

SCRTD LIBRARY RAPID TRANSIT DISTRICT

MINUTES/PROCEEDINGS  
Special Board Meeting  
Board of Directors  
Wednesday, February 13, 1985  
District Board Room  
425 South Main Street  
Los Angeles

Called to order at 10:03 a.m.

Directors Present:

Nick Patsaouras, President  
Gordana Swanson, Vice-President  
John F. Day  
Norman H. Emerson  
Carmen A. Estrada  
Jan Hall

Nate Holden  
Marvin L. Holen  
Michael W. Lewis  
Jay B. Price  
Charles H. Storing

1. Received report on testimony from public hearing on fare and service adjustments for FY 1986, including assessment of staff proposals on social, economic, environmental and energy conservation impacts.

Staff commented that the key message from the people testifying at the public hearing was not to raise fares, especially for students and the elderly. Also, mid-day service cuts were strongly opposed. In general, the public's request was to reduce service, but not to eliminate service.

There was discussion by members of the Board about specific line recommendations made by staff, including discussion of lines providing service to hospitals.

Director Holden spoke concerning the federal budget and its impact on the District, stating his belief that the most the Board can do at this time is to deliberate on the staff's proposal. Mr. Dyer commented that it is required by the federal government that we have a fare plan by March 15th to be eligible for federal funds. The Board has discussed the various fare alternatives for the last 4-5 months. Once the Board makes the decision, it will take staff approximately three months to get the changes in place.

Director Hall commented on the \$3 million committed by the City of Los Angeles to subsidize the seniors and disabled fares. Staff reported that the \$3 million buy down of these discount passes would be offset by an added \$600,000 in revenue because of continued high ridership from the seniors and disabled. An additional \$2 million would have to come from the other cities or the county to hold non-city of L.A. resident senior fares at the \$4.00 level. When asked what it would cost to adjust the multiple downward to 40 rides, the answer was about \$5 million.

Director Holden reported the Board of Supervisors has directed correspondence to all cities asking them to give a portion of Proposition A funds to the District to subsidize the District.

President Patsouras commented the \$5 million from the Los Angeles County Transportation Commission (LACTC) is an incentive to keep the fares low. Staff indicated that this fund has been included in the projections as a source of revenue and that the incentive funds are based on a fare base level of 75 cents.

There was discussion concerning the cities' share of Proposition A revenue, with Director Swanson commenting that the purpose of allocating 25% of these funds to the cities was so they could provide service. She indicated there are various forms of service.

2. Considered basic fare alternatives for FY 1986.

General Manager Dyer reported that the original staff recommendation is still the best fare plan that staff can propose. This proposed fare structure was presented in depth by staff.

Director Emerson asked about the policy of the five largest transit operators in the state and in the nation on discount fares. Staff responded that most major properties give student discount fares, but only two properties offer a college discount fare.

Director Holden, on a point of order, raised the issue of Director Lewis' resignation from the Board. He asked if Mr. Lewis' presence affected the legality of this meeting. General Counsel Powers reported that Director Lewis requested he be retained on the Board until his replacement took his seat, and the District Law states that members shall serve until their respective successors are appointed and qualified.

Director Holen questioned the multiple of 45 times the base fare. Staff commented that one way to mitigate the impacts of a higher pass price was to develop a plan used in Toronto where cash fares are higher to encourage pre-payment of fares. He raised the thought of two types of passes; one for weekdays with a multiple of 40, and a second for seven-days per week with a multiple of 45. It was pointed out that Toronto has a 72 multiple for its passes.

Following additional discussion, General Manager Dyer explained that an 85-cent fare would be needed to eliminate all service cuts. He also stated that staff proposal is geared toward maintaining the fare structure for a two-year period.

Director Price asked if the LACTC, by stating that additional moneys were available to the District if the fares were set at a certain level, were within their legal rights. General Counsel Powers responded that he believes the LACTC would have great difficulty in refusing discretionary funds to the District unless fares were set at a certain level. This particular point is not covered under the language of Proposition A and would require considerable research.

Staff stated that the 75-cent fare was not proposed because of the LACTC, but because it provides the best balance between a fare increase and service cuts.

The meeting recessed for lunch at 12 Noon, returning at 1:00 p.m., with all members present.

