

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

Minutes of Special Meeting of
the Board of Directors of the District

November 29, 1966

Upon notice duly given, the Directors of the Southern California Rapid Transit District met at a special meeting in the District Board Room, 1060 South Broadway, Los Angeles, California, at 10:30 a.m. on November 29, 1966, at which time President Harry A. Faull called the meeting to order.

Directors Howard P. Allen, Kermit M. Bill, Allan F. Daily, Jr., A. J. Eyraud, Jr., Harry A. Faull, Gordon R. Hahn, David K. Hayward, Herbert H. Krauch, Don C. McMillan and Douglas A. Newcomb were present. Director Norman Topping was absent.

Also present were General Manager Dale W. Barratt; Assistant General Manager Jack R. Gilstrap; General Counsel Milton McKay; Manager of Operations M. Edwin Wright; Treasurer and Auditor H. L. Black; Fiscal Consultant Walter J. Braunschweiger; Director of Planning and Engineering John Curtis; Director of Public Information John D. Kemp; Consultant Cone T. Bass; Secretary Virginia L. Rees; and the public.

Adoption of Subsidy Report Requesting City of Los Angeles
and County of Los Angeles to Provide District with a
Public Subsidy

Director McMillan, Chairman of the Operations and Budget Committee, reported that it was the Committee's recommendation that the Subsidy Report dated November 10, 1966, presented to this meeting, be adopted as the position of the District on the subsidy issue and, further, that the Report and proposal be transmitted to the City of Los Angeles and the County of Los Angeles, with the offer of the District's fullest cooperation and willingness to work with the appropriate committees of the Council and with the Board of Supervisors in achieving a workable solution to this vital community need.

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

WHEREAS, a system of effective public transportation is an essential element in the economic, social and cultural development of a great metropolitan area and its people; and

WHEREAS, in the Los Angeles metropolitan area more than one million people do not own a family automobile and more than one and a half million persons over the age of fifteen do not have a driver's license and must rely on public transportation; and

WHEREAS, more than three million people in this metropolitan area, having only one family car, are frequently dependent on public transportation; and

WHEREAS, over three-quarters of a million school students and senior citizens in the Los Angeles metropolitan area annually use public transportation and benefit from the reduced fares provided; and

WHEREAS, the Southern California Rapid Transit District, a public corporation, was created for the purpose and does, in fact, provide more than 80 per

per cent of the public transportation so vital to the continuing growth of this area; and

WHEREAS, given no source of funds other than the farebox, the District has demonstrated its ability to efficiently provide a maximum amount of service per transportation dollar and has not raised fares for over four years; and

WHEREAS, labor, maintenance and equipment costs incurred by the District have followed the classic patterns of continuous escalation; and

WHEREAS, estimated District passenger revenue for 1967 - based on the current fare structure - is some \$3.5 million less than the cost of maintaining the present level of service and will require, in the absence of other financial support, a major fare increase by June 1, 1967 to satisfy the requirements of the District bond indenture; and

WHEREAS, a substantial fare increase is not in the best public interest because it will further reduce service and restrict those citizens of this area who need public transportation the most but who can afford it the least; and

WHEREAS, the providing of all public services necessary to the public good, among which adequate public transportation is clearly included, is a function and responsibility of both the city and county of Los Angeles; and

WHEREAS, Los Angeles stands as the only major metropolitan area which is not subsidizing its public transportation system; and

WHEREAS, before resorting to a fare increase as the only available course of independent action, it is earnestly desired that a community decision - through duly elected representatives of the city and county of Los Angeles - should be made regarding the granting of a subsidy from public funds which would make a fare increase unnecessary; and

WHEREAS, the urgent nature of the financial crisis faced by the District compels prompt and positive action by the Council of the City of Los Angeles and by the Board of Supervisors of the County of Los Angeles;

NOW, THEREFORE, BE IT RESOLVED, that the Board

unanimously carried, it was

RESOLVED, that Lease Agreement dated March 1, 1964 as amended between the District, Lessor, and Transit Casualty Company, Lessee, covering the 4th Floor and Basement Rooms 1, 2 and 21 of the Transit District Building be and hereby is terminated in accordance with the terms of Paragraph 2 of said Lease Agreement as amended.

Director McMillan reported that progress is being made in securing the support of TASC and SKAG for the District's application now pending before HUD.

There being no further business to come before the meeting, it adjourned.

Virginia L. Keas
Secretary