

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

MINUTES/PROCEEDINGS

Regular Board Meeting  
Board of Directors  
District Board Room  
425 South Main Street  
Los Angeles

OCTOBER 27, 1988

Called to order by President Swanson:

Directors Present:

Gordana Swanson  
Marvin L. Holen  
John F. Day  
Joseph S. Dunning  
Larry Gonzalez

Jeff Jenkins  
Nick Patsouras  
Charles H. Storing  
Kenneth R. Thomas

Directors Absent:

Jan Hall

Jay B. Price

1. Certificates of Merit presented by Director Thomas to:
  - a. Thurmon Green, Operator-of-the-Month;
  - b. Joe Salazar, Maintenance Employee-of-the-Month; and
  - c. Nancy Spear, Information Operator-of-the-Month.

The Oath of Office was administered to Director Larry Gonzalez. Director Gonzalez will represent the City of Los Angeles, replacing Carmen A. Estrada.

6. APPROVED agreements between petitioners and the Southern California Rapid Transit District and adopted resolutions ordering change in benefit assessments.

UNANIMOUS, with 8 directors present and Directors Hall, Jenkins & Price absent

8. Considered impact of the Los Angeles County Transportation Commission's withholding up to \$107.8 million for bus operations from the District.

General Manager Pegg briefly presented the staff report and recommendation on this matter, which recommendation is set forth in reports 8A, 8B, 8C and 8D, copies of which are filed with the District Secretary.

Director Holen made a motion that the District hold a public hearing on November 29 to receive comment on the suspension of approximately 50% for the remainder of the fiscal year, and a request to the LACTC to hold a special meeting as soon as possible to instruct its staff to forward the Proposition A payments to the District. This motion was seconded and discussion followed.

The General Manager stated that the \$107.8 million does not include any amount for the subsidy of specific services related to the zone in the San Gabriel Valley.

Director Thomas commented that the LACTC provides the District with a substantial part of its budgeted revenue; i.e., 22%. He continued that all the planning, etc. was based on the assumption that the LACTC would provide a certain amount of funding, yet we have not received any funds. He asked how this amplified into a proposed 50% cut in service. The General Manager responded the 22% translates to 44% if it is applied to half of the annual period. Director Dunning asked about the legal authority to withhold the funds. Ms. Gifford responded that the District has concerns about that aspect; research is being done.

Director Jenkins inquired about a lawsuit brought about by one of the unions regarding unfair impingement of the collective bargaining process and the use of discretionary monies. General Counsel Gifford responded that she could bring a report on this matter back to the Board at a future meeting. Director Jenkins then stated that he would like to bring the issue of the San Gabriel Valley Transit Zone back to the Board at the November 10 meeting. The issues he wishes to discuss would be the legal implications and

the status of the line cancellations in relation to the withholding of Proposition A funds, the expenses of the District to fight the lawsuit, and the options available to the District and what the time frames would be.

Director Patsouras stated that it is the District's responsibility to inform the public that we do not have the money to provide the service and that the service must be cut. He also asked for information regarding the starting of an initiative process.

Director Day commented that he takes his responsibilities as a Director very seriously. Because the LACTC has withheld the funds, the District has been forced to borrow from other accounts to meet operating expenses. He stated he could not and will not support further borrowing from the insurance reserves. He continued that the General Manager has the authority and responsibility to resolve this situation using any method, including legal remedy. He said it is well known that the LACTC would very quickly resolve this dilemma on 2 conditions; 1) the San Gabriel Valley Zone, and 2) Metro Rail construction. Director Day concluded that the District is the subject of extortion.

President Swanson spoke, stating that neither the San Gabriel Valley Transit Zone nor the Metro Rail construction issues are part of the discussion regarding the Proposition A funds. She continued that the Board would be willing to meet with the LACTC to further discuss this matter.

Director Holen spoke to the second part of the motion on the floor. He stated that the District is drawing money from the fund for insurance reserves. We have approximately a \$36 million deficit and we are now approximately \$30 million insolvent. He concluded that the Board and Commission members must sit down and address this problem. He stated his confidence that the rules of the LACTC allow the calling of a special meeting. President Swanson added a footnote that the District carries 92% of the transit passengers in Los Angeles County.

Director Thomas spoke about the disputes with the LACTC regarding the San Gabriel Valley Transit Zone, the operation of the Metro Rail line, and the labor contracts. He said the District negotiated those contracts in good faith. The LACTC also has an obligation to provide bus service to the people in the County. He made known his resentment of the LACTC's use of these issues to deprive the riding public.

