

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

NOV 7 1979

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

October 22, 1979

Upon 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 10:40 a.m. on October 22, 1979, at which time President Marvin L. Holen called the meeting to order.

Directors Present:

Donald Gibbs (entered at 2:30 p.m.)
David K. Hayward
Marvin L. Holen
Gerald B. Leonard
Mike Lewis
Carl Meseck

Thomas G. Neusom
Jay B. Price
Ruth E. Richter
Charles H. Storing
George Takei
(entered at 2:25 p.m.)

Staff Present:

Jack R. Gilstrap, General Manager
Samuel M. Black, Manager of Operations
Richard T. Powers, General Counsel
George L. McDonald, Manager of Planning & Marketing
Joe B. Scatchard, Controller-Treasurer-Auditor
Robert G. Williams, Manager of Customer Relations
David D. Dominguez, Manager of Equal Employment Opportunities
Helen M. Bolen, District Secretary

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

President Holen made a statement concerning the need to consider an increase in the fare schedule effective November 1, 1979. Staff recommendation is for Alternative 3 which would generate \$7.6 million in additional revenue.

President Holen informed the members of the public that the Public Hearing on the matter had been held on Saturday, October 20, 1979, and the purpose of this meeting was to adopt a fare schedule. He indicated that he would hear from only those persons who had already submitted a request to speak, but he would not entertain additional requests.

Graciela Garcia, Robert Stone and Helen Dykeman all spoke against any increase in fares.

Director Neusom asked for a report on what funds are available and from what sources. Mr. Gilstrap indicated that there are 3 sources, i.e.: Federal, State and Farebox, and a memorandum dated October 22, 1979, on the subject of Availability of SB 620 Funds, a copy of which is filed with the Secretary, has been distributed. There was also discussion concerning SB 325 funds. SB 620 funds are available, but the intent of the Bill was to make these funds available for rapid transit construction. Mr. Gilstrap stated that there is no cushion in the budget to meet the normal increase in demand for service and there is no provision for any anticipated gasoline or fuel crisis in the next three years. Mr. McDonald commented that this is a constraint placed on

the planning function for the next few years. The 1980 Sector Improvement Program will be instituted with 65 added buses; when in actuality, 150 added buses would do a better job.

Director Price commended that one of the major provisions of SB 325 was to provide seed money for federal funds. Staff responded that it indeed does this, but patronage is growing at a fantastic rate and allocations for federal operating funds are fixed. Director Price further indicated that he would favor leaving the senior citizen and student fare at the present level, increasing the basic fare five cents, with the pass increased \$2.00. Mr. Scatchard stated this would leave about a \$6 million shortfall.

Director Richter inquired as to how much service would have to be cut if the fares were not increased. Mr. Scatchard replied that there are 8 months left in the budget year and it would require the removal of over 100 buses and approximately 400 employees at this point.

Director Hayward stated that the District is in the business of providing service to the public, not counting buses and employees. He would advocate the use of SB 620 funds to provide service to Los Angeles County. He indicated he would like to put Alternate 3-A on the table for discussion, which leaves senior and student passes at the same rate, allows seniors to ride free during off-peak hours or pay the full cash fare during the peak hours, and establishes a

student cash fare of 50¢. This would produce a shortfall of \$2.4 million.

President Holen reiterated that the shortfall is \$7.6 million dollars. It appears that there may be \$2 million of additional SB 325 money, leaving approximately \$5 to 5½ million shortfall.

Director Lewis asked for the percentages of riders in each category. Staff responded that 77% are regular cash or pass riders, 16% are senior citizens and 7% are student fares, with 60% of the regular riders and 35% of the senior citizens paying cash.

Further discussion revealed that a five cent increase in the basic cash fare and a \$2.00 increase in the pass would bring in \$5.2 million, with a shortfall of \$2.4 million.

Director Hayward indicated that he has been charged with being attentive to the senior citizen and not to the plight of the regular patron. He asked what the impact of retaining the present cost of the pass would be. Staff indicated that this would cost about \$1.1 million in projected revenues, taking into account the gain on cash advances, with a \$2.4 million shortfall from the funds required to be raised from fares as estimated by staff, which appears to be within the confines of SB 325 funds. Mr. Scatchard indicated that there would be a 20% decrease

Resolution
No. Assigned

in the amount of service that could be put on in the 1980 sector program.

Director Storing inquired what would be the impact of retaining all fares at the present level except raising the basic cash fare by ten cents. Staff indicated this would add about \$7.5 million. Holen suggested dropping the cost of the transfer to five cents, which would bring the increased revenue projection to \$6 million, with a shortfall of \$1.6 million. Additional SB 325 funds are estimated to be \$2.3 million.

