

RECEIVED
DEC 26 1979
SURFACE PLNG.

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

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

December 13, 1979

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 December 13, 1979, at which time Vice-President Ruth E. Richter called the meeting to order.

Directors Present:

David K. Hayward
Gerald B. Leonard
Mike Lewis (entered 2:15 p.m.)
Thomas G. Neusom

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

Directors Absent:

Donald Gibbs
Marvin L. Holen
Carl Meseck

Staff Present:

Jack R. Gilstrap, General Manager
Samuel M. Black, Manager of Operations
George L. McDonald, Manager of Planning & Marketing
Joe B. Scatchard, Controller-Treasurer-Auditor
Richard T. Powers, General Counsel
Jack T. Stubbs, Assistant General Manager for Administration
John S. Wilkens, Manager of Employee Relations
David D. Dominguez, Manager of Equal Employment Opportunities
Robert G. Williams, Manager of Customer Relations
Helen M. Bolen, District Secretary

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

Resolution
No. Assigned

Recognition of Retired District Personnel

Director Takei presented plaques to District personnel who have recently retired.

Presentation of Third Quarter 1979 Safe Performance Awards

Director Richter presented the Third Quarter Safe Performance Awards to Transportation Division 8 and to Maintenance Division 15.

Agenda Item No. 3 - to be considered later in the meeting

Director Price, Chairman of the Surface Operations Committee, reported that Agenda Item No. 3, concerning the administration of the District's PL/PD program will require an Executive Session and he recommended that this matter be deferred until later in the agenda. With the concurrence of all members present, Agenda Item No. 3 was deferred until later in the meeting.

Report of the Equipment & Maintenance Committee

On motion of Director Storing, Chairman of the Equipment & Maintenance Committee, seconded and carried as noted below, Agenda Item No. 4 was approved and the following resolution was adopted:

Resolution
No. Assigned

Report of Equipment & Maintenance Committee-Continued

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

R-79-523

WHEREAS, under Resolution No. R-79-440 adopted October 11, 1979, the General Manager was authorized to execute Change Order No. 1 covering fifteen items on the 230 Grumman Flexible buses, at a total cost of \$512,785, subject to UMTA concurrence, which procurement is funded in part under UMTA Capital Grant Project No. CA-03-0161;

WHEREAS, the Urban Mass Transportation Administration has disallowed the funding of Items No. 12, 13 and 15 under Change Order No. 1;

NOW, THEREFORE, BE IT RESOLVED, that Requisition No. 9-3400-35 in the amount of \$512,785 is approved covering Change Order No. 1 and including 100% District funding of Items No. 12, 13 and 15 at a total estimated cost of \$25,587.

Report of the Facilities & Construction Committee

On motion of Director Price, Vice-Chairman of the Facilities & Construction Committee, seconded and carried as noted below, Agenda Items No. 5 through 8 were approved and the following resolutions adopted:

Resolution
No. Assigned

Report of Facilities & Construction Committee-Cont'd.

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

R-79-524

RESOLVED, that Requisition No. 9-9300-097 is approved, and the Purchasing Agent is authorized to call for bids covering the construction of an employee parking lot at Division 5; form of bid requirements and specifications subject to approval of the General Counsel.

R-79-525

RESOLVED, that the General Manager is authorized to execute a 5 year lease agreement with Ronald Schaff, with an additional 5 year lease option and 18 month option to purchase property located at 808 East Mission Boulevard, Pomona, to be utilized as a minibus service facility, at a cost of \$1,200 per month, with rental adjustments to be made after each year of tenancy at a rate of \$200 per month, and the District reserving an 180-day cancellation provision; form of agreement subject to approval of the General Counsel.

R-79-526

RESOLVED, that the General Manager is authorized to execute an option with Mika Management Inc. covering the lease of approximately 14,300 square feet of additional space in Annex 1 at 425 South Main Street, at a lease rental rate of \$5,958 per month to be utilized for the relocation and expansion of the Rapid Transit Department; form of option subject to approval of the General Counsel.

Resolution
No. Assigned

Report of Facilities & Construction Committee-Cont'd.