Members of the public, S. Shedlow, G. Roberts and P. Moser addressed the Board on this subject, with Mr. Moser suggesting the District mobilize the bus riders to change the position of the LACTC.

On a Roll Call vote, the motion passed as indicated below:

Ayes:	Day, Dunning, Gonzalez, Holen, Jenkins, Patsaouras, Storing, Swanson, Thomas
Noes:	None
Abstain:	None
Absent:	Hall, Price

7. Considered report of Los Angeles County Transportation Commission (LACTC) on Institutional Alternatives for Operating Light Rail Transit.

Staff reported that the LACTC continued this item until their November 9 meeting for discussion of issues related to ownership.

Director Holen made a motion to "Receive and File" the report and to request the General Counsel to prepare a legal determination on the definition of "Operator." This motion was seconded and carried, on a 7-2 vote with Directors Patsaouras and Jenkins voting against the motion.

Director Holen spoke further, stating the resolution of this issue must be in Sacramento and that it must be decided soon after the Legislature convenes.

5. Recessed to Closed Session at 2:40 p.m. to consider litigation matters. The Board returned at 3:20 p.m. with Directors Hall, Patsaouras and Price absent.

2. Report of the President

President Swanson requested that the November 3 meeting be changed from a Committee of the Whole format to a Special Meeting format with an item regarding the issue of Proposition A funding on the agenda.

The President also reported on her meeting with 17 cities in Corridor "B." She mentioned that two task forces were formed as a result of this meeting; one on graffiti and the second on fund raising for public transit.

3. Report of the General Manager

No report was made.

4. Director Special Items

No report was made.

9. APPROVED Requisition 8-0990-56 and negotiation of annual costs for the second year of a five-year contract with Associated Risk Services for workers' compensation claims administration services, not to exceed \$3.5 million, effective December 1, 1988 to November 30, 1989; form of documents subject to approval of the General Counsel.

UNANIMOUS, with 8 directors present

CONSENT CALENDAR

Items 10 through 20 were approved unanimously in one motion, with all Director present except Hall, Price and Jenkins.

10. APPROVED a contract with KDG (Kennard Design Group), Los Angeles, under RFP No. 88-10, covering provision of architectural and engineering consulting services for the design of improvements in Unit Shop II of the Central Maintenance Facility at a cost of \$174,488; form of contract subject to approval of the General Counsel.

This procurement is funded in part under UMTA Grant No. CA-90-X222-G.

11. APPROVED Requisition No. 8-4400-98 and an option for one additional year with Crown Gibraltar Graphic Center, Inc., Alhambra, covering procurement of emergency high volume printing services at an additional annual cost of \$200,000; form of option subject to approval of the General Counsel.
  
12. APPROVED a contract with Evaluation and Training Institute, Los Angeles, under RFP No. 88-17, covering provision of Marketing Research Services for a four-month period, for an additional estimated cost of \$42,850; form of contract subject to approval of the General Counsel.
  
13. APPROVED Requisition No. 8-8100-2A and Amendment No. 4 to an existing contract for burglar and fire alarm services with American Protection Industries, Culver City, in the amount of \$10,000 for a contract total of \$29,924; form of amendment subject to approval of General Counsel.

CONSENT CALENDAR - Cont'd.

14. APPROVED Requisition No. 8-3399-7 and amendment of existing contract with Enterprise Rent-A-Car Leasing, Carson, covering lease of four vans for use in the Anti-Graffiti Youth Program, increasing the total cost by an additional \$27,900; form of contract amendment subject to approval of the General Counsel.

This procurement is funded by the Second Supervisorial District.

15. APPROVED a contract with Xerox Corporation, Los Angeles, the lowest responsible bidder under Bid No. 9-8830, covering a three-year term lease for two copy machines, a total price of \$181,514; form of contract subject to approval of the General Counsel.
16. APPROVED the lease of 20 parking spaces at the vacant lot adjacent to 3939 Lankershim Blvd., North Hollywood to Cahuenga Associates at a monthly rate of \$700; form of documents subject to approval of General Counsel.
17. Received and filed Metro Rail Construction Change Order report for September, 1988.
18. Received and filed Treasurer's report for September, 1988.
19. Received and filed Board Request report for October, 1988.
20. Approved minutes of Special Board Meeting on September 15, and regular Board Meetings held September 22 and October 13, 1988.

PERSONNEL COMMITTEE

21. APPROVED tentative agreement with the Teamsters Union, Local 911 (Security Guards), on the labor contract reopener provisions.

