

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

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

June 22, 1981

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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 10:05 a.m., at which time President Thomas G. Neusom called the meeting to order.

Directors Present:

Jan Hall  
Marvin L. Holen  
Mike Lewis  
Carl Meseck  
Thomas G. Neusom  
Nick Patsouras

Jay B. Price  
Ruth E. Richter  
Charles H. Storing  
Gordana Swanson  
George Takei

Staff Present:

Richard T. Powers, Acting General Manager  
Joe B. Scatchard, Controller-Treasurer-Auditor  
Samuel M. Black, Manager of Operations  
Suzanne B. Gifford, Acting General Counsel  
Jack T. Stubbs, Assistant General Manager for Administration  
George L. McDonald, Manager of Planning & Marketing  
Richard Gallagher, Manager & Chief Engineer, Rapid Transit  
David D. Dominguez, Manager of Human Relations  
Robert G. Williams, Manager of Customer Relations  
Donald Cornish, Manager of Labor Relations  
Ed Vandevanter, Systems Engineer  
Helen M. Bolen, District Secretary

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

Resolution  
No. Assigned

Prior to commencing consideration of the agenda items, President Neusom informed the members of the public who had requested to speak that the public hearing on the subject of fare structure had been held on June 13th and that the Board today will adopt the budget and arrive at a fare structure. He indicated that the period for public comment on the fare structure had passed. Mr. Larry Gross of the Coalition for Economic Survival objected, stating that he understood that every meeting was open for public comment.

Agenda Item No. 1 - Consideration of the Budget  
for Fiscal Year 1982

Acting General Manager Powers and Controller Scatchard presented the proposed budget for fiscal year 1982. Mr. Scatchard indicated that the Los Angeles County Transportation Commission has recently made available an additional \$1.7 million which is uncommitted at this point.

Commenting upon the proposed budget, Director Richter stated that she would prefer that the funds requested for television advertising be used to retain the telephone information service at its present level.

Agenda Item No. 1 - Continued

Director Patsouras inquired if the cost of the modified proposal for operation of the telephone information service, the amount of \$285,000, is included in the proposed budget. Mr. Scatchard explained that this would be a cost in addition to the amount budgeted for this department.

On the subject of television advertising, Mr. McDonald commented that this is a recommendation that the Board should consider carefully. He said that he feels that this agency should certainly avail itself of a medium that is significant in this city. The District has operated without television ads for some years, but he urged the inclusion of this item in this budget. Patronage levels have flattened out after a growth over the past 5-6 years, and at the present time we are altering the travel patterns of a good many people on the west side of our service area. In response to a question, Mr. McDonald reported that the \$550,000 presently earmarked for television would buy 8 months of advertising. Director Richter stated that the best target for advertising is the person sitting in a car in a traffic jam; television cannot reach that person. Director Storing commented

Resolution  
No. Assigned

Agenda Item No. 1 - Continued

that the issue is not television versus paper advertising, but how much do we want to spend on advertising. He indicated that he feels radio is far more effective during peak hours. Director Holen stated that media is used for two purposes: to attract additional ridership and to get across announcements. He asked Mr. McDonald to comment on the public information aspects of the advertising budget. Mr. McDonald commented that the public information aspects of the advertising budget is devoted primarily to public awareness of low ridership lines, that in fact the District relies on the news coverage for such things as the setting of a new fare structure, etc.

Mr. McDonald stated that if the amount of money that can be committed to advertising is the primary issue, then the staff can come back at a later time with an advertising program. Director Patsaouras indicated that he was against advertising on television this year. Director Price spoke against the trading off of the advertising budget against the telephone information service.

Director Richter asked what the advertising budget was for this fiscal year. Staff replied that the original budgeted amount was \$335,000,

Agenda Item No. 1 - Continued

but with add-ons of special tasks approved by the Board, the total yearly advertising budget was approximately \$700,000.

Director Richter made a motion that the telephone information service be kept at its present level and that \$850,000 of uncommitted funds be allocated to support this operation. This motion was seconded by Director Patsouras.

Director Meseck stated that a reasonable alternative for the telephone information service has been presented by staff and he suggested consideration of this alternative. In response to questions, Mr. Scatchard stated that the full cost of operating the telephone information department would be \$4,285,000 and the cost to operate on the modified schedule would be \$565,000 less than that, or \$3,720,000.

There was considerable discussion concerning the authorized number of employees in the telephone information department, the number presently employed and the costs of reducing the employee force by ten persons and keeping a 24-hour operation. There was also discussion concerning the number of calls between certain time points. It was pointed out that the modified alternative would remove 20

Agenda Item No. 1 - Continued

authorized positions, leaving 100 positions in that department.

Director Richter, with the concurrence of Director Patsaouras, withdrew her motion.

President Neusom commented that his personal feeling is to go along with the staff recommendation and try the system operating from 6:00 a.m. to 12 midnight on weekdays and from 6:00 a.m. to 6:00 p.m. on weekends and to request a report after 90 days. Director Hall stated that she would be interested in the response time to calls, indicating that if the hours are going to be cut, then the operation must be efficient.

