

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

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

June 23, 1965

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 June 23, 1965, at which time President Harry A. Faull called the meeting to order.

Directors Howard P. Allen, Kermit M. Bill, Robert F. Brandon, Harry A. Faull, Gordon R. Hahn, Leonard Horwin, Don C. McMillan and Douglas A. Newcomb were present. Directors Mark Boyar, Martin Pollard and Norman Topping were absent.

Also present were General Manager C. M. Gilliss; Manager of Operations 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 Information Guy G. Gifford; Secretary Virginia L. Rees; and the public.

The Minutes of the Regular Meeting held June 16, 1965 were approved.

RESOLVED, that the Purchasing Agent be and he hereby is authorized to dispose of used obsolete materials and supplies, and automotive parts for GMC Coach Models TDH-4502, TDH-4505 and TDH-4506, with an original inventory value of \$27,088.00, at a total price of \$5,000.00.

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 June 9, 1965 through June 22, 1965, 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.

Small Claims Court - Appointment of Representatives

At the request of General Counsel McKay, consideration of the appointment of individuals to represent the District in the Small Claims Court was put over until the next meeting.

Creation of Office of Acting General Manager

Upon approval of the eight Directors present, the matter of considering the creation of the office of Acting General Manager was placed on the agenda. Upon motion of Director Allen, seconded and unanimously carried, it was

RESOLVED, that the office of acting general manager be and hereby is created, being deemed necessary for the continued orderly administration of the affairs of the District during a period in which a vacancy in the office of general manager exists. The acting general manager shall exercise the powers and the duties of the office of general manager during such vacancy. He shall be appointed or removed from office by an affirmative vote of a majority of the members of the board and shall

serve at its pleasure. A vacancy in the office of acting general manager shall exist when the office of general manager is filled by appointment of the board. The person appointed may hold simultaneously another office at the District, but may receive salary from only one office. The acting general manager shall execute contracts, deeds or other documents of the District during such period as he holds office.

Appointment of Cone T. Bass as Acting General Manager

Upon approval of the eight Directors present, the matter of considering the appointment of an Acting General Manager was placed on the agenda. Upon motion of Director Allen, seconded and unanimously carried, it was

RESOLVED, that Mr. Cone T. Bass be and he hereby is appointed Acting General Manager of the District in addition to his duties as Manager of Operations, effective as of July 1, 1965, at a total annual salary of \$37,500.00, to serve at the pleasure of the Board of Directors.

C. M. Gilliss, General Manager, Resigned - Commendation of

After expressions of appreciation by each of the Directors to Mr. C. M. Gilliss for his outstanding performance as General Manager of the District, upon motion duly made, seconded and unanimously carried, the following resolutions were adopted:

WHEREAS, C. M. "Max" GILLISS, on June 30, 1965 is relinquishing the General Managership of the Southern California Rapid Transit District to enter private industry; and

WHEREAS, in becoming Vice President and Partner of Engineering Service Corporation of Los Angeles, he returns to private industry with an outstanding record of success as an administrator in public life; and

WHEREAS, as the first General Manager of the Southern California Rapid Transit District and the second Executive Director of the Los Angeles Metropolitan Transit Authority, he undertook one of the most challenging and difficult assignments facing anyone in public life in California; and

WHEREAS, during the six years between June, 1959 and June, 1965, when he served at the helm of the Los Angeles Metropolitan Transit Authority and the Southern California Rapid Transit District, he has brought into focus and implemented the planning necessary for proceeding to finance rapid transit construction in Los Angeles County; and

WHEREAS, at the same time he has served as chief of a vast bus network serving public transit riders in Los Angeles, Orange, Riverside and San Bernardino Counties of Southern California; and

WHEREAS, he brought with him to his position as Southern California public transit administrator a record of twenty years' service as a public official and transportation administrator in California; and

WHEREAS, this service included tenure as Los Angeles County Road Commissioner; Director of the State Department of Public Works and Chairman of the California Highway Commission, and Assistant Road Commissioner for Riverside County; and

WHEREAS, during the past twenty-five years he has brought credit to his organization and himself through service as a member of such professional organizations as the American Transit Association, American Society of Civil Engineers, the Institute of Traffic Engineers, the American Right-of-Way Association, the American Public Works Association, the American Road Builders Association, the Western Governmental Research Association, among others; and

WHEREAS, despite the burdening responsibilities required of the rapid transit and four-county bus service administrator for Southern California, he has found time to contribute to community, civic and fraternal activities; and

WHEREAS, at the same time he also has devoted his time and energy and talent to the advancement of beginning public service career people; and

WHEREAS, these contributions resulted in his receiving the first Outstanding Public Service Award of the esteemed Coro Foundation;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Southern California Rapid Transit District hereby desires to convey to C. M. "Max" GILLISS, in behalf of the community, its appreciation for his outstanding performance as General Manager of the District; and be it

FURTHER RESOLVED, that this Board of Directors hereby extends to Mr. Gilliss its sincere and heartfelt wishes for his continued success, in good health and happiness.

