

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

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

October 2, 1969

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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 10:00 a.m. on October 2, 1969, at which time President Kermit M. Bill called the meeting to order.

Directors Kermit M. Bill, Charles E. Compton, Leonard S. Gleckman, David K. Hayward, Michael E. Macke, Don C. McMillan, Thomas G. Neusom and Douglas A. Newcomb were present. Directors A. J. Eyraud, Jr., Herbert H. Krauch and Norman Topping were absent.

Also present were General Manager Samuel B. Nelson; General Counsel Milton McKay; Assistant General Manager for Operations George F. Goehler; Assistant General Manager for Engineering Richard Gallagher; Controller-Auditor-Treasurer H. L. Black; Secretary Virginia L. Rees; and the public.

Approval of Minutes

The Minutes of the Regular Meetings held September 2 and September 16, 1969 were approved.

Announcement of Reappointment of Director Herbert H. Krauch
and of Director Don C. McMillan for a Four-Year Term

President Bill announced that the reappointment by Mayor Sam Yorty of Director Herbert H. Krauch for a four-year term commencing September 29, 1969 was approved by the Los Angeles City Council on September 23, 1969, and that Director Krauch had taken his oath of office and was qualified to act.

President Bill also announced that the reappointment by Supervisor Warren M. Dorn of Director Don C. McMillan for a four-year term commencing September 29, 1969 was approved by the Los Angeles County Board of Supervisors on September 16, 1969, and that Director McMillan had also taken his oath of office and was qualified to act.

Certificate of Merit

Director Hayward presented the District's Certificate of Merit to Paul D. Schmidt, Operator-of-the-Month for September, 1969 in recognition of the outstanding courtesy displayed by Mr. Schmidt toward his passengers and the public.

Temporary Route Diversions

After discussion, on motion duly made, seconded and unani-
mously carried, the following resolution was adopted:

RESOLUTION NO. R-69-224

RESOLVED, that the temporary route diversions caused by construction work affecting Lines 10, 31, 36, 44, 49, 59, 69, 93, 94 and 103, as described in report dated September 25, 1969 filed with the Secretary, be and the same are hereby ratified and approved.

Changes of Bus Stop Zones

After discussion, on motion duly made, seconded and unani-
mously carried, the following resolution was adopted:

RESOLUTION NO. R-69-225

RESOLVED, that the report dated September 24, 1969 relating to bus stop changes, filed with the Secretary, be and the same is hereby ratified and approved.

Report of Purchasing Agent - Statement of Material & Supplies Account

Pursuant to Section 8.3 D of the Rules and Regulations, the Purchasing Agent's Statement of Material & Supplies Account for the month of August, 1969 was presented to the meeting and was ordered "Received and Filed." A copy of the Statement is filed with the Secretary.

Approval of Authorization For Expenditure No. 430

After discussion, on motion duly made, seconded and unani-
mously carried, the following resolution was adopted:

RESOLUTION NO. R-69-226

RESOLVED, that Authorization For Expenditure No. 430, covering the purchase of one (1) Power Propelled Lift Truck, to be numbered 95, at a cost not to exceed \$2,250.00, be and the same is hereby approved.

Approval of Authorization For Expenditure No. 431

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

RESOLUTION NO. R-69-227

RESOLVED, that Authorization For Expenditure No. 431, covering alterations to the first floor of the Transit District Building (Building No. 165), 1060 South Broadway, Los Angeles, to provide an extension of main floor lobby area and enlargement of Ticket-Lost Article Office facilities, at a cost not to exceed \$8,450.00, be and the same is hereby approved.

Retention of Services of Pension Consultants - Coates, Herfurth & England, Consulting Actuaries

After discussion, on motion of Director Newcomb, Chairman of the Personnel & Administrative Procedures Committee, the following resolution was adopted:

RESOLUTION NO. R-69-228

WHEREAS, on June 17, 1969 by Resolution No. R-69-148 this Board of Directors ratified the action of the General Manager in securing the services of Coates, Herfurth & England, Consulting Actuaries, to review the provisions proposed to be included in the retirement plans involved in the contract negotiations with the three Unions at a cost not to exceed \$2,500.00; and

WHEREAS, the General Manager has advised that, due to the extensive studies and length of time involved in the negotiations relating to the Union pension plans, it

became necessary to retain the services of the Consulting Actuaries on a more extensive basis than anticipated, which has resulted in a total cost of \$5,618.00 for the months of June, July and August, 1969 for such services; and

