

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

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

January 7, 1982

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 1:00 p.m. on Thursday, January 7, 1982, at which time President Thomas G. Neusom called the meeting to order.

Directors Present:

Jan Hall
Marvin L. Holen
Michael W. Lewis (entered 1:17 p.m.)
Carl Meseck
Thomas G. Neusom

Nick Patsaouras
Jay B. Price
Ruth E. Richter
Charles H. Storing
George Takei

Director Absent:

Gordana Swanson

Staff Present:

John A. Dyer, General Manager
Richard T. Powers, General Counsel
Samuel M. Black, Manager of Operations
George L. McDonald, Manager of Planning & Marketing
Joe B. Scatchard, Controller-Treasurer-Auditor
John S. Wilkens, Manager of Employee Relations
Robert G. Williams, Manager of Customer Relations
Barry Engelberg, Representing Administration
Duane Johnson, Representing Human Relations
Helen M. Bolen, District Secretary

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

General Manager Dyer presented the staff report regarding the implementation of Proposition A. The proposed Memorandum of Understanding (MOU) basically provides for the effective date of the tax collection by the State Board of Equalization as the date to be used for the beginning of the 50-cent bus fare. The proposed agreement is a short-term start-up agreement expiring in June 30, 1982 with a new agreement to be negotiated at that time. Mr. Dyer also indicated that he was requesting Board authorization to make adjustment in service and schedules without prior Board approval during the start-up period. He indicated he would report those changes at every Board meeting.

Director Hall inquired as to why it was necessary to have the MOU completed now. Mr. Dyer responded that the District staff is reluctant to do more of the planning work necessary to get the service up and ready until agreement has been reached by the policy boards of the District and the Los Angeles County Transportation Commission. Even at that, it will be necessary to sell some short-term tax anticipation notes to finance the project. The Commission staff has requested that the agreement be approved by the District Board of Directors and the agreement will be submitted to the Commission as well.

Director Patsaouras inquired as to the set-up costs and how these costs will be paid. Mr. Dyer indicated that the planning is being done as a part of the routine job functions. The reason for bringing the MOU to the Board at this time is to attempt to avoid the necessity of an emergency Special Meeting on short notice. He also indicated that all of the start-up costs are reimburseable.

Director Storing asked if the Berman Bill will be resurrected and passed in the State Legislature if the State Supreme Court issues an adverse decision on Proposition A. Staff responded that this Bill was left on the Assembly floor and there is no guarantee that the Bill would be passed; however, staff will work very diligently with the Commission to bring about its passage.

Director Holen commented that one of the things that the District's Board of Directors has tried to avoid is the duplication of efforts by staffs of the District and the Commission with respect to the establishment of service, lines, etc. These functions are best handled by the provider of service, the District. He indicated that he does not believe the MOU is required for the flow of funds from the Commission to the District. All that is needed is adoption of a resolution as to the acceptance of the funds from the Commission. He stated that he believes that inherent in the MOU is an involvement of the Commission in the service, etc. Director Holen concluded by stating that he believes that a MOU is not necessary, it is inconceivable that the monies from Proposition A would be withheld from the District.

General Manager Dyer commented that he doesn't sense an intent by the Commission to build up a duplicate staff or get well involved in the daily operation of the District. General Counsel Powers commented that the purpose of the MOU is not dictated by Proposition A. There are no provisions in the Proposition that we enter into an agreement; but the District and the Commission does need a formal agreement as to just what both

agencies intend to accomplish. Another purpose of the MOU is to allow the Commission to have some accountability for the expenditure of funds. For example, there is nothing in the language of the Proposition regarding capital projects.

Director Lewis asked if it is appropriate for the Board to adopt the MOU that adopts or sets forth a fare structure without a public hearing and with less than eight votes.

Staff responded that the hearing held last June adequately addressed the possibility of fares under Proposition A, and UMTA has concurred in this.

Director Price commented that the Commission has the authority to audit and review the District; however, it is the District's responsibility to set fares, service conditions and standards. He suggested that the MOU could be made clearer with respect to the legal obligation of the District and the Commission.

Director Patsouras made a motion to reject the Memorandum of Understanding, which motion was seconded by Director Richter.

Director Meseck stated that he isn't afraid of the MOU. We are in a new area in the field of transportation, we are trying to adopt some level of trust. It is time for the District and the Commission to trust one another.

President Neusom suggested that some of the discussion and issues raised have to do with the legality of the two agencies working together. From a legal standpoint some of these issues are still unresolved and he indicated he would like to allow the General Counsel the opportunity to advise the Board as to what

the District's legal position would be in implementing the MOU. In conclusion, President Neusom stated that he would like to carry over consideration of this matter until the first or second meeting in January so that the Board will have a better understanding as to what is involved.

Director Price made a substitute motion that Agenda Item No. 1 in its entirety be tabled until the next meeting in order to give opportunity for a legal opinion as to the questions raised, which motion was seconded by Director Hall. On a Roll Call vote as noted below, the motion to "table" was passed:

Ayes:	Hall, Holen, Lewis, Meseck, Neusom, Price, Storing, Takei
Noes:	Patsaouras, Richter
Abstain:	None
Absent:	Swanson

Director Patsaouras commented that the questions raised by Director Holen were philosophical in nature.

Director Lewis asked for more supportive data at the time the matter is reconsidered.

Greg Roberts and Brian Allen appeared before the Board with brief comments.

The meeting adjourned at 1:45 p.m.


District Secretary