President Holen summarized this concept. Cash fare for regular riders would increase ten cents, transfer cost would reduce to five cents, no change in the cost of any passes, no change in the cost of step stamps on passes, and would remove the restriction on the number of children under the age of five years that may accompany a parent.

Director Price moved that the regular fare increase to 55¢, the E & H fare would remain at 15¢, the transfer cost would be 5¢,

Resolution
No. Assigned

all pass prices would remain the same, including express steps, and an unlimited number of children under the age of five years, accompanied by their parent, may ride free, which motion was seconded by Director Hayward. President Holen indicated that only changes to the current fare structure need to be acted upon.

On motion of Director Leonard, seconded by Hayward, on a Roll Call vote as noted below, the following fare structure consideration failed:

Ayes:	Hayward, Holen, Leonard, Meseck, Neusom, Price, Storing
Noes:	Lewis, Richter
Abstain:	None
Absent:	Gibbs, Takei

General Manager Gilstrap commented that this concept can have some impact on the marginal cash passenger. He also commented on the student fare problem. There is a need for a student cash fare and staff recommendation would be 45¢. There was discussion on the cost of selling student passes twice monthly, ticket books, etc. President Holen suggested this item be referred to the Customer Relations & Public Information Committee.

Resolution
No. Assigned

Mr. Gilstrap stated that in seven months we are going to be looking at another fare increase. If the Board acts on a 55¢ base fare now, we will be looking at a figure higher than 55¢ which was what the staff was going to recommend in 1980.

Director Lewis stated that basically we are proposing to raise the fare for half of the riders so that the others can ride without assuming their fair share of the cost.

After further discussion, Director Price moved that the basic cash fare be increased to 55¢, transfer cost reduced to 5¢, E & H cash fare be increased to 20¢ and the restriction on the number of children under five years of age riding free, accompanied by parent, be lifted, which motion was seconded and failed on a Roll Call vote as noted below.

Ayes:	Hayward, Holen, Leonard, Meseck, Neusom, Price, Storing
Noes:	Lewis, Richter
Abstain:	None
Absent:	Gibbs, Takei

Resolution
No. Assigned

Unable to reach a consensus on a fare structure, the meeting recessed until 1:30 p.m.

The meeting reconvened at 2:25 p.m. with Directors Hayward, Holen, Leonard, Lewis, Meseck, Neusom, Price, Richter, Storing and Takei responding to Roll Call.

President Holen recapped for Director Takei the activities of the Board at the morning session of the meeting. He indicated that the motion last considered would produce \$6 million against staff's anticipated need for \$7.4 million and it is felt that additional SB 325 monies would be available to offset the shortfall.

On motion of Director Price, seconded and carried on a Roll Call vote as noted below, the following resolution was adopted:

R-79-449

RESOLVED, that effective November 1, 1979, the General Manager is authorized to include the following fare structures in the District tariff:

Regular Cash Fare	55¢
Elderly & Handicapped Cash Fare	20¢
Transfer	5¢
Children: With parent, no limit on number of children (under 5 years)	
Student Cash Fare	45¢

Resolution
No. Assigned

R-79-449
Continued

Ayes: Hayward, Holen, Leonard, Meseck,
Neusom, Price, Storing, Takei
Noes: Lewis, Richter
Abstain: None
Absent: Gibbs

Establishment of Minibus Fare

Minibus service is provided with the financial assistance of three agencies, the County of Los Angeles, the Community Redevelopment agency and the District. Staff recommendation is an increase in fare from 15¢ to 20¢, subject to the concurrence of the other agencies.

On motion of Director Hayward, seconded and carried as noted below, the Board concurred in staff recommendation and the following resolution was adopted:

(Gibbs entered at 2:30 p.m.)

R-79-450

RESOLVED, that the General Manager is authorized to include in the District's tariff a Minibus fare of 20¢, effective November 1, 1979; subject to the concurrence of the County of Los Angeles and the Community Redevelopment Agency.

Ayes: Hayward, Holen, Leonard, Meseck,
Neusom, Price, Richter, Storing,
Takei
Noes: Lewis
Abstain: Gibbs
Absent: None

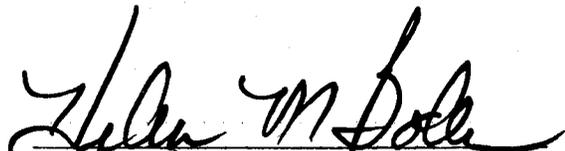
Resolution
No. Assigned

Consideration of Subscription Fares

Mr. Gilstrap reported that in view of the fare structure just adopted, staff would prefer to further study the matter of subscription fares and bring a recommendation to a subsequent meeting.

President Holen stated that the new fare structure would be effective November 1, 1979. It is important that the public understand that there is no change in the cost of monthly passes.

There being no further business, the meeting adjourned at 2:47 p.m.


District Secretary