

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

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

March 16, 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 March 16, 1966, at which time President Harry A. Faull called the meeting to order.

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

Also present were Acting General Manager Cone T. Bass; Assistant General Manager Jack R. Gilstrap; 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 March 2, 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 7, 8, 9, 15, 41 and 60, as described in report dated March 8, 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 March 8, 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 March 2, 1966 through March 15, 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.

Report of Purchasing Agent - Statement of Material and Supplies Account

The Acting General Manager reported that, pursuant to Section 8.6 E of the Rules and Regulations, the Purchasing Agent had submitted Statement of Material and Supplies Account for the month of January, 1966, a copy of which report is on file with the Secretary.

Changes in Route Description - Line No. 74

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

RESOLVED, that the Manager of Operations be and he hereby is authorized to make those changes in route on Line No. 74 in the vicinity of San Fernando Valley State College, as discussed at this meeting and as described in report dated March 9, 1966 filed with the Secretary, effective as of March 28, 1966; subject to the prior approval of the Consulting Engineer;

RESOLVED FURTHER, that the Manager of Operations be and he hereby is authorized to make appropriate revisions in the Official Route Authorizations of the District as adopted November 5, 1964 to reflect the above described changes in route description.

Approval of Authorization For Expenditure No. 266

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

RESOLVED, that Authorization For Expenditure No. 266, covering the purchase and installation at South Park Shops of one (1) 9" Radial Drill Press, complete with Universal Table, at a cost not to exceed \$10,500.00, be and the same is hereby approved.

Approval of Authorization For Expenditure No. 267

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

RESOLVED, that Authorization For Expenditure No. 267, covering purchase, by judgment to be entered by stipulation in eminent domain proceedings, Superior Court No. 858,653, Ruth List Wright, Defendant, of that certain real property located at 632 South Maple Avenue, Los Angeles, California, more particularly described as follows:

Lot 21 of the Reyes Vineyard Property, in the

City of Los Angeles, County of Los Angeles,
State of California, as per map recorded in
Book 59 Page 92, Miscellaneous Records of
said County,

at a cost not to exceed \$85,400.00, be and the same
is hereby approved.

Approval of Authorization For Expenditure No. 268

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

RESOLVED, that Authorization For Expenditure
No. 268, covering purchase, by judgment to be
entered by stipulation in eminent domain proceed-
ings, Superior Court No. 858,653, Southern Pacific
Company (successor to Pacific Electric Railway Com-
pany), Defendant, of that certain real property
fronting on Wall Street, adjacent and contiguous
on the north to the premises at 639 South Wall
Street, Los Angeles, California, more particularly
described as follows:

A tract of land in the City of Los Angeles,
County of Los Angeles, State of California,
described as follows:

Beginning at a point in the westerly line
of Wall Street, 60.00 feet wide, distant
northerly thereon 329.85 feet from the
northerly line of 7th Street, 80.00 feet
wide; thence northerly along said westerly
line a distance of 23.42 feet to a point
established by the easterly prolongation
of the northerly property line of Lot 21,
Reyes Vineyard Property, and said westerly
line; thence westerly along the easterly
prolongation of the northerly line of Lot
21, Reyes Vineyard Property, a distance of
58.22 feet to the Reyes Vineyard Property,
as shown on map recorded in Book 59 Page
92 of Miscellaneous Records, in the office
of the County Recorder of said county;
thence southerly along the easterly line
of the Reyes Vineyard Property a distance
of 25.00 feet, to the southwesterly corner
of the land described in the deed to
Pacific Electric Land Company, recorded on

November 20, 1914 as Instrument No. 63, in Book 5923 Page 231 of Deeds, in said office of the County Recorder; thence easterly along the southerly line of the land described in said deed a distance of 59.92 feet to the point of beginning,

at a cost not to exceed \$18,945.92, be and the same is hereby approved.

Approval of Lease Agreement with Hugh Adams, Lessee - 642 South Maple Avenue, Los Angeles

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

RESOLVED, that the Acting General Manager be and he hereby is authorized to execute on behalf of the District a month-to-month lease agreement between the District, as Lessor, and Hugh Adams, Lessee, covering the northerly 40 feet of the property located at 642 South Maple Avenue, Los Angeles, commencing March 1, 1966 at a monthly rental of \$250.00; form of lease agreement subject to approval of the General Counsel.