UNANIMOUS, with 8 directors present

EQUIPMENT AND OPERATIONS COMMITTEE

22. Received and filed progress report on Cubic farebox project.

UNANIMOUS, with 8 directors present

23. APPROVED a change order with the Flxible Corp. covering the modification of five buses for conversion from diesel fuel operation to alternative fuel operation; form of documents subject to approval of General Counsel.

UNANIMOUS, with 8 directors present

MARKETING & CUSTOMER INFORMATION COMMITTEE

24. APPROVED Requisition No. 8-4400-127 and amendment of existing contract with Pool/Sarraille Advertising, Los Angeles, covering provision of Advertising Services for Fiscal Year 1989, increasing the annual cost by \$362,000; form of contract amendment subject to approval of the General Counsel.

UNANIMOUS, with 8 directors present



During discussion, Director Thomas offered a substitute motion to defer this matter, but subsequently withdrew his motion. The discussion centered on the expenditure of these funds pending the resolution of the financial crisis. Staff commented that the requested action is to authorize the General Manager to execute the contract; it does not automatically mean the funds will be spent. Director Thomas, in withdrawing his substitute motion, stated that his concern was directly related to the availability of funds to provide service to the public.

ADVANCE PLANNING COMMITTEE

25. APPROVED amendment of the Bridge Funding Agreement with the City of Rancho Palos Verdes for the provision of bus service on Line 685 - PALOS VERDES-ROLLING HILLS-TORRANCE-HAWTHORNE-EL SEGUNDO EMPLOYMENT CENTER, through July 3, 1989; form of agreement subject to approval of General Counsel.

UNANIMOUS, with 8 directors present

RAPID TRANSIT COMMITTEE

26. APPROVED:

- a. rejection of all bids received for Caustic Soda on Bid No. CA-03-0130-U;
- b. a contract with Holtrachem West, Inc., Anaheim, the lowest responsible bidder to a negotiated procurement for caustic soda for a six-month period commencing November 1, 1988 at an estimated cost of \$178,568;
- c. issuance of formal bids for succeeding three months or longer periods through the end of Metro Rail Contract No. A141, or, if receiving no responsive submittals, to negotiate interim contracts for a like period;

form of contract subject to approval of the General Counsel.

This procurement is funded in part under UMTA Grant No. CA-03-0310.

UNANIMOUS, with 8 directors present

27. APPROVED acquisition of permanent surface and subsurface property rights to the following Metro Rail parcels in the San Fernando Valley, as mandated by Senate Bill 1995:

<u>PARCEL</u>	<u>REQUIRED ROW</u>	<u>LOCATION</u>
A4-733	Permanent Subsurface Easement	4123 Lankershim Blvd.
A4-734	Permanent Subsurface Easement	4109 Lankershim Blvd.
A4-735	Permanent Subsurface Easement	4101 Lankershim Blvd.
A4-736	Permanent Subsurface Easement	10612 Chiquita St.
A4-737	Permanent Subsurface Easement	4097 Lankershim Blvd.
A4-738	Permanent Subsurface Easement	4093 Lankershim Blvd.
A4-740	Permanent Subsurface Easement	L.A. Co. Flood Control Channel
A4-779	Permanent Subsurface Easement	4055 Lankershim Blvd.
A4-780	Permanent Subsurface Easement	L.A. Co. Flood Control Channel
A4-764	Fee Title	3906-12 Willowcrest
A4-770	Fee Title	10660 Bluffside
A4-771	Fee Title	10656 Bluffside
A4-773	Fee Title	10642 Bluffside
A4-784	Permanent Subsurface Easement	City of L.A. public park;

form of documents subject to approval of General Counsel.

UNANIMOUS, with 8 directors present

RAPID TRANSIT COMMITTEE - Cont'd.

28. APPROVED recommendation of hearing officer for substitution of another subcontractor to replace Hollier Engineering on Metro Rail Contract All2.

UNANIMOUS, with 8 directors present

The General Counsel advised the Board of their limitations under the law.

Mr. Hollier spoke, indicating both his disappointment and his respect of the decision of the Board.

GENERAL ITEMS

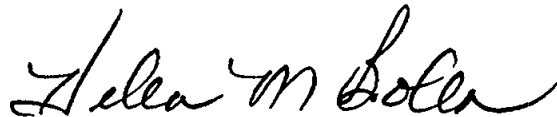
29. Consideration of items arising subsequent to the posting of the agenda.

There were no items.

30. Public Comment

G. Roberts addressed the Board on issues relating to transit.

The meeting adjourned at 3:46 p.m.



Helen M. Bolen  
District Secretary