

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

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

October 28, 1976

On notice duly given, the Board of Directors of the Southern California Rapid Transit District met at a special meeting in the District Board Room, 425 South Main Street, Los Angeles, California, at 1:00 p.m. on October 28, 1976, at which time President Byron E. Cook called the meeting to order.

Directors present:

Byron E. Cook
Donald Gibbs
Marvin L. Holen
Mike Lewis
Thomas G. Neusom

Jay B. Price
Ruth E. Richter
Charles H. Storing
George Takei
Baxter Ward

Director absent:

George W. Brewster

Staff present:

Jack R. Gilstrap, General Manager
George W. Heinle, Manager of Operations
Jack Stubbs, Asst. General Manager for Administration
John S. Wilkens, Manager of Employee Relations
Richard T. Powers, General Counsel
George L. McDonald, Manager of Planning & Marketing
Joe B. Scatchard, Controller-Treasurer-Auditor
Mike Olivas, Deputy Administrator-Equal Employment
Opportunities
Robert Williams, Manager of Customer Relations
Helen M. Bolen, Assistant Secretary

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

Agenda Item No. 1 - Consideration of Fare Increase Tabled

President Cook addressed the Board concerning his reasons for placing an item concerning a fare increase on the agenda. Facts relating to the County's financial plight, as well as the District's operation for four months into the fiscal year without a signed agreement with the County, and the District's inability to plan and operate the system in a business-like manner due to the uncertainty of RTD's financial position were cited and led to the suggestion of a modest fare increase. President Cook then posed a number of questions to the staff relating to a possible fare increase and its impact on the District, including the level of increase needed to offset County help, the expected deflection of ridership, whether the loss of County subsidy could be offset by service reductions, and what effect the termination of the County subsidy would have on the District's long-range planning, in particular on the projected \$20 million deficit next year.

Staff stated that an increase of five cents in the base fare would raise approximately \$4.2 million, with a 3 to 3-1/2 percent decline in ridership. Further, that service reductions could not be put into effect to produce the economies required without using a 'meataxe' approach, which would mean removing entirely (as opposed to modestly adjusting) the seventeen (17) lowest producing lines of the District. Also, a termination of the County subsidy at this time, with a fare increase,

would allow the District to properly embark upon a course of action to be taken to deal with the projected \$20-21 million deficit for next fiscal year based on the current levels of service and fares.

There was discussion concerning the fact that the District has felt the impact of the lack of an executed contract with the County since the beginning of the fiscal year, and that the District could implement a fare increase within one week of the time it is approved by the Board.

General Counsel Powers informed the Board of their responsibility on the question of the environmental impact of a fare increase. These responsibilities would be to instruct staff to evaluate the impact of a fare increase and if the results of the staff evaluation found there would be no significant impact on the environment, then the Board's responsibilities would have been met. If the staff study found that there was a possibility of a significant impact on the environment, then an analytical study could be ordered and the proper declaration would have to be filed. The Board was assured that the environmental impact process would not hold up the implementing of a fare increase.

Director Holen stated that the County subsidy is about 2% of the annual budget and that he felt a thinning of service process would be a variable instead of an increase in fare.

Resolution
No. Assigned

President Cook moved that the matter be referred to staff for study and placed back on the agenda within two weeks, with staff to further determine if it is necessary to file an Environmental Impact Report or if this matter can be handled with a negative statement, which motion was seconded.

Director Neusom inquired of Director Ward if the tax rate has been set and if the District's refusal of the subsidy would have any effect on the existing tax bills.

Director Ward responded that the refusal would have no effect whatever because it was the County's understanding that the RTD was interested in the subsidy and it is a part of the budget. If refused, Supervisor Ward stated that any funds saved from the anticipated County subsidy of RTD would not be spent this year but, rather, would be applied to reserves to be carried over next year.

Director Neusom moved that consideration of this matter of a fare increase be tabled until after the meeting with the County of Los Angeles, which motion was seconded and carried on a Roll Call vote as noted below and the following resolution was adopted.

R-76-480

RESOLUTION NO. R-76-480

RESOLVED, that Agenda Item No. 1 concerning consideration of fare increase, be tabled until after the Finance Committee's meeting with the County of Los Angeles Board of Supervisors on November 4, 1976.