WHEREAS, the Personnel & Administrative Procedures Committee this morning considered General Manager Samuel B. Nelson's report dated September 26, 1969 recommending (1) approval of payment of invoices of Coates, Herfurth & England for actuarial services rendered for the months of June, July and August, 1969 in the total amount of \$5,618.00, and (2) authorization of the General Manager to enter into a contract on behalf of the District with Coates, Herfurth & England providing for pension consulting services on a continuing basis commencing September 1, 1969 for the purpose of finalizing the pension agreements with the Unions, making a study of the non-contract employee pension plans, and other related pension matters; form of contract subject to approval of the General Counsel; and

WHEREAS, the Personnel & Administrative Procedures Committee at its meeting this morning, approved the General Manager's recommendations, as hereinabove set forth;

NOW, THEREFORE, BE IT RESOLVED, that the Treasurer and/or Assistant Treasurer be and he hereby is authorized to pay to Coates, Herfurth & England, Consulting Actuaries, the sum of \$5,618.00 for actuarial services rendered for the months of June, July and August, 1969;

RESOLVED FURTHER, that the General Manager be and he hereby is authorized to execute on behalf of the District a contract with Coates, Herfurth & England providing for the continuing services of the firm as Pension Consultants to the District on an hourly fee basis commencing September 1, 1969, when and if services are needed; form of contract subject to approval of the General Counsel.

American Transit Association - Approval of Payment of
Annual Membership Dues

After discussion, on motion of Director Gleckman, Chairman of the Finance & Governmental Affairs Committee, seconded and unanimously carried, the following resolution was adopted:

RESOLUTION NO. R-69-229

WHEREAS, the Finance & Governmental Affairs Committee this morning considered and concurred in General Manager Samuel B. Nelson's report dated September 26, 1969 recommending payment to the American Transit Association the amount of \$6,325.00 as membership dues for the year commencing November 1, 1969;

NOW, THEREFORE, BE IT RESOLVED, that the Treasurer and/or Assistant Treasurer be and he hereby is authorized to pay to the American Transit Association the amount of \$6,325.00 as membership dues for the year commencing November 1, 1969.

Authorization to Sign Checks

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

RESOLUTION NO. R-69-230

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 account (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:

Signed by:

Countersigned by any
one of the following:

H. L. Black, Treasurer

Kermit M. Bill, President

J. L. Pujol, Assistant
Treasurer

David K. Hayward, Vice-President

T. V. Collins, Assistant
Treasurer

Samuel B. Nelson, General
Manager

M. Kapitan, 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 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.

Approval of Contract - County of Los Angeles - Initial Field
Survey Work in Connection with Initial Design Engineering
Work for Exclusive-Express Busway Project

The Advance Planning & Engineering Committee on September 30, 1969 considered the General Manager's report dated September 16th recommending that he be authorized to enter into a contract on behalf of the District with the County of Los Angeles for the performance of necessary initial field survey work by the County Surveyor which is needed in connection with the initial design engineering work for the Exclusive-Express Busway Project, and approved the recommendation, subject to concurrence therein by the Finance & Governmental Affairs Committee.

Director Gleckman, Chairman of the Finance & Governmental Affairs Committee, reported that the Committee this morning considered the General Manager's recommendation in the matter of the proposed contract with the County of Los Angeles, and that the Committee concurred in the recommendation of the Advance Planning & Engineering Committee.

After discussion, on motion of Director Gleckman, seconded and unanimously carried, the following resolution was adopted:

RESOLUTION NO. R-69-231

RESOLVED, that the General Manager be and he hereby is authorized to execute on behalf of the District a contract between the County of Los Angeles and the Southern California Rapid Transit District providing for the performance by the County of Los Angeles of necessary initial field survey work in connection with the initial design engineering work for the Exclusive-Express Busway Project, at a cost not to exceed \$20,000.00; form of contract subject to approval of the General Counsel.

Approval of Memorandum of Agreement Executed as of October 1,
1969 between the District and Amalgamated Transit
Union, Division 1277

Director Newcomb, Chairman of the Personnel & Administrative Procedures Committee, reported that the Committee this morning received a full report on the status of the proposed labor contract with the Amalgamated Transit Union, and that it was the Committee's recommendation that the Board recess in executive session to consider personnel matters so that all Directors would be advised of the status of the labor negotiations.

After discussion, on motion of Director Newcomb, seconded and unanimously carried, the Board of Directors recessed in executive session at 10:27 a.m., with Staff Members Nelson, Goehler, McKay and Black in attendance.

Upon the return of the Directors to the Board Room at 10:35 a.m., President Bill called the meeting to order and asked for a roll call.

Directors Bill, Compton, Gleckman, Hayward, Macke, McMillan, Neusom and Newcomb responded to roll call.