R-79-527

RESOLVED, that the report dated December 6, 1979, relative to additional requirements for temporary operating and maintenance facilities is approved, and staff is authorized to locate three suitable temporary facilities and to negotiate the required leases, subject to Board consideration and approval.

Report of the Advance Planning Committee

On motion of Director Hayward, Chairman of the Advance Planning Committee, seconded and carried as noted below, Committee recommendations on Agenda Items No. 9 and 10 were approved and the following resolutions adopted:

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

R-79-528

RESOLVED, that the General Manager is authorized to transmit the Fiscal Year 1981 and 1982 Five-Year Plans to the Los Angeles County Transportation Commission, to be accompanied by a cover letter indicating that the District is reviewing the plan in view of the energy issues and that an additional report on this matter is to be submitted in the near future.

Resolution
No. Assigned

Report of the Advance Planning Committee-Cont'd.

R-79-529

RESOLVED, that the findings of the Public Hearing held November 17, 1979 on the Revised 1980 Sector Improvement Program are hereby certified.

R-79-530

RESOLVED, that the Revised 1980 Sector Improvement Program is hereby adopted, including an amendment to remove service restrictions on Line No. 425

Report of the Personnel Committee

On motion of Director Takei, Chairman of the Personnel Committee, seconded and carried as noted below, Agenda Item No. 11 was approved and the following resolution was adopted:

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

R-79-531

RESOLVED, that the General Manager is authorized to enter into a renewal contract with Employers Reinsurance Corporating, covering the District's excess Workers Compensation insurance for a one-year period beginning January 1, 1980, at an estimated annual premium of \$55,000; form of contract subject to approval of the General Counsel.

Director Takei reported that the Personnel Committee, on a 3-2 vote approved Agenda Item No. 12, and he moved approval of a contract with

Resolution
No. Assigned

Report of Personnel Committee - Cont'd.

Marvey A. Chapman covering consulting and publicity services for Calendar Year 1980, which motion was seconded. Director Hayward commented that some Board members feel that this work should be accomplished by present staff members. Mr. McDonald responded that the work can be done by staff, but not as well as Mrs. Chapman can do the job. She established many useful contacts in the public and private communities and it is her contacts that the District wishes to utilize. Director Storing spoke in opposition to the motion. He stated that the District has staff members who can do the job that Mrs. Chapman is proposing to do on a consulting basis. Director Neusom indicated that in his opinion, there are specialized areas where consultants are needed and beneficial to the District and he did not feel that this was one of those areas, and it seemed inappropriate to contract with a former employee to do this kind of function. Director Takei responded that this is not an on-going project, but a special project.

Director Hayward inquired if staff would accept, as a compromise, the authorization of

Resolution
No. Assigned

Report of Personnel Committee -Cont'd.

one additional position in the Community Relations Department. General Manager Gilstrap stated that if it is not the pleasure of the Board to contract with Mrs. Chapman, the staff will make a recommendation at the first meeting in January concerning staffing requirements in this department, along with other staffing recommendations.

Director Price made a substitute motion to table this matter until the first meeting in January, which motion was seconded and carried as noted below, and the following resolution was adopted:

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

R-79-532

RESOLVED, that Agenda Item No. 12, reading as follows, is tabled until the first meeting in January, 1980:

"Consider approval of Requisition No. 9-4200-90 and authorization of the General Manager to execute a contract with Marvey A. Chapman covering consulting and publicity services for Calendar Year 1980, at a cost not to exceed \$20,000; form of contract subject to approval of the General Counsel."

Resolution
No. Assigned

Report of the Finance Committee

Director Hayward, moved approval of Agenda Item No. 13, which motion was seconded and carried as noted below and the following resolution was adopted:

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

R-79-533

RESOLVED, that the budget for Fiscal Year 1980, as presented at the November 29, 1979 meeting, and revised to include an additional \$17,000 under the Board of Directors' budget (Department 1000), be and the same is hereby adopted.

Under Agenda Item No. 14, Director Hayward reported that the Finance Committee recommends award of contract to William Walton & Associates covering recovery of excess F.I.C.A. taxes paid for Calendar Years 1974 through 1979, which motion was seconded.