Ayes: Neusom, Holen, Price, Richter,
Takei, Ward

Noes: Cook, Gibbs, Lewis, Storing

Abstain: None

Absent: Brewster

Resolution
No. Assigned

Director Ward commented that he felt the County and the District had a moral obligation to the taxpayers. If the District wished to refuse the subsidy, it should have done so at the time the County budget hearings were reopened. Director Ward also stated that if this question is raised before the County Board of Supervisors, he feels that the issue of minibus funding would be discussed.

President Cook commented that he opposed the County subsidy from the beginning for the very reasons we are today discussing a fare increase, the diminution of subsidy. Director Gibbs stated that the District's last subsidy problem was over the federal funding and the 13(c) problems and we should act now to reduce the District's dependency on subsidies.

Director Ward commented that the villiany the District assigns to the County is surprising. The subsidy became available during the fuel crisis. The County offered money to buy the old buses that are now being deplored. The County also thinks that the price of travel on the buses should be as attractive as possible, and the County does so at the cost of a number of County programs. The mere fact that the County has had some problems with the budget should not be a reason for the District to criticize the County. He reiterated that the District did not like the grid service, while the County thinks it a good way to provide service. The County takes seriously its share of responsibility for transit operations. Director Ward

Resolution
No. Assigned

concluded that he felt it was unbecoming for the District to say that the County subsidy funds were of no value.

Director Neusom stated that the year we first received the County subsidy, there was no prospect of federal operating funds, and the District has been able to do a number of things because of the County funds.

(Director Ward departed the meeting at 2:00 p.m.)

Director Lewis inquired if it was appropriate to instruct the Board Committee which will meet with the County Board of Supervisors on November 4, 1976.

After discussion, on motion of Director Lewis, seconded and unanimously carried as noted below, the Finance Committee was instructed as to the Board's wishes in the County subsidy matter and the following resolution was adopted:

RESOLUTION NO. R-76-481

RESOLVED, that the members of the Finance Committee of the Board of Directors are hereby instructed to accept on behalf of the Board a financial assistance subsidy from the County of Los Angeles only on the condition that the District Board of Directors has a completely free hand in regard to all decisions affecting service, without the past requirements for County review and approval in the subsidy contract in order to provide the District Board of Directors the ability to adjust service over the balance of the fiscal period as required by this year's budget and in anticipation of fiscal constraints next year;

RESOLVED FURTHER, that the Finance Committee is instructed to ask the Board of Supervisors to indicate at this time the level of subsidy funding they are prepared to provide the District next fiscal year.

Resolution
No. Assigned

-76-481
(continued)

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

(Director Neusom departed at 2:16 p.m.)

The Board then heard comments from Mr. Willard Harper, Jefferson Democratic Club, Mr. Howard Watts, candidate for the State Assembly, and Mr. Bob Edwards, Transit Victims, all of whom spoke against a fare increase.

Presentations from Transit Advertising Franchisee Agency
Finalist Firms - Agenda Item No. 2

Mr. George McDonald, Manager of Planning & Marketing, made some opening comments setting forth the ground rules under which the presentations would be made by the firms of Metro Transit Advertising, Winston Network, Inc., and Transit Ads Incorporated.

(Director Gibbs departed the meeting at 2:35 p.m.)

The presentation for Metro Transit Advertising was made by Mr. Nick Alexander and Mr. Ross Barrett, with a question and answer period following.

Metro was questioned about their proposal being based on 1900 buses framed for outside advertising. After discussion, the firm indicated they could increase their proposal to include another 300 buses. Mr. Heinle reminded the Board that the revenue-per-bus figure given by Metro was based on 1900 buses, with Mr. Barrett of Metro responding

that his firm wanted to stress the difference between the minimum guarantee and the amount of money actually delivered.

Metro's proposal to decrease the guarantee if liquor or cigarette advertising were banned was discussed, with Metro responding that that is a normal contract clause in that if this restriction is placed on them, it would be taking away sources of revenue.

The presentation for Winston Network, Inc. was made by Mr. Irwin Winston, President, with a question and answer period following.

Mr. Winston was questioned about his firm's experience in the Los Angeles market or similar markets, and he replied that his leadman in the area, Mr. Al Jones, has twelve years of experience in the Los Angeles area. In response to Director Takei's question concerning the number of buses framed, Mr. Winston said his bid was based on 2400 buses; however, he would want to put front displays on the buses and remove the smaller queen-size frames, and he would like freedom to place the advertising. There was discussion concerning the Bus-O-Ramas. Mr. Winston indicated that the District should either increase the number or get rid of them. The final question posed by Mr. Heinle dealt with the matter of who will bear the cost of the 21" x 22" inside framing. Mr. Winston replied that his company would bear this cost.