General Manager Dyer stated that the Board should set the fare today. He explained the current fare and the staff proposal. This proposal will reduce ridership by 18.5%, raise the farebox revenue from \$126 to \$182 million and reduce the service hours 3.1%.

There was discussion concerning distance based fares, with staff commenting that this type of fare system might increase revenue 4%, but would lower productivity because of the requirement to stop at zone boundaries to determine if the proper fare has been paid.

Mr. Banish appeared before the Board reporting on behalf of the Los Angeles Collegiate Council. He indicated private tuition is up 7% this year, with the federal government indicating further cuts in aid can be expected. He concluded by stating that college students want parity with other students. Upon inquiry, he stated he was not opposed to asking the colleges to subsidize bus passes for students if the subsidy is not passed on to the students.

Director Lewis questioned the impact of an 85-cent fare on the District's budget. Mr. Dyer indicated the projected budget for FY 86 is estimated at \$483 million. Without any change in revenue from the farebox, the total moneys available to the District will be \$440 million, assuming no change in fares. These figures assume \$48 million in federal dollars, and assumes \$5 million from the LACTC in discretionary funds.

Several fare packages were proposed. They are outlined as follows:

PROPOSAL NO. 1

Regular Pass	\$ 34.00
E & H Pass	6.00
Students K-12	6.00
College Students	6.00
Regular Cash Fare	.85
Service Adjustments	1.5-2.0%

PROPOSAL NO. 2

Regular Pass	\$ 32.00
E & H Pass	7.00
Students K-12	12.00
College Students	15.00
Regular Cash Fare	.85
Service Adjustments	1.0-1.5%

PROPOSAL NO. 3

Regular Pass	\$ 32.00
E & H Pass	8.00
Students K-12	12.00
College Students	15.00
Regular Cash Fare	.80
Service Adjustments	1.5-2.0%

PROPOSAL NO. 4

Regular Pass	\$ 32.00
E & H Pass	8.00
Students K-12	12.00
College Students	15.00
Regular Cash Fare	.80
Service Adjustments	1.5-2.0%

PROPOSAL NO. 5

Regular Pass	\$ 32.00
E & H Pass	9.00
Students K-12	9.00
College Students	15.00
Regular Cash Fare	.85
Service Adjustments	1.0%

PROPOSAL NO. 6

Regular Pass	\$ 32.00
E & H Pass	7.00
Students K-12	10.00
College Students	15.00
Regular Cash Fare	.85
Service Adjustments	1.5-2.0%

PROPOSAL NO. 7

Regular Pass	\$ 32.00
E & H Pass	7.00
Students K-12	15.00
College Students	20.00
Regular Cash Fare	.80
Service Adjustments	1.5-2.0%

PROPOSAL NO. 8

Regular Pass	\$ 32.00
E & H Pass	6.00
Students K-12	10.00
College Students	16.00
Regular Cash Fare	.85
Service Adjustments	2.0%

Directors Swanson, Emerson, Holden and Patsaouras commented on the social implications of public transportation. Director Holen stated his belief that the monthly pass fare is really the base fare. The cash fare should be set higher to encourage pass ridership. Director Lewis asked what the proposed stamp price would be under the 85-cent scenario. Staff responded that the proposed price would be \$14, based on a multiple of 40. Director Day asked what percentage of riders pay the full fare. Staff indicated approximately 57% pay full fare. And after comment by Director Emerson regarding the \$3 million set aside by the City of Los Angeles to keep the monthly pass rate low for their senior and disabled citizens, Mr. Dyer stated that these funds would not affect the budget; they merely change the source of funds from the user to the governmental agency.

Director Emerson also raised a question concerning contracting out of some services. Mr. Dyer commented that this affects our union contracts and the District is working to get this provision into those contracts. Director Holden commented that he is not ready to vote on a fare proposal. He indicated the need to discuss with school districts the subsidization of their students, and the availability of funds at the LACTC that could be used to keep the fare low.

President Patsaouras asked the members of the Board to express their preference for one of the proposals put forward. He expressed his preference for Alternative No. 5. Director Storing indicated the senior and disabled fare was too high. Director Day indicated he did not have sufficient information to make a decision. Director Estrada indicated a preference for Proposal No. 5. Director Lewis favored Proposal No. 2, indicating the only information not available today was how much funding the District would lose from the federal government and the uncertainty of the \$5 million discretionary funds from the LACTC. Director Swanson favored Proposal No. 2, as did Director Price.

