

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

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

December 19, 1978

On 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 1:10 p.m. on December 9, 1978, at which time Vice-President George Takei called the meeting to order.

Directors present:

Byron E. Cook	Jay B. Price
David K. Hayward	Ruth E. Richter
Mike Lewis	Charles H. Storing
Thomas G. Neusom	George Takei

Directors absent:

Donald Gibbs
Marvin L. Holen
Gerald B. Leonard

Staff present:

Jack R. Gilstrap, General Manager
Samuel W. Black, Manager of Operations
Jack Stubbs, Asst. General Manager for
Administration
Richard T. Powers, General Counsel
John S. Wilkens, Manager of Employee
Relations
Joe B. Scatchard, Controller-Treasurer-
Auditor
Richard Gallagher, Chief Engineer & Manager-
Rapid Transit
Robert Williams, Manager of Customer Relations
Paul Taylor, Director of Bus Planning
Richard K. Kissick, Secretary

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

Presentation of Certificates of Merit

Director Cook presented Certificates of Merit to Marilyn Boehm, Information Operator-of-the-Month, William R. Lasdon, Operator-of-the-Month, and Gene Hardemion, Maintenance Employee-of-the-Month.

Appearance of Representatives of Revitalize Hollywood Advisory Committee

Messrs. Mike Sims and Robert de Pietro, board members of the Revitalize Hollywood Advisory Committee, appeared before the Board and presented a resolution adopted by their Committee endorsing the District's rapid transit program, but recommending that a transit station be located in the area of the intersection of Hollywood Blvd. and Cahuenga, rather than at Selma and Las Palmas which the District had proposed.

Mr. Gallagher reported that he had met with members of the committee and understood the reasons for the suggestion, that it is possible to make changes in the configuration, but the problem is that the suggestion would add about a mile to the rapid transit line. He further reported that these are recommendations to be considered after comments have been received at the upcoming public hearings.

Appearance of Representatives of Revitalize
Hollywood Advisory Committee (Cont'd)

On motion of Director Hayward, seconded and unanimously carried, the suggestion was received and filed, with the understanding that the committee would be advised of the public hearings in order that they may appear and be heard.

Report of the Surface Operations Committee

On motion of Director Price, Chairman of the Surface Operations Committee, seconded and carried as noted below, Agenda Item Nos. 3 and 4 were approved, and the following resolutions adopted:

Resolution
No. Assigned

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

R-78-500

RESOLVED, that the lease negotiation policy on lease of District property and lease of other property by the District, a copy of which is attached to these Minutes as EXHIBIT 1, be and the same is hereby adopted.

R-78-501

RESOLVED, that the report dated December 4, 1978, a copy of which is filed with the Secretary, is approved, and the General Manager is authorized to execute agreements with the California Department of Transportation (Caltrans) covering leasing of airspace under the Interstate 10 Freeway, as follows:

Resolution
No. Assigned

R-78-501
(continued)

- a. employee parking at Division 2 for a five-year term at a monthly rental rate of \$1,400; and
- b. layover/operator restroom area at Location 28 for a five-year term at a monthly rental rate of \$950, with option for two extended terms of five years each;

form of agreements subject to approval of the General Counsel.

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 Nos 5 through 7 were approved, and the following resolutions adopted:

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

R-78-502

WHEREAS, the Special Purchasing Committee met on December 19, 1978, in accordance with the provisions of Section 8.3 (B)(4) of the Rules and Regulations, and recommended approval of Requisition No. 8-3400-13 in excess of \$500,000;

NOW, THEREFORE, BE IT RESOLVED, that Requisition No. 8-3400-13 together with specifications covering the procurement of fifty (50) intermediate buses, is approved, and the Purchasing Agent is authorized to call for bids thereon in accordance with the Rules and

Resolution
No. Assigned

R-78-502
(continued)

Regulations, at an estimated cost of \$5,300,000, subject to the concurrence of UMTA (UMTA Capital Project No. CA-03-0132); form of bid requirements and specifications subject to approval of the General Counsel.