The final presentation was made by Mr. Steve Strauss, President of Transit Ads, Inc. A question and answer period also followed. Many of the questions concerned the rapid growth of this local-based company. Upon inquiry, Mr. Strauss indicated that his company would be willing to post a faithful performance bond. There was discussion concerning the lower first year minimum guarantee, with Mr. Strauss pointing out that his firm's third year guarantee exceeded the other two proposals. Mr. McDonald inquired if this firm had considered the problems of taking on a property the size of RTD, and Mr. Strauss indicated that he had made a big commitment and he is prepared to honor that commitment in terms of service. Mr. Strauss was asked what the size of his national sales force was and he replied three people. In response to a question of whether he planned to enlarge that staff in the event of being awarded this contract, he replied "yes". In view of the fact that Transit Ads, Inc. represents the municipal operators and OCTD, Mr. Strauss was asked what benefit he could offer to the local advertiser. He responded that local advertising is indeed local and he felt that Los Angeles County advertisers would prefer to place their ads on RTD vehicles, possibly to the detriment of the municipal operator's vehicles, and that Orange County advertisers would use OCTD's vehicles. Mr. Strauss was asked who would pay for the 21" x 22" inside frames and he responded that the company would bear the cost.

Following the presentations, Mr. McDonald informed the Board that the current contract with Metro Transit Advertising runs out at the end of the year. We would like to have a decision from the Board as soon as possible. If it is the Board's wish to retain the present firm, then staff has a number of changes to be implemented right away; if it is the Board's wish to change firms, then the transition phase should begin as quickly as possible. He also informed the Board that the current contract contains language which allows the District to purchase the unamortized portion of the current frames. This cost would be approximately \$50,000. Connie Ward, Advertising Manager, pointed out that all of the firms making presentations were satisfactory, as far as the staff is concerned. The only questionable factor related to Transit Ads, Inc.'s financial capability and their willingness to post a faithful performance bond has satisfied this issue. In response to the Board's inquiry about the performance of Metro Transit Advertising over the past years, Mr. McDonald regretfully informed the Board that their performance was slovenly.


After discussion, on motion of Director Price, seconded and carried, staff was instructed to meet with Transit Ads, Inc. to further determine their capabilities to carry out the responsibilities of a contract with RTD, including a provision that their minimum guarantee be raised to \$1,800,000,

what kind of a sales force they could put together, what their connections in the eastern and national advertising markets are, and what the sudden influence of a large contract would have on their firm. Based on satisfactory responses to these concerns, the Board indicated a preference to award a contract to Transit Ads, Inc. covering the District's advertising franchisee requirements for calendar years 1977, 1978 and 1979, with actual award of the contract to be made at a meeting subsequent to staff's meeting with Transit Ads, Inc. Staff report on this matter will be presented at the Committee of the Whole Meeting on November 4, 1976.

(Director Storing departed the meeting at 6:02 p.m.)

Mr. McDonald informed the Board that staff has five finalist firms concerning the advertising agency of record contract for the District which will require a full-day session of the Board within the near future.

There being no further business, the meeting adjourned at 6:05 p.m.


Assistant Secretary

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SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

Public Hearing

Re:

The District's application to the Urban Mass Transportation Administration for a Section 3 capital grant to aid in the financing of a proposed project consisting of preliminary engineering and draft environmental impact reports in connection with a combined regional transit improvement program.

District Board Room
425 South Main Street
Los Angeles, California
Wednesday, October 13, 1976
1:15 p.m.

Reported by :

BETTY SUE PEARSON, CSR No. 1459



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- DONALD GIBBS
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- MIKE LEWIS
- JAY B. PRICE
- RUTH E. RICHTER
- CHARLES H. STORING
- GEORGE TAKEI
- BAXTER WARD

STAFF MEMBERS

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- RICHARD BOWERS, General Counsel
- ROBERT WILLIAMS, Manager of Customer Relations
- JOE SCATCHARD, Controller/Auditor/Treasurer
- DAVE McCULLOUGH, SR., Advance Planner
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- RICHARD GALLAGHER, Manager of Rapid Transit



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MR. COOK: The meeting will come to order.

The Secretary will please call the roll.

MS. BOLEN: Byron Cook.