Mr. Lawrence H. Glick, attorney representing Western Assurance Co. appeared before the Board protesting the Committee's recommendation. He indicated that his client had bid a straight 28% for the 6-year period and he further indicated that his client is the only firm that can recover excess F.I.C.A. taxes paid for Calendar Year 1975.

Resolution
No. Assigned

Report of the Finance Committee - Cont'd.

Mr. Glick also distributed a proposed addendum to the contract whereby Western Assurance Co. agrees that should it be incapable of procuring a refund for calendar year 1975, the total fee for processing all other years would be \$1.00.

Director Hayward questioned the propriety of negotiating after the RFP's had been opened. General Manager Gilstrap asked staff if the question concerning the year 1975 had been researched and can, in fact, any company have the sole right to recover these taxes in the District's name. After further discussion, Mr. Gilstrap recommended that a contract not be awarded at this time, that the proposals be rejected and that Requests For Proposals be re-issued in such a way to deal properly with calendar year 1975.

Mr. Scatchard commented that the District does not know what the F.I.C.A. tax on sick pay has been; this is part of the work that the consultant will develop; therefore, we do not know what the fee will be until the project is completed.

Resolution
No. Assigned

Report of the Finance Committee - Cont'd.

Mr. Ronald Scheinman, attorney for William Walton & Associates, appeared before the Board. He indicated that this is the second time the matter has come before the Board. He indicated that in his opinion, Western Assurance is trying to take the position that they have sometime that they will not give to the District unless they get the contract. Upon inquiry, Mr. Scheinman indicated that he did not believe that any company has a proprietary interest in any application for funds due to the District. Director Neusom inquired if Mr. Scheinman's client would have any objection to the District negotiating with the other firm for the rights to 1975.

Mr. Glick again appeared before the Board and stated that the real issue is the interpretation of the bids. He indicated that his client, Western Assurance bid on a single percentage factor, and that the bid of William Walton & Associates is figured on a weighted percentage factor. He also indicated that if RFP's were issued again, his client would make no contest to an award made to the lowest responsible respondent and would turn

Resolution
No. Assigned

Report of the Finance Committee - Cont'd

over to the District whatever interest they had in calendar year 1975.

Director Hayward, with the concurrence of the second, withdrew his original motion and then moved that the bids be rejected and RFP's reissued, which motion was seconded and carried as noted below, and the following resolution was adopted:

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

R-79-534

RESOLVED, that all Requests For Proposals received covering services of a payroll tax consultant to recover excess F.I.C.A. taxes paid for Calendar Years 1974 through 1979 are hereby rejected in their entirety, and the Purchasing Agent is authorized to re-issue Requests For Proposals covering this service; form of RFP subject to approval of the General Counsel.

Approval of Consent Calendar

On motion of Director Leonard, seconded and carried as noted below, Agenda Items No. 15 through 18 on the Consent Calendar were approved and the following resolutions adopted and/or actions taken:

Resolution
No. Assigned

Approval of Consent Calendar - Cont'd.

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

R-79-535

RESOLVED, that the report dated December 7, 1979, relative to minor route modification to Line No. 871 - Los Angeles-Westchester-Redondo Beach, in the Baldwin Hills area of the City of Los Angeles, is approved, and the General Manager is authorized to include in the Official Route Descriptions Third Revised Page 871, to be effective as soon as practicable.

R-79-536

RESOLVED, that the report dated December 7, 1979, relative to minor route modification to Line No. 873 - Long Beach-Redondo Beach-Santa Monica, in the City of Santa Monica, is approved, and the General Manager is authorized to include in the Official Route Descriptions Fourth Revised Page 873, to become effective December 16, 1979.

R-79-537

RESOLVED, that the General Manager is authorized to award a contract to GMC Truck and Coach, 6901 South Alameda, Los Angeles, the lowest responsible bidder under Bid No. 11-7919 covering procurement of one (1) truck with aerial boom and bucket, at a total bid price of \$23,219; form of contract subject to approval of the General Counsel.

Approved Minutes of Regular
Meeting held November 29, 1979.

Resolution
No. Assigned

Approval of Consent Calendar - Cont'd.

--- Ratified temporary route diver-
sions as described in report dated December
7, 1979, filed with the Secretary.

