District to provide the facilities for a meeting with cities in the area which are not receiving federal funds under current programs, that the District is providing the facilities only and had requested Mr. Doyle to personally invite the cities, and, further, that it was Mr. Doyle who had not included cities that were presently involved in UMTA funding.

Director Gibbs felt that the other cities should be invited, and Director Gregory stated she felt that the other cities should not be invited, since it was a meeting

called by UMTA with the RTD not being involved other than providing the facilities.

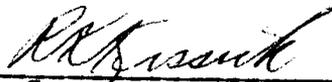
Board of Directors Recessed in Executive Session at 3:48 p.m.

On motion duly made, seconded and unanimously carried, the Board of Directors recessed in Executive Session at 3:48 p.m. to consider personnel matters.

The Board reconvened at 4:12 p.m. with Directors Brewster, Carter, Cook, Eyraud, Gibbs, Gregory, Neusom and Price responding to Roll Call. Directors Schabarum, Takei and Ward were absent from the meeting.

No report was made of the matters discussed in Executive Session.

There being no further business, the Special Meeting was adjourned at 4:15 p.m.


Secretary

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT
 Preliminary Financial Plans, FY 1976

Corrected Copy
 See B2 Plan

Thousands of Dollars

Estimated Cost -	A1 25¢ Flat	A2 35¢ Flat	B1 25¢ Flat	B2 35¢ Flat	C1 25¢ Flat	C2 35¢ Flat	D1 35¢ + Zones	D2 40¢ + Zones
For bus operations	162,500	159,250	160,600	157,400	157,270	154,100	141,700	141,700
For buses (local share)	9,350	9,350	9,350	9,350	1,100	1,100	1,100	4,100
For facilities, debt service (local share)	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500
S/T	177,350	174,100	175,450	172,250	163,870	160,700	148,300	151,300
Estimated Revenue	137,800	148,300	137,200	147,600	137,000	147,300	148,300	151,300
Costs Not Covered	39,550	25,800	38,250	24,650	26,870	13,400	None	None
Buses purchased, 4/1/75 - 6/30/76	690	690	690*	690*	140**	140**	140**	340

* Includes 110 buses which will not be placed in service until FY 1977.

** Under these plans we would initiate the purchase of at least 200 buses for delivery in FY 1977.

J. B. Scatchard
 Controller
 4/15/75