Renewal of Comprehensive Dishonesty, Disappearance and Destruction Bond - Acceptance of Low Bid

After discussion, upon motion duly made, seconded and unanimously carried, the following resolutions were adopted:

WHEREAS, on February 25, 1966, notice inviting bids for renewal of the District's Comprehensive Dishonesty, Disappearance and Destruction Bond for a three-year period commencing March 23, 1966 was published in the Metropolitan News and, in addition, copies of the specifications therefor were sent to various insurance brokers on the District's bidding list; and

WHEREAS, four responsive bids were received in response to said invitation to bid (Brander & Company, Marsh & McLennan, Olympic Insurance Agency and Transwest Insurance Brokers); and

WHEREAS, said four sealed bids were opened at 10:00 a.m. on March 14, 1966; and

WHEREAS, the Director of Purchases & Stores has certified the bid of Transwest Insurance Brokers (representing Aetna Casualty and Surety Company) as the lowest responsible bidder;

NOW, THEREFORE, BE IT RESOLVED, that the bid of Transwest Insurance Brokers (representing Aetna Casualty and Surety Company) in the amount of \$7,870.00 for the issuance to the District of a Comprehensive Dishonesty, Disappearance and Destruction Bond for a three-year period commencing March 23, 1966, be and the same is hereby accepted;

RESOLVED FURTHER, that the Insurance Manager be and he is hereby authorized to accept in writing the bid of Transwest Insurance Brokers.

Transit Casualty Company - Extension of Agreement dated April 10, 1964 covering District's Self-insured Workmen's Compensation Program

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

RESOLVED, that the Acting General Manager be and he hereby is authorized to execute on behalf of the District an extension of agreement dated April 10, 1964 with Transit Casualty Company covering the administration of the District's self-insured Workmen's Compensation program from March 1, 1966 until cancelled by either party on 90 days' written notice; form of extension agreement subject to approval of the General Counsel.

Disposal of Two (2) Used Surplus Model TDH-3610 G.M.C. Coaches

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

RESOLVED, that the Purchasing Agent be and he hereby is authorized to dispose of two used surplus Model TDH-3610, Type 6600, G.M.C. Diesel Coaches, numbered 6604 and 6626, at a minimum price of \$2,250.00 each, pursuant to Article IX of the Rules

Archbishop of Los Angeles to purchase from the District its interest in the remaining 3rd Street and Wilton Place right of way property at a cash price of \$10,000.00 was added to the agenda.

After discussion, upon motion duly made, seconded and unanimously carried, the following resolutions were adopted:

WHEREAS, it is the determination of the District that the remaining Third Street and Wilton Place right of way property consisting of an inside parcel 40 feet by 150 feet (6,000 square feet), in the city of Los Angeles, county of Los Angeles, state of California, more particularly described as:

A portion of that certain strip of land as shown in the deed to the Los Angeles Railway Corporation, being a part of the north one-half of the northeast quarter of the southeast quarter of Section 23, Township 1 South, Range 14 West, S. B. M., recorded in Book 2824 Page 77 of Deeds, in the office of the County Recorder of Los Angeles County, and described as follows:

A strip of land parallel with and distant 20 feet westerly of the westerly line of Westminster Square, recorded in Book 9 Page 49 of Maps, in the office of said County Recorder, and extending northerly from the westerly prolongation of southerly line of Lot 67 to the westerly prolongation of the northerly line of Lot 65, a distance of 150 feet,

and

A portion of that certain strip of land as shown in the deed to the Los Angeles Railway Corporation, being a part of the northwest quarter of the southeast quarter of Section 23, Township 1 South, Range 14 West, S. B. M., recorded in Book 2824 Page 75 of Deeds, in the office of the County Recorder of Los Angeles County, and described as follows:

A strip of land parallel with and distant 20 feet easterly of the easterly line of Van Ness Avenue Square, recorded in Book 15 pages 114 and 115 of Maps, in the office of said County Recorder, and extending northerly from the easterly prolongation of the southerly line of Lot 8 to the easterly prolongation of the northerly line of Lot 10, a distance of 150 feet,

is not needed for its requirements or for the purpose of carrying out the provisions of the Southern California Rapid Transit District Law, and that such property is not necessary, appropriate, profitable to or for the best interest of the District and the System; and

WHEREAS, the value of said real property consisting of 6,000 square feet was appraised on March 11, 1966 by an independent appraiser at \$1.50 per square foot, or a total of \$9,000.00; and

WHEREAS, an offer in the amount of \$10,000.00 to purchase the above described property has been received from the Roman Catholic Archbishop of Los Angeles, the owner of adjoining property; and

WHEREAS, the Acting General Manager recommends the acceptance of said offer of \$10,000.00;

NOW, THEREFORE, BE IT RESOLVED, that the offer of the Roman Catholic Archbishop of Los Angeles in the amount of \$10,000.00 covering the property above described be, and the same is hereby accepted; subject to the approval of the Consulting Engineer;

RESOLVED FURTHER, that the Acting General Manager and the General Counsel be and they hereby are authorized to take any and all actions necessary to complete the sale of said property, including the relinquishment by the District of right of way and easement for roadway purposes reserved in quitclaim deed dated February 9, 1965 to the Roman Catholic Archbishop of Los Angeles (recorded February 17, 1965 as Document No. 4172 in Book D2802 Page 813 of Official Records of Los Angeles County), and to agree to the normal expenses of escrow.