--- Ratified bus stop zone changes
as described in report dated December
7, 1979, filed with the Secretary.

--- Received and Filed:

1. Purchasing Agent's Statement of
Material and Supplies Account for
the month of October, 1979.
2. Purchasing Agent's Statement of
Purchases Over \$1,000 for the month
of November, 1979.

Adoption of Policy on Accessibility of Public
Records

On motion of Director Hayward, seconded
and carried as noted below, Agenda Item No. 19
was approved and the following resolution was
adopted:

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

Resolution
No. Assinged

R-79-538

RESOLVED, that the report dated December 5, 1979, a copy of which is filed with the Secretary, relative to the availability of District records to the public, is adopted, and the Rules and Regulations are hereby amended to include Section XIV, effective December 13, 1979.

Report of the Government Relations Committee

Under Agenda Item No. 20, Director Neusom, Chairman of the Government Relations Committee, reported that the committee had met to consider a state legislative program to be considered for adoption for the 1980 Legislative Session. The report on the proposed program, a copy of which is filed with the Secretary, was reviewed by the Committee and it is recommended that Items A, 2 through 4 and Items C, 1 through 6 be approved and staff proceed to find authors for this legislation. Director Neusom further reported that Item A-1 and Item B, 1 through 6 are referred back to staff for further study. On motion duly made, seconded and carried as noted below, the following resolution was adopted:

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

Resolution
No. Assigned

Report of Government Relations Committee -Cont'd.

R-79-539

RESOLVED, that the Board of Directors of the Southern California Rapid Transit District does hereby adopt as its 1980 State Legislative Program, the following items:

General:

Delete language in the District Law which prohibits the District from purchasing buses with underfloor baggage compartments.

Permit private operators, to haul passengers within District's service area during energy crisis with the District Board reserving the right to make a finding that such an emergency exists and to establish a tariff for the services.

Amend the Vehicle Code to permit use of flashing amber lights on District Supervisory vehicles to protect District vehicles and personnel at the scene of mechanical breakdowns.

Workers' Compensation

1. Require coordination of workers' compensation benefits with those payable for the same injury under the pension plan.
2. Modify the interest credit used in the computation of lump sum disability payments from 3%, which is now used, to 7%.
3. Establish an upper limit on reimbursement of physicians fees (in litigated cases) when used to prove their cases at about 1 1/3 times the fee set in the medical fee schedule by the Workers' Compensation Appeals Board.

Resolution
No. Assinged

R-79-539
(Continued)

4. Mandate that the employer receive a copy of the employee's complaint when the employee sues a third party in an action which could invoke employer liability.
5. Bar imputation of employee's contributory negligence against the employer in cases in which the employer sues a third party, whose negligence injured the employee, to recover workers' compensation payments made to such employee.
6. Provide that payments made by an employee for injuries sustained are conclusively presumed to have been reasonable, thereby eliminating the need for the employer to prove their reasonableness.

Director Neusom also moved approval of travel expenses for Directors to Washington in February to meet with the California delegation, which motion was seconded and carried as noted below, and the following resolution adopted:

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

Resolution
No. Assigned

R-79-540

RESOLVED, that travel by Directors to meet with the California delegation in Washington, D.C. in February, 1980, for the purpose of discussing potential funding issues is approved, and the Treasurer is authorized to pay expenses incurred in connection with said travel.

Consideration of Agenda Item No. 3

On motion duly made, seconded and carried by all members present, the Board recessed to Executive Session at 2:12 p.m. to receive a report on Agenda Item No. 3, the administration of the District's PL/PD program which may result in litigation.

The Board returned from Executive Session at 2:25 p.m. with Directors Hayward, Lewis, Neusom, Price, Richter, Storing and Takei responding to Roll Call.

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

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

Resolution
No. Assigned

R-79-541

RESOLVED, that the General Manager is authorized to give notice, in writing, to General Adjustment Bureau of the District's intention to cancel the agreement covering the administration of the District's Public Liability and Property Damage Program if the causes complained of are not corrected within 30 days of said notice; form of written notification subject to approval of the General Counsel.

There being no further business, the meeting adjourned at 2:26 p.m.


District Secretary