Report of Planned Economies of Operations of the System

Mr. Bass, Manager of Operations, presented a brief general report of proposed "Planned Economies in Operation," in response to the Board's direction at the June 16, 1965 Regular Meeting. A copy of said report dated June 23, 1965 is attached to these Minutes as Exhibit 2.

After discussion, upon motion duly made, seconded and unanimously carried, the report, entitled "Planned Economies in Operation," was ordered received and referred to the Coordinating Committee for a more detailed study and report to the Board.

Authorization to Sign Checks

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

RESOLVED, that the Bank of America National Trust and Savings Association as a designated depository of the Southern California Rapid Transit District be and it (including its correspondent banks) is hereby authorized, requested and directed

to honor all checks, drafts or other orders for the payment of money drawn in the District's name on its accounts (including those drawn to the individual order of any person or persons whose names appear thereon as signer or signers thereof) when bearing the facsimile signatures of the following, as indicated:

<u>Signed by:</u>	<u>Countersigned by any one of the following:</u>
H. L. Black, Treasurer	Harry A. Faull, President
J. L. Pujol, Assistant Treasurer	Don C. McMillan, Vice-President
T. V. Collins, Assistant Treasurer	Cone T. Bass, Acting General Manager
W. Taylor, Assistant Treasurer	

and the Bank of America National Trust and Savings Association (including its correspondent banks) shall be entitled to honor and to charge the District for all such checks, drafts or other orders for the payment of money, regardless of by whom or by what means the actual facsimile signature or signatures thereon may have been affixed thereto, if such facsimile signature or signatures resemble the facsimile specimens from time to time filed with the Bank of America National Trust and Savings Association by the Secretary or other officer of the District. That all previous authorizations for the signing and honoring of checks, drafts or other orders for the payment of money drawn on the said Bank of America National Trust and Savings Association by the District are hereby continued in full force and effect as amplified hereby.

RESOLVED FURTHER, that the President and Secretary be and they are hereby authorized to execute a Certificate of Authority of Officers to the Bank of America National Trust and Savings Association certifying that the officers named therein have been duly elected and are now qualified to sign as such officers on behalf of the District; that the specimen signatures appearing opposite the names and titles on the Certificate of Authority of Officers are the genuine signatures of such officers and that the Bank of America National Trust and Savings Association, Corporate Trust Department, is authorized to

recognize these signatures until written notice to the contrary is given to said Bank.

Authorization to Sign Orders and Certificates

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

RESOLVED, that Harry A. Faull, President, Don C. McMillan, Vice-President, Cone T. Bass, Acting General Manager, H. L. Black, Treasurer, and J. L. Pujol, Assistant Treasurer, of the Southern California Rapid Transit District (successor to Los Angeles Metropolitan Transit Authority), be and each of them is hereby authorized - acting alone - to sign orders to the Bank of America National Trust and Savings Association as Trustee under the Trust Indenture dated as of January 1, 1958 for withdrawals from the Construction Fund and any and all other funds wherein the Bank of America requires an order from an authorized person of the District to prepare a check against any such fund, and to sign as Authorized Officer any certificate, report, or other document which may be required by the Bank of America in support of any such order and which under the provisions of the said Trust Indenture must be signed by an Authorized Officer, and to sign such Certificates of Compliance with the provisions of the said Trust Indenture as may be requested by Bank of America; and to sign such Officer's Certificates as may be required by Bank of America National Trust and Savings Association or United California Bank pursuant to Section 4.08 of the Equipment Trust Agreement dated as of March 1, 1958, Section 4.08 of the First Supplemental Equipment Trust Agreement dated as of December 1, 1958, Section 4.08 of the Equipment Trust Agreement dated as of December 1, 1959, or Section 4.08 of Equipment Trust Agreement dated as of September 1, 1961 as supplemented by Equipment Trust Agreement dated as of January 1, 1963, and to sign such Certificates of Compliance with the provisions of the said Equipment Trust Agreements and Supplemental Equipment Trust Agreements as may be requested by Bank of America or United California Bank.

RESOLVED FURTHER, that the Chief Engineer be and he is hereby authorized to make and execute the certificate required by Section 510(c) of the Trust

Indenture dated as of January 1, 1958 in support of any direction to the Trustee for expenditures from the Depreciation Reserve Fund.

Report of C. M. Gilliss - District's Legislative Program
and H.R. 766

At the request of Director Hahn, Mr. Gilliss reported that Senate Bills 997 and 998, as amended, had not been enacted into Law by the Legislature. He reported that House Resolution No. 766, a copy of which is attached to these Minutes as Exhibit 3, had been passed, which directed the Assembly Committee on Rules to assign to an appropriate interim committee for study the methods of financing the Southern California Rapid Transit District and directed such committee to report its findings thereon to the Assembly no later than the fifth legislative day of the 1967 Regular Session.