Approval of Disposal of Excess Parts and Units for Model
TDH-3610 G.M.C. Diesel Coaches

Upon approval of the nine Directors present, the matter of considering the authorization of the disposition of certain excess, used or reconditioned parts and units for Model TDH-3610 G.M.C. Diesel Coaches was added to the agenda. After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the Purchasing Agent be and he hereby is authorized to dispose of certain excess, used or reconditioned parts and units for Model TDH-3610 G.M.C. Diesel Coaches (as described in Application For Authority To Sell or Trade-in Surplus Property No. 66-3), at a total minimum price of \$1,462.00, pursuant to Article IX of the Rules and Regulations and subject to the prior approval of the Consulting Engineer.

Introduction of Representatives of League of Women Voters

President Faull introduced the following representatives of the League of Women Voters to the meeting:

Mrs. Pat Russell, President of League of Women
Voters of Los Angeles County

Mrs. Martha Lord
Mrs. Elizabeth Marsh
Mrs. R. M. Wilson, Director of Transit Study

Report on Rapid Transit Legislation


At the request of Director Allen, Mr. Gilstrap reported briefly on the status of Assembly Bill Nos. 38 and 39.

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, April 6, 1966.

There being no further business, the meeting adjourned.


Secretary

REPORT OF PURCHASING COMMITTEE
FOR PERIOD OF
MARCH 2, 1966 THROUGH MARCH 15, 1966
TO DIRECTORS OF
SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

APPROVED THE FOLLOWING:

- A. AUTHORIZATION FOR EXPENDITURE NO. 269: PURCHASE AND PREPARATION FOR SERVICE OF ONE (1) "ONAN" PORTABLE 5000 WATT ENGINE GENERATOR SET, COMPLETE WITH CARRYING FRAME, AT A COST NOT TO EXCEED \$800.00.

- 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>
1000-14	DAVID ZISKIND	PROFESSIONAL SERVICES RENDERED IN ARBITRATION OF BRT V. RTD, SICK LEAVE, ARTICLE 47	\$ 375.00	
2200-13	BROWN'S TEMPORARY PERSONNEL	TEMPORARY OFFICE SERVICES (2/14/66 THRU 2/18/66)	113.15	
2200-14	ASSOCIATED DESK	1 - TYPEWRITER DESK, MODEL PD 6380	154.25	265A
2200-16	FRIDEN, INC.	1 - FRIDEN CALCULATOR #ST W 10	915.20	265C
3314-75	GARRETT SUPPLY CO.	1 - 3-TON CAPACITY, MODEL B, STANDARD PULLER	118.56	265B

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

COPY

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

Information Report On Acquisition By
SCRTD Of Local Operating Bus Companies

The SCRTD law (Section 30638) and Section 1002 of its Trust Indenture place upon the district extensive legal obligations which can be summarized as requiring the establishment by the district of bus fares which "shall be sufficient" to pay all operating and debt expenses, and insofar as practical will make the bus system self-supporting. The district receives no public moneys or tax subsidy. Its sole source of revenues are bus fare revenues.

The current district indebtedness evidenced by the issuance of revenue bonds and equipment trust certificates is \$37,800,000.00. The district has in the past acquired operating bus companies or extended its lines either through the purchase of companies when funds remained in its Construction Fund or more practically through the taking over of parts of the bus lines after the liquidation of an operating company.

Characteristics of distressed bus companies offered for acquisition, whether public or private, which may be present are inadequate or obsolete equipment, unprofitable lines, unstable fares and revenue, decreasing passenger volume, burdensome contractual obligations, reliance upon public moneys or tax subsidy, and related transportation matters. The district upon request studies each such phase of the bus operations and financial affairs of a company. The district may not conduct a charter bus operation and hence charter bus income which is a significant part

of the revenues of most operating companies cannot be considered.

Some bus lines are subsidized by their local governments and an acquisition by the district would result in a termination of that tax income.

The district by law and under its Trust Indenture before it could issue additional bonds to finance an acquisition is obligated under Section 302 of the Trust Indenture to secure from the office of the Consulting Engineer established under the Trust Indenture a certificate based upon an audit by independent accountants that the revenues of the district then exceed operating expenses by at least 200% of the costs of the financing of the additional bonds, and that the district's revenues would after the purchase of a bus company involving additional operating expenses continue to so exceed operating expenses. A similar trust duty applies to a proposed construction or extension of new facilities to be financed by the issuance of additional bonds.

No change in the existing bus system, the addition of new services or the adoption of reduced fares can be made if a proposed change adversely affects net revenues or impairs the ability of the district to meet its financial obligations in the opinion of the Consulting Engineer. The providing of free service is prohibited. No lease or agreement may be entered into which impairs or impedes the operations or revenues of the district or the rights or security of the bondholders.

Prior to the time that an efficient high-speed rapid transit system is established in Los Angeles County the acquisition of local bus companies has to be evaluated on an individual basis under the above criteria. Be-

cause of such conditions the taking over of a part but not all the lines of an operating company (after its liquidation has been approved by the Public Utilities Commission) provides the most feasible method of the district helping to relieve critical local transportation problems.

March 14, 1966