Director Holden stated he would not vote on any of the proposals. Director Hall indicated she could support Proposal No. 2 or No. 6. Director Holen also expressed preference for Proposal No. 2 or No. 6, indicating that given the average base price, these proposals produce an average fare of 57c. Director Emerson supported Proposal No. 2, expressing his concern that the entire policy is being driven by the discount fares.

During the course of the meeting, the Board heard comments from various members of the public including Howard Watts, Greg Roberts, Jesus Hernandez and others.

It was stated for the record that under all the proposals being considered, the cash fare for students, both K-12 and college, would be the same as for the regular rider and the senior and disabled cash fare would be 40c.

Director Swanson made a motion to adopt Proposal No. 2, which motion was seconded by Director Storing. Director Lewis stated that no decision has been made about the price of the express stamp. Director Lewis indicated he would be happy to support the motion if the express stamp price was \$12 for regular riders and \$6 for discount riders, which was the cost in 1982. Staff indicated the staff recommendation would be \$14 for the regular pass user and 35c for the cash rider per use. There would be no express charge levied against the discount riders.

Following additional discussion, Director Holden stated for the record that he believes what the Board is about to do is wrong. He is not prepared to vote nor to accept this fare increase at this point in time; therefore, if this matter goes to vote he will vote 'no' continuously.

Director Hall made a substitute motion that Proposal No. 6 be adopted, which motion was seconded by Director Estrada.

On a Roll Call vote, the substitute motion failed as noted below:

Ayes:	Estrada, Hall, Holen, Price, Patsaouras
Noes:	Day, Emerson, Holden, Lewis, Storing, Swanson
Abstain:	None
Absent:	None

On a call for the question on the original motion by Director Swanson, the motion passed as noted below and the following resolution was adopted:

Ayes:	Emerson, Estrada, Hall, Holen, Price, Storing, Swanson, Patsaouras
Noes:	Day, Holden, Lewis
Abstain:	None
Absent:	None

RESOLVED, that the following fare structure is adopted, effective as of July 1, 1985:

Basic Monthly Pass	\$32.00
Basic Cash Fare	.85
Senior Citizens/Disabled Pass	7.00
Senior Citizens/Disabled Cash Fare	.40
Students (K-12) Pass	12.00
Students (K-12) Cash Fare	.85
Students (College) Pass	15.00
Students (College) Cash Fare	.85

Director Holen then made a motion to set the cost of the express stamp at \$12, and the cash fare at 35c, which motion was seconded by Director Price. On a call for the question, the motion failed as noted below:

Ayes:	Emerson, Estrada, Hall, Holen, Price, Patsaouras
Noes:	Day, Holden, Lewis, Storing, Swanson
Abstain:	None
Absent:	None

Director Price made a motion to set the cost of the express stamp at \$10, which motion was seconded by President Patsaouras. On a call for the question, the motion failed as noted below:

Ayes:	Day, Emerson, Estrada, Holen, Price, Swanson, Patsaouras
Noes:	Hall, Holden, Lewis, Storing
Abstain:	None
Absent:	None

There was discussion concerning the possible lack of votes necessary to approve an express stamp for elderly and disabled riders.

Director Swanson then made a motion to reconsider the question of a \$12 express stamp, which motion was seconded by Director Emerson and carried on a Roll Call vote with Directors Lewis and Storing voting against the motion to reconsider.

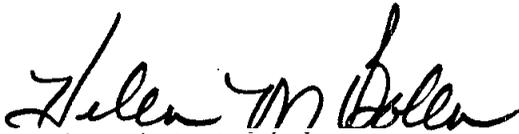
Director Holen moved approval of a \$12 express stamp, which motion was seconded by Director Emerson and carried as noted below on a Roll Call vote and the following resolution was adopted:

Ayes:	Day, Emerson, Estrada, Hall, Holden, Holen, Price, Swanson, Patsaouras
Noes:	Lewis, Storing
Abstain:	None
Absent:	None

RESOLVED, that the express stamp fare is adopted, effective as of July 1, 1985 at \$12 per zone, with a cash value of 35c.

At the suggestion of the General Manager, the Board continued consideration of service levels until 2:30 p.m. on Thursday, February 14, 1985.

The meeting recessed at 4:18 p.m.

  
District Secretary