

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

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

February 2, 1966

Upon notice duly given, the Directors of the Southern California Rapid Transit District met at a regular meeting in the District Board Room, 1060 South Broadway, Los Angeles, California, at 9:30 a.m. on February 2, 1966. In the absence of President Faull, Vice-President McMillan called the meeting to order and acted as Chairman throughout.

Directors Howard P. Allen, Mark Boyar, Allan F. Daily, Jr., Gordon R. Hahn, Leonard Horwin, Herbert H. Krauch, Don C. McMillan and Douglas A. Newcomb were present. Directors Kermit M. Bill, Harry A. Faull and Norman Topping were absent.

Also present were Acting General Manager Cone T. Bass; General Counsel Milton McKay; Treasurer and Auditor H. L. Black; Fiscal Consultant Walter J. Braunschweiger; Chief Engineer Ernest R. Gerlach; Director of Public Information John D. Kemp; Secretary Virginia L. Rees; and the public.

Approval of Minutes

The Minutes of the Regular Meeting held January 19, 1966 were approved.

### Temporary Route Diversions

After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the temporary route diversions affecting Lines 28, 34, 38, 52, 115 and 117, as described in report dated January 26, 1966 filed with the Secretary, be and the same are hereby ratified and approved.

### Changes of Bus Stop Zones

After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the report dated January 25, 1966 relating to bus stop changes, filed with the Secretary, be and the same is hereby ratified and approved.

### Report of Purchasing Committee

After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the Report of the Purchasing Committee for the period of January 19, 1966 through February 1, 1966, as discussed at this meeting and attached to these minutes as Exhibit 1, be and the same is hereby ratified and approved, and the appropriate payments are hereby authorized.

### Approval of Authorization For Expenditure No. 258

After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that Authorization For Expenditure No. 258, covering the purchase of a Blueprint Machine, at a cost not to exceed \$2,800.00, be and the same is hereby approved.

Approval of Payment to State Compensation Insurance Fund -  
Workmen's Compensation Excess Coverage Insurance

After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the Treasurer be and he hereby is authorized to pay to the State Compensation Insurance Fund the difference between the estimated premium of \$5,765.00 and partial payment made by District on or about January 5, 1966 of \$2,935.00, or the sum of \$2,830.00, for the period of November 5, 1965 to January 5, 1966 during which the District was insured on the \$25,000.00 lower level for excess Workmen's Compensation insurance.

Preliminary Annual Report

Mr. Black presented the Preliminary Annual Report for the calendar year 1965, which was ordered received and filed. A copy of said report is on file with the Secretary.

Withdrawal of Securities from Federal Reserve Bank

After discussion, upon motion duly made, seconded and unanimously carried, the following resolution was adopted:

WHEREAS, pursuant to the Agreement for Safe-keeping of Securities dated February 19, 1958, the Bank of America National Trust and Savings Association has on deposit with the Federal Reserve Bank of San Francisco the United States Government securities as security for deposits of money belonging to the District; and

WHEREAS, the Bank of America National Trust and Savings Association has advised that these deposits of securities now total \$18,000,000; and

WHEREAS, by letter dated January 26, 1966, F. S. Morse of the Bank of America National Trust and Savings Association has requested H. L. Black, Treasurer of the District, to furnish written authorization for the release to said Bank of eleven 4%

United States Treasury Bonds, numbered 2368 to 2378, inclusive, maturing August 15, 1973, and totalling \$11,000,000 face value; and

WHEREAS, the Treasurer advises that the market value of the remaining United States Government securities held by the Federal Reserve Bank of San Francisco pursuant to said Agreement for Safekeeping of Securities is equal to at least 110 per cent of the amount of the District's deposit with the Bank of America and that the amount of the District's said deposit does not exceed the face value of the remaining United States Government securities;

NOW, THEREFORE, BE IT RESOLVED, that H. L. Black, Treasurer, be, and he hereby is, authorized to deliver to the Federal Reserve Bank of San Francisco written authorization for the release of the 4% United States Treasury Bonds, numbered 2368 to 2378, inclusive, to the Bank of America National Trust and Savings Association; the said written authorization to be subject to the approval of the General Counsel.

#### Personnel & Administrative Procedures Committee Meeting

Director Allen, Chairman of the Personnel & Administrative Procedures Committee, announced that immediately following the Board Meeting a meeting of the Committee will be held.