R-78-503

RESOLVED, that the report dated December 12, 1978, a copy of which is filed with the Secretary, is approved, and all bids received under Bid No. CA-03-0132-P are rejected, and the Purchasing Agent is authorized to call for new bids with revised specifications covering the procurement of one four-wheel tractor with loader, which procurement is funded in part under UMTA Capital Grant Project No. CA-03-0132; form of revised bid requirements and specifications subject to approval of the General Counsel.

R-78-504

RESOLVED, that the report dated December 12, 1978, a copy of which is filed with the Secretary, is approved, and the bid submitted by Bob Johnson, GMC, Inc. under Bid No. CA-03-0106-L is rejected, and the General Manager is authorized to execute contracts to the lowest responsible bidders under the aforementioned bid number, covering procurement of eleven (11) pick-up trucks and six (6) heavy-duty vans, as follows:

- a. Robinson GMC, Inc.
9911 South Norwalk Blvd.
Santa Fe Springs, Calif

11 pick-up trucks at a cost of
of \$69,062

- b. Gianera - GMC
3345 Foothill Blvd.
LaCrescenta, Calif.

6 heavy-duty vans at a cost of
\$46,520

Resolution
No. Assigned

R-78-504
(contined)

subject to the concurrence of UMTA (UMTA Capital Grant Project No. CA-03-0106); form of contracts subject to approval of the General Counsel.

On motion of Director Storing, seconded and unanimously carried, consideration of a change order on the purchase of AM General Corp. buses was added to the agenda for consideration.

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

R-78-505

RESOLVED, that the report dated December 19, 1978, a copy of which is filed with the Secretary, is approved, and the General Manager is authorized to execute a change order to the AM General Corp. regarding a brake wear problem, which change order will contain provisions as outlined in the aforementioned report and will be a condition precedent to the release for delivery of the balance of the 200 bus procurement by AM General Corp., form of change order subject to approval of the General Counsel.

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

Resolution
No. Assigned

Report of the Customer Relations & Public
Information Committee

On motion of Director Richter, Chairman of the Customer Relations & Public Information Committee, seconded and carried as noted below, Agenda Item No. 8 was approved, as amended by the Committee, and the following resolution adopted:

R-78-506

RESOLVED, that the report dated December 19, 1978 regarding a marketing program in connection with the implementation of a Sunday Day Pass (Super Transfer) program, is approved, except that the Los Angeles Magazine Advertising and the helicopter advertising are removed from the program, making the total authorized expenditure for the marketing program in an amount not to exceed \$75,000;

RESOLVED FURTHER, that the staff is directed to bring back to the Board of Directors within 90 days a report on the results of the aforementioned program.

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

Report of the Rapid Transit Committee

Director Neusom, Vice-Chairman of the Rapid Transit Committee, reported that the committee had received a presentation of data

Resolution
No. Assigned

Report of the Rapid Transit Committee (Cont'd)
on rapid transit stations at the morning meeting of the committee.

Report of the Advance Planning Committee

Director Hayward, Chairman of the Advance Planning Committee, reported that the committee had carried Item No. 10, proposed route modifications to Line No. 25, over to the Board meeting in order to allow a representative from Councilman Snyder's office to appear.

Norma Tripodi, Chief Administrative Assistant to Councilman Snyder, appeared before the Board, and stated that the Councilman's main concern was that portion of the report recommending a change in the Griffen Avenue segment of Line No. 25, that three of the Councilman's deputies were involved, and requested that consideration of the changes be carried over to the next regular meeting of the Board.

After ascertaining from staff that this would not be a problem, on motion of Director Hayward, seconded and carried unanimously, the matter was carried over to the next regular meeting of the Board.