It was the consensus of the meeting that communications be addressed by the President of the District to the Speaker of the Assembly, the Chairman of the Rules Committee and the Chairman of the Transportation Committee of the Assembly urging that the interim study committee under H.R. 766 be appointed immediately and requested to accelerate its work in order to report its findings and recommendations to the Legislature on January 1, 1966, and that the Governor be requested to place the matter of rapid transit financing on special call in the 1966 Budget Session of the Legislature.

Upon motion duly made, seconded and unanimously carried, the following resolutions were unanimously adopted:

WHEREAS, the State Legislature created the Southern California Rapid Transit District to solve the area's critical transportation problems and to build the much needed rapid transit system; and

WHEREAS, every year's delay in the rapid transit project adds approximately \$30,000,000 through inflation to construction costs; and

WHEREAS, community leaders, governmental officials, news media and the general public throughout the county have called for an early solution to the key problem of financing; and

WHEREAS, the Assembly, in H.R. 766 (1965 Regular Session), has responded to this imperative need by directing the Assembly Committee on Rules to assign to an appropriate interim committee for study the methods of financing the Southern California Rapid Transit District, and has instructed such committee to report its findings to the Assembly no later than the 1967 Regular Session;

NOW, THEREFORE, BE IT RESOLVED, that the Southern California Rapid Transit District commends the Assembly on this action and respectfully urges that the interim study committee be appointed immediately and requested to accelerate its work in order to report its findings and recommendations to the Legislature on January 1, 1966; and

RESOLVED FURTHER, that the Transit District offers to assist the interim committee in every way possible by making available to the committee the district's professional staff, engineering consultants and all district studies and information pertaining to rapid transit; and

RESOLVED FURTHER, that contemplating conclusion of the legislative study by January 1, 1966, the Transit District Board of Directors hereby respectfully requests the Governor to place the matter of rapid transit financing on special call in the 1966 Budget Session of the Legislature.

Don Sheets, General Chairman of BRT - Appointed as Deputy
Director of State Department of Employment

President Faull announced that Mr. Don Sheets, General Chairman of the Brotherhood of Railroad Trainmen, had just

been appointed by the Governor as Deputy Director of the State Department of Employment.

Color Scheme of Coaches & Automotive Equipment - Selection of

After discussion, upon motion of Director Allen, seconded and unanimously carried, it was

RESOLVED, that the matter of the selection of a new color scheme for the District coaches and automotive equipment be and hereby is to be determined by the Management of the District.

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, June 30, 1965.

Executive Session re Personnel Matters

President Faull thereupon called an Executive Session to discuss personnel matters and the Directors retired to the Conference Room for the session.

Upon the return of the Directors to the Board Room, the meeting adjourned.

Virginia R. Rees
Secretary

REPORT OF PURCHASING COMMITTEE
FOR PERIOD OF
JUNE 9, 1965 THROUGH JUNE 22, 1965
TO DIRECTORS OF
SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

APPROVED THE FOLLOWING:

A. REQUISITION OVER \$100, BUT LESS THAN \$1,000:

<u>NO.</u>	<u>VENDOR</u>	<u>COVERING</u>	<u>AMOUNT</u>	<u>A.F.E.</u> <u>NO.</u>
MO 5-65	AMERICAN TRANSIT ASSOCIATION	27 - ANNUAL SUBSCRIPTIONS TO ATA "PASSENGER TRANSPORT" COM- MENCING 6/25/65	\$ 132.00	

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

June 23, 1965

TO ALL DIRECTORS OF THE
SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

Subject: Planned economies in operations

As requested at your meeting of June 16, 1965, a report of planned economies in operations is herewith submitted.

Reports for the first five months of 1965 indicate a decrease in passengers amounting to 3-1/2%, whereas vehicle mileage has only been reduced by 1.66%. Instructions have been issued to reduce vehicle mileage by an additional amount of approximately 2%, thereby bringing relationship between passengers and vehicle mileage back to a proper balance.

These changes will become effective with the resumption of school schedules in September and will effect a savings of approximately \$600,000 per year in operating expenses.

In addition to the above, it is contemplated that reduction in payroll and associated costs in Administration, Engineering and Public Information departments can be effected in the approximate amount of \$100,000 per year.

When these changes become effective, total operating costs would be reduced by about \$700,000 per year, resulting in a proper balance between revenue and expenses.

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HOUSE RESOLUTION NO. 766

Relative to the Southern California Rapid Transit District.

WHEREAS, There is a dire and urgent need for a solution to the problem of rapid transit in Southern California; and

WHEREAS, The need for financing rapid transit system for such area is imperative; now, therefore, be it

Resolved by the Assembly of the State of California, That the Assembly Committee on Rules is directed to assign to an appropriate interim committee for study the methods of financing the Southern California Rapid Transit District, and to direct such committee to report its findings thereon to the Assembly no later than the fifth legislative day of the 1967 Regular Session.