#### Rapid Transit Legislation - Special Budget Session - February 1966 Statement of Position of District

After a full discussion, upon motion of Director Boyar, seconded by Director Hahn, and unanimously carried, it was

RESOLVED, that the Statement of Position of this Board of Directors relating to Rapid Transit Legislation, presented and discussed at this meeting, be and hereby is adopted subject to certain revisions to be made therein and subject to the final approval thereof by Directors Allen, Daily and Krauch.

A copy of the Statement of Position of the Board of Directors

relating to Rapid Transit Legislation as so revised and approved is attached to these Minutes as Exhibit 2.

Next Regular Meeting

After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the next regular meeting of the District be held at the District's Board Room in the Transit District Building, 1060 South Broadway, Los Angeles, California, at 9:30 a.m. on Wednesday, February 16, 1966.

There being no further business, the meeting adjourned.

Virginia L. Rose  
Secretary

REPORT OF PURCHASING COMMITTEE  
 FOR PERIOD OF  
 JANUARY 19, 1966 THROUGH FEBRUARY 1, 1966  
 TO DIRECTORS OF  
 SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

APPROVED THE FOLLOWING:

A. AUTHORIZATION FOR EXPENDITURE NO. 260: PURCHASE AND INSTALLATION AT SOUTH PARK SHOPS OF ONE (1) CHEST TYPE DEEP FREEZE (BUDGET ITEM 1-18), AT A COST NOT TO EXCEED \$225.00

B. REQUISITIONS OVER \$100, BUT LESS THAN \$1,000:

<u>NO.</u>	<u>VENDOR</u>	<u>COVERING</u>	<u>AMOUNT</u>	<u>A.F.E. NO.</u>
1000-9	NORMAN SCHALL & ASSOCIATES	REPORTING & TRANSCRIBING PROCEEDINGS RE ARBITRATION BETWEEN BRT & SCRTD	\$ 352.50	
2300-6	INTERN'L BUSINESS MACHINES CORP.	1 - 15" SELECTRIC TYPEWRITER	477.36	259A

C. VARIOUS REQUISITIONS FOR EQUIPMENT, MATERIALS, SERVICES, ETC., THE APPROPRIATIONS FOR WHICH HAVE PREVIOUSLY BEEN APPROVED BY THE DIRECTORS AND/OR MTA MEMBERS.

# STATEMENT OF POSITION

Board of Directors, SCRTD

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Rapid Transit Legislation  
Special Budget Session  
February 1966

The Board of Directors of Southern California Rapid Transit District is unanimous in its support of the approach to Rapid Transit legislation taken by the Carrell Committee and expressed in the two Committee bills (to be) introduced in the 1966 special budget session of the legislature.

We endorse the principle of the Carrell Committee bill for short-term financing which proposes:

1. That funds to complete the preliminary engineering and work with the community and with governmental entities in the District be made available to the District for those specific purposes;
2. That these funds be provided by a one-time, one-year direct levy by the Los Angeles County Board of Supervisors;
3. That the source of these funds be selected from a listing of special tax sources authorized and specified in the Carrell bill.

We further endorse the principle of the Carrell Committee's bill for long-term, construction bond financing which provides:

1. A listing of special tax sources from which one or a combination of several can be selected to provide funds to supplement net operating revenues and other moneys available to the District and in the amount necessary to retire construction bonds;

2. That ultimate approval of these special taxes to support construction bonds be subject to a 60 per cent vote of the people;
  3. That a general obligation back-up to the special tax sources may also be submitted to a 60% vote of the people, thereby qualifying the bonds for a substantially lower interest rate and materially decreasing the coverage required.
- District financial consultants state that the proposed special tax sources would provide for retirement of the construction bonds, making actual imposition of the general obligation back-up unnecessary. Nevertheless, inclusion of this traditional financial concept could result in savings of up to \$200 million over the life of the bonds.

A number of proposals have been made by others that State tidelands oil revenues or other alternate sources of funds be made available to help finance Rapid Transit construction. The application of alternate sources of funds could reduce the size of the construction bond issue or enable the District to build a larger initial system. They would be most welcome and deserve serious exploration and consideration. It appears, however, unlikely that such alternate sources could supply the entire \$40 million annually needed to retire the construction bonds. We therefore urge that any legislation designed to provide such alternate funds be considered separately and apart from the Carrell Committee bills and not be permitted to delay their enactment in the 1966 special session.