Resolution
No. Assigned

Report of the Advance Planning Committee (Cont'd)

On motion of Director Hayward, seconded and carried as noted below, Agenda Item No. 11, as amended by committee, was approved, and the following resolution adopted:

R-78-507

RESOLVED, that the General Manager is authorized to transmit to the California Transportation Commission the District's response to the Commission's Report on Transportation to the California Legislature as outlined in the report dated December 14, 1978, a copy of which is filed with the Secretary, except that a comment is to be added to said response regarding the need of funding for construction projects.

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

Director Hayward reported that with respect to Agenda Item No. 12, the Advance Planning Committee had reviewed the letter from the City of Gardena dated December 18 regarding the dispute with the City regarding the operation of the District's Line No. 96 in the City, which letter authorizes the District to use the south side of 141st Street, west of Normandie Avenue as a temporary layover zone pending the results of the ATE consultant review of the southerly portion of the District's Line No. 96, which

Resolution
No. Assigned

consultant study is being performed for the L.A. County Transportation Commission.

On motion of Director Hayward, seconded and carried unanimously, the report was received and filed.

Report of the Government Relations Committee

On motion of Director Neusom, Chairman of the Government Relations Committee, seconded and carried as noted below, Agenda Item No. 13 was approved, as amended by committee, and the following resolution adopted:

R-78-508

RESOLVED, that introduction of the following legislation (State of California) is approved:

a. Operations

Prohibit smoking and playing of radios and recorders on District buses while in revenue service.

b. Workers' Compensation

1. Limit payment for medical and dental reports to one-and-one-half times the cost of the examination;
2. Require notification to the District by the plaintiff's attorney prior to settlement of third party claims; and
3. Require that language in psychiatric reports relate directly to the ability to perform the job that the claimant held.

Resolution
No. Assigned

R-78-508
(continued)

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

Director Neusom reported that the General Manager had been requested to coordinate with Mr. Premo a date for a joint meeting of the District's Government Relations Committee and the L.A. County Transportation Commission's Inter-Governmental Relations Committee for the purpose of discussing legislative proposals.
(Director Lewis left the meeting at 1:43 p.m.)

Report of the Personnel Committee

Director Takei, Chairman of the Personnel Committee, reported that the committee had reviewed Agenda Item No. 14 (a), a recommendation regarding a contract amendment with the California Medical Group to increase its rates effective January 1, 1979 for certain non-contract employees, and had recommended approval of the report, together with a recommendation that the non-contract employees share in the dependent costs of the medical program be increased on an 88%-12% basis, with employees paying the 12% portion, moved approval of the recommendation, which motion was seconded.

Resolution
No. Assigned

Report of the Personnel Committee (Cont'd)

Director Storing objected to the proposal, stating that he felt that all non-contract employees should also share in the employees' cost, not just in the dependent share of the costs.

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

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

R-78-509

RESOLVED, that the report dated December 6, 1978, a copy of which is filed with the Secretary, is approved, and the General Manager is authorized to execute a contract amendment with the California Medical Group effective January 1, 1979, increasing the costs of non-contract medical coverage for certain employees; form of contract amendment subject to approval of the General Counsel.

R-78-510

RESOLVED, that non-contract employees with dependents are to share in the costs of the non-contract medical program on an 88%-12% basis, with non-contract employees paying the 12% portion, this ratio bring the same as in effect on January 1, 1975.

On motion of Director Takei, seconded and carried as noted below, Agenda Item No. 14 (b) was approved, and the following resolution adopted:

Resolution
No. Assigned

R-78-511

RESOLVED, that the report dated December 18, 1978, a copy of which is filed with the Secretary, is adopted, and the recognition program for re-tired employees as outlined in the aforementioned report is approved.

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

Report of the Finance Committee

On motion of Director Cook, Vice-Chairman of the Finance Committee, seconded and unanimously carried, the Operating Report for the month of November, 1978 was received and filed.