MR. COOK: Present.

MS. BOLEN: Thomas Neusom.

MR. NEUSOM: Here.

MS. BOLEN: George Brewster.

MR. BREWSTER: Here.

MS. BOLEN: Donald Gibbs.

[Not present at the time of the calling.]

MS. BOLEN: Marvin Holen.

MR. HOLEN: Here.

MS. BOLEN: Mike Lewis.

[Not present at the time of the calling.]

MS. BOLEN: Jay Price.

MR. PRICE: Here.

MS. BOLEN: Ruth Richter.

MS. RICHTER: Here.

MS. BOLEN: Charles Storing.

MR. STORING: Present.

MS. BOLEN: George Takei.

MR. TAKEI: Here.

MS. BOLEN: Baxter Ward.



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1 MR. WARD: Here.

2 MR. COOK: The meeting has been called for the
3 District's application to the Urban Mass Transportation
4 Administration for a Section 3 capital grant.

5 The first item on the agenda is a report by
6 General Manager Jack Gilstrap.

7 MR. GILSTRAP: Yes.

8 Mr. Chairman and Members:

9 This public hearing is in accordance with the
10 rules which have been established by the Urban Mass
11 Transportation Administration so that parties having a
12 significant economic, social, or environmental interest
13 may be offered the opportunity to appear and be heard.

14 A copy of the application is available at the
15 door for those who are interested. The record of this
16 hearing will be held open for 15 days to receive any
17 written comment on this project.

18 Now, Mr. Chairman, that concludes my report.

19 MR. COOK: All right.

20 We'll now go to item 2 on the agenda, a report
21 by the Manager of Planning and Marketing with respect to
22 the Transit Development Program as undertaken under the
23 Regional Coordinated Transit Development Plan.

24 Mr. McDonald.

25 MR. McCullough: The Southern California Rapid



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Transit District and its predecessor, Los Angeles Metropolitan Transit Authority, have been active participants in the regional comprehensive and transportation effort since the inception of regional planning in Los Angeles area in 1960. Since 1971 the original planning function for Los Angeles, Orange, San Bernardino, Riverside, Ventura, and Imperial counties has been carried out by the Transportation and Utilities Committee of the Southern California Association of Governments. The RT holds membership on that committee.

The coordination of operations and development of existing bus systems in the region is planned through the Transit Advisory Committee of SCAG. Through this organizational structure matters of service coverage, physical arrangements for interchange of traffic among the systems and a continuing program for improvement of equipment and operating facilities are coordinated.

Long-range transit improvement programs are also fully coordinated through SCAG with the present environmental impact report of long-haul transit alternatives being no exception.

Today's hearing represents the continuation of a process involving the public in transit planning that began in 1967.

On July 2, 1974 after nearly 18 months of



1 intensive effort by staff and the consultants, which was
2 financed largely by the Urban Mass Transit Administration,
3 the RTD Board of Directors adopted a comprehensive plan
4 for long-term rapid transit and short-term bus improvements
5 within its service area. The results of 38 community
6 meetings, two formal public hearings, and 75 conferences
7 with city officials throughout the district were considered
8 in arriving at this plan.

9 On July 11, 1974, the SCAG Executive Committee
10 adopted the plan which, in brief, outlined the 240-mile
11 master plan of transit corridors with 145 miles of rapid
12 transit guideway set for initial implementations, with
13 priorities for phasing within this element. The plan
14 also called for the addition of 1,000 buses of the RTD
15 fleet and allocation of funds to keep fares at a minimum
16 level.

17 The need for such a program of public transporta-
18 tion have been pointed out in 1973-74 studies which
19 concluded that, "No single mode of transportation or one-
20 dimensional program could satisfy the broad range of
21 regional goals and objectives," but that a practical
22 regional transit improvement program for an area as
23 diverse as in this metropolitan region would consist of
24 a balance of modes in which each mode is used in the most
25 cost-effective manner. As a result, several program



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elements were recommended. They are as follows:

- 1) The need for schedule, service and fare structure improvement to existing bus service;
- 2) Expanded local bus grid coverage;
- 3) Bus-on-freeway solutions and expansion of busway facilities with park-and-ride lots;
- 4) Bus-on-arterial improvements with park-and-ride;
- 5) Regional fixed guideway system;
- 6) Other specialized projects such as demonstration of commuter rail services.