Directors Eyraud, Krauch and Topping were absent from the meeting.

Chairman Newcomb thereupon reported that the Committee and the Directors were advised by General Manager Nelson that a Memorandum of Agreement was executed on October 1, 1969 by the negotiation representatives of the District and of the Amalgamated Transit Union, subject to ratification by the Board of Directors of the District and by the Amalgamated membership,

) and that it was the Committee's recommendation that said Memorandum of Agreement be approved, subject to approval as to form by the General Counsel and subject to ratification thereof by the Union membership.

After discussion, on motion of Director Newcomb, seconded and unanimously carried, the following resolution was adopted:

RESOLUTION NO. R-69-232

RESOLVED, that the action of the District's negotiation representatives in executing as of October 1, 1969 a Memorandum of Agreement between the Southern California Rapid Transit District and the Amalgamated Transit Union, Division 1277, covering a labor contract for a 27-month period commencing June 1, 1969, which Agreement was presented to and discussed at this meeting, and a copy of which is filed with the Secretary, be and hereby is ratified, confirmed and approved; form of agreement subject to approval of the General Counsel, and said Memorandum of Agreement being subject to ratification by the Amalgamated Transit Union membership.

Report of General Manager

General Manager Nelson reported on the activities of the District since the last Regular Meeting held September 16, 1969. A copy of the Report is attached to these Minutes as Exhibit 1.

Report of General Manager re Compliance with Trust Indenture
in Revision of Advertising Program for Balance of Year 1969

General Manager Nelson reported that, in response to the Board's request at its meeting of September 16th, it had been determined from the General Counsel that the Board in approving additional expenses of the advertising program during the remaining

) part of the 1969 calendar year was not violating the requirements of the District's Trust Indenture or the District's 1969 Annual Budget. The General Counsel by Memorandum dated September 24, 1969 has approved the increased expenditure as being in compliance with the provisions of the District's Trust Indenture and the Budget. The General Counsel has advised that the action of the Board of Directors does not effect a change in the 1969 Annual Budget, nor, in the light of the over-all Annual Budget total, does it constitute a substantial increase in the demand for the limited funds available from revenues, the reasoning behind this statement being that the advertising will hopefully result in increased revenues.

Public Service Films by Jack Webb and Bob Crane Publicizing Exact Fare Program

Two public service films, one made by Jack Webb and the other by Bob Crane, publicizing the Exact Fare Program were viewed by the members of the Board and the public in attendance.

Introduction of Diana Nave, a CORO Foundation Intern

General Manager Nelson introduced Diana Nave, a CORO Foundation Intern, to the meeting and stated that she would be spending some time in the various departments in order to get an idea of how the District functions.

There being no further business, the meeting adjourned.

VIRGINIA E. WEBB

Secretary

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

General Manager's Report
For Board Meeting, October 2, 1969

Since I last reported to you, Mr. Gilstrap and I were guests at a luncheon with the Editorial Board of KNXT Television (Channel 2). Mr. Ray Beindorf, the station's vice president and general manager, was the host and the group seemed impressed with current undertakings at the District. You may recall that KNXT was the one news media that was not too sympathetic with our program. We met with the entire staff. There were some seven top members of the organization at lunch, and I believe they are in sympathy with our present program.

Activity related to the inauguration of the Exact Fare program on October 12 continues to require the majority of time by various District departments.

This massive undertaking includes the work related to the installation of locked fare boxes on the buses, the installation of miscellaneous protective equipment for the handling of money deposited in the boxes, the distribution of tokens and various public information events.

On Monday of this week I was at the office of Ernest E. Debs, Chairman of the County Board of Supervisors, where I was presented a scroll taking note of the Supervisors action in urging citizen support for Exact Fare. This is a very beautiful thing as is generally done. The Board is to be complimented that the Supervisors recognize us for installing the Exact Fare program.

On Friday, a District instructor, Gilbert C. Moncivais, will appear on the Spanish-language television station, KMEX (Channel 34), to discuss the Exact Fare program in Spanish. Spanish language public service messages also will be aired by the Educational Television Station, KCET (Channel 28), on the program, Ahora.

On Tuesday, I was interviewed concerning Exact Fare, and other District activities, by KTLA Television Announcer Dick Garton.

Beginning next week the educational TV station will air special announcements concerning Exact Fare during its classroom broadcast for students.

Still another activity to acquaint the public with Exact Fare involves the California Museum of Science and Industry. Museum Director Bill McCann has advised me that the Museum will be presenting a special exhibit concerning Exact Fare. An old fare box and a