On motion of Director Cook, seconded and carried as noted below, Agenda Item No. 16 was approved, and the following resolution adopted:

R-78-512

RESOLVED, that the report dated December 19, 1978, a copy of which is filed with the Secretary, is approved, and the General Manager is authorized to request from the Urban Mass Transportation Administration permission for the District to achieve a goal of no buses older than twelve (12) years of age by Fiscal Year 1982, allow the use of equipment trust certificates, accommodate a critical facilities and non-bus capital program and to spread out the bus procurement program over a three-year period, and to request from the Urban Mass Transportation Administration a letter of intent for said multi-year funding program.

Resolution
No. Assigned

R-78-512
(continued)

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

Approval of the Consent Calendar

On motion of Director Richter, seconded and carried as noted below, Agenda Item Nos. 17 through 19 on the Consent Calendar were approved, and the following resolutions adopted:

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

R-78-513

RESOLVED, that Requisition No. 8-7200-72 is approved, and the General Manager is authorized to execute a contract amendment with Univac Corporation covering additional services of a computer system programmer in the amount of \$5,000; form of contract amendment subject to approval of the General Counsel.

R-78-514

RESOLVED, that the report dated December 12, 1978, a copy of which is filed with the Secretary, is approved, and the General Manager is authorized to execute a change order approving AM General Corporation's request for a 30-day delivery extension on Purchase Order 3399-1486 covering the procurement of thirty (30) articulated buses, in accordance with specifications ABC-1, Section 1, which procurement is funded in part under UMTA Capital Grant Project

Resolution
No. Assigned

R-78-514
(continued)

No. CA-03-0106; form of change order subject to approval of the General Counsel.

R-78-515

RESOLVED, that the report dated December 14, 1978 regarding a minor route modification to Line No. 493 - Los Angeles-Monrovia via Myrtle Street in the City of Monrovia, is approved, and the General Manager is authorized to include in the Official Route Descriptions Second Revised Page 493.

Director Special Items

The Secretary reported that Director Cook, Chairman of the Administration, Efficiency & Economy Committee, had requested that adoption of the Directors Policy Manual be placed on the agenda for the January 9, 1979 regular meeting, and that Director Cook had requested all Directors to review the manual prior to that meeting.

The meeting was adjourned at 1:50 p.m.



R. K. Kissick, Secretary

DISTRICT AS LESSOR

The District's varied holdings, and specialized lease requirements offer many different types of property services to the general marketplace, therefore, they cannot be treated as a single product or a single service business enterprise. Because of this, a policy cannot be developed which is all encompassing, and therefore, a rental guide or policy must be developed for each type of property.

A. Rental Policy

District properties shall be rented at the highest rate attainable considering all factors, whether positive or negative.

Three approaches shall be used to establish rental rates:

1. The Market Approach - consists of establishing the rental for a property at a rate equal to that being paid in the open real estate market for comparable properties.
2. The Cost Approach - consists of establishing the rental for a property at a rate that returns to the District:
 - a. District's administrative cost.
 - b. Maintenance expenses (if not paid by the lessee).
 - c. Depreciation (if a depreciable improvement is involved).
 - d. Suitable financial return on the current value of the land and/or improvements.
3. The Negotiated Approach - consists of establishing a rental rate based upon unique considerations not normally found in the open market and not reflected in the Cost Approach. Factors that could affect negotiations might be the strength of the tenant, the length of the rental term, or whether improvements are to be made to the leasehold.

(more)

District as Lessor Cont'd

Any one or all three approaches are inherent in most rental transactions, and no narrow policy can be ascribed to fit all situations, therefore, the property manager is authorized certain flexibility in order to make negotiations more equitable and fair to all parties.

DISTRICT AS LESSEE

The lease rates chargeable to the District as lessee shall be negotiated in compliance with the prudent application of sound economic principles, and the utilization of rental methods based upon the collective experience of other governmental bodies. It is the stated purpose of the District to pay fair market rent or less, based upon the negotiating expertise of staff.

The District shall utilize the same three approaches as lessee to establish rental value as is done when it is the lessor:

1. Market Approach
2. Cost Approach
3. Negotiated Approach

In all negotiations the Real Estate Manager will negotiate the most advantageous lease agreement attainable, subject to the approval of the Board.