The results of this effort, along with similar reports prepared by agencies in the other five counties were integrated by SCAG into 1975 Regional Development Plan, which is the official land-use transportation plan for the six-county region.

Although the defeats of the countywide sales tax funding measures in November 1974, and now in June of 1976, have precluded a start on a regional rapid transit system as part of a long-range transit improvement program, many of the recommendations regarding short-term bus improvements have already been adopted.

Mr. Chairman, this concludes my report.

MR. COOK: Thank you, Mr. McCullough, not Mr. McDonald.



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Item number 3 is a report regarding general description of a proposed project and an environmental statement on the project, presented by Richard Gallagher, member of Rapid Transit.

MR. GALLAGHER: Mr. Chairman:

In June of 1974, Los Angeles County voters passed Proposition 5, the Gas Tax Diversion referendum, which authorized the state and local officials to make substantial local funding available for fixed guideway transit implementation in this region.

The District's 1974 review of Alternative Transit Corridors and Systems, which was supported by Urban Mass Transportation Administration developed immediate action plans and long-range policies for the other complimentary program for elements of the regional transportation improvement program.

Principal technical findings and policy conclusions arising out of that work were that:

1) The Los Angeles region needs an alternative to the auto-dominated movement system for numerous reasons: For example, protecting the natural environment, enhancing the man-made environment, improving the level of movement service and the uncertainty of a lasting energy supply;

2) The studies reaffirmed the need for



1 substantial regional network for rapid transit line haul
2 corridors;

3 3) Because of Los Angeles' physical form and
4 its expansive freeway network, bus-on-freeway solutions,
5 both on exclusive lanes and in nonexclusive lanes may have
6 significant application;

7 4) Neither an all-bus nor all-fixed guideway
8 solution is a relevant option as Los Angeles needs an
9 integrated system to provide different types of services
10 in different situations, that is, balance transportation;

11 5) Financial resources need to be optimized,
12 high-capital investment in some areas is not necessarily
13 high-cost when operating and maintenance costs are accounted
14 for;

15 6) Construction of rapid transit can be changed
16 to accomodate various levels of financing availability;

17 7) On a cost-per-passenger-mile basis,
18 effectiveness of fixed guideway line-haul rapid transit
19 system elements along portions of some corridors will be
20 superior to other possibilities in the long term.

21 Because of failure to reach local decision
22 after the 1974 work, the Urban Mass Transportation
23 Administration of the United States Department of
24 Transportation advised this area to use the incremental
25 approach in proceeding with the development of the region's



1 transportation system and to make a detailed technical
2 analysis of all feasible alternatives.

3 Therefore, in the spring of '75, with the
4 approval of the SCRTD Board of Directors, representatives
5 of all local agencies were invited to become members of
6 a Rapid Transit Advisory Committee, RTAC, the purpose of
7 which would be to guide and to provide input to and to
8 review and comment on the study design and the interim
9 and time results.

10 The first task accomplished by RTAC was the
11 analysis of the data developed in the '74 studies which
12 identified the key transportation corridors in the region.
13 This resulted in the recommendation that the Broad
14 Corridor extending from Canoga Park to the Harbor area
15 via the core of the region be the corridor within which
16 alternatives should be evaluated.

17 This approximate 55-mile corridor traverses
18 the San Fernando Valley, central Los Angeles, and the
19 south-central and Harbor areas of the county.

20 By September of 1975 the Broad Starter Line
21 Corridor had been agreed upon by the County of Los Angeles,
22 the cities of Los Angeles, Long Beach, Glendale and
23 Compton, and the state senate and assembly, as well as the
24 SCRTD Board.

25 As a condition of eligibility for federal



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assistance, UMTA requires that alternative investments within this adopted corridor be evaluated to determine which investment best serves the area's transportation needs, taking into account the social, economic, environmental and urban development goals.

The policy stresses the need to consider combinations of transit modes appropriate to the service requirements of the corridor and improved management of existing transportation resources as an alternative to the construction of new facilities.

In July of 1976, the results of the Alternatives Analysis were submitted to the involved local agencies, as well as UMTA for review.

As each local agency conducted its own evaluation based upon the separate Alternatives Analysis reports which were combined into one summary report, it became apparent that the various agencies were not focusing on defining a staged total transit system, one which includes activity center and regional elements to be developed over time.

Hence, at UMTA's request; a joint agency task force was created to resolve differences and to come up with a combined program which met the desires of most agencies.

Cal Trans' preference for greater use of buses