Director Meseck moved approval of staff recommendation, which motion was seconded by Director Price.

Director Holen suggested that staff be allowed the opportunity to report back if the operation would be as efficient and cost productive working slightly longer hours.

Director Richter questioned the computerized service for the San Fernando Valley and how much it would cost to computerize the entire system. Mr. Scatchard replied that it would cost approximately \$2 to 2.5 million.

Resolution  
No. Assigned

Agenda Item No. 1 - Continued

Director Holen suggested that the reduction in hours be deferred for one month to approximately August 1st in order to handle the bulk of calls resulting from the recent service changes.

Director Meseck, with the concurrence of Director Price, included this in his motion. This raised the cost by \$45,000.

On a call for the question, the following resolution was carried as noted below and adopted:

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

R-81-348

RESOLVED, that effective approximately August 1, 1981, telephone information service will be provided from 6:00 a.m. to midnight, Monday through Friday, and from 6:00 a.m. to 6:00 p.m. on Saturdays and Sundays, at a cost savings of approximately \$565,000 from the present level of service;

RESOLVED FURTHER, that this action will add approximately \$330,000 to the proposed budget for the Telephone Information Department.

Concerning the advertising budget, President Neusom stated that it appeared that the majority of the Board did not feel that television advertising was appropriate at this point.

Resolution  
No. Assigned

Agenda Item No. 1 - Continued

Director Richter made a motion that the advertising budget be set at \$700,000, with the understanding that there be no television advertising without coming back to the Board. This motion was seconded by Director Price. Director Hall commented that there is more need for advertising this year and yet we are limiting the ways in which to do it. Directors Patsaouras and Storing disagreed. Director Richter commented that there is more to the department than advertising, yet the budget allocations are not enough for them to do the job. Director Takei stated that the \$950,000 requested included the \$550,000 for television advertising. Director Meseck commented that the District spends a lot of money on newspaper advertising that would be better placed on television advertising and he concluded by stating that he would like to give the department the opportunity to present a program that will do the job for us.

Director Price commented that the motion is reasonable. In the past the advertising budget has always been the first to be cut. It is unreasonable to start out with a figure that is



Agenda Item No. 1 - Continued

not realistic. When queried concerning advertising because of Proposition "A", Mr. McDonald responded that the advertising budget presented does not provide for a major campaign on this subject.

On a call for the question, the following resolution was adopted as noted below:

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

R-81-349

RESOLVED, that the advertising budget for Fiscal Year 1982 is approved at a cost of \$700,000, with the understanding that there will be no television advertising without coming back to the Board for approval.

President Neusom spoke about his recent visit to the Neoplan plant in Stuttgart, Germany, and the 47-foot bus they are manufacturing which has 100 seats. He requested that \$250,000 of the uncommitted funds be added to the District's capital budget for the procurement of this bus and that he be authorized to pursue the matter with UMTA in an effort to secure federal funding. There was discussion concerning the need for a waiver or variance to operate a bus of this size in the State of California.

Resolution  
No. Assigned

Agenda Item No. 1 - Continued

Director Holen made a motion that the capital budget be increased by \$250,000 for the procurement of the 100-seat high-occupancy vehicle, which motion was seconded and carried as noted below and the following resolution was adopted:

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

R-81-350

RESOLVED, that the proposed capital budget for Fiscal Year 1982 is hereby increased in the amount of \$250,000 to cover the local share of the procurement of a 100-seat high-occupancy bus.

Director Swanson questioned the 13% increase in the budget for the Data Processing Department. Staff responded that we have a capital grant for the procurement of a computer and that this increase reflects the need for additional personnel and for additional programming functions.

In response to questions concerning the Rapid Transit Department budget, staff responded that the proposed budget is \$1.5 million and the entire amount will be transferred to the capital budget.

Resolution  
No. Assigned

Agenda Item No. 1 - Continued

The Board questioned the budget for the Transit Police Department and the fact that the budget does not reflect the full manpower authorized. Mr. Burgess responded to the questions, stating that he feels the budget is adequate.

Director Patsouras asked how recent and extensive a study has been done on the energy needs of the District. He requested a report on this subject.

In the Telecommunications budget, President Neusom commented on the private telephone system. Mr. Black responded that this as a two-component system, the first phase of which is the microwave system which will be on the agenda of the June 25 Board Meeting.

Director Holen raised the issue of service reduction. He indicated that the District has maintained the same level of service for the past two years and he stated that he felt the public does not want a reduction in service, that they would prefer an increase in fares to maintain the service. Mr. McDonald replied that the staff is recommending a \$6 million fine-tuning package partly because it was felt that to only increase fares

Resolution  
No. Assigned

Agenda Item No. 1 - Continued

might be harmful to the public and might be counter-productive. He said the federal operating assistance reductions will be starting next year and that he believes the package presented could be implemented without harming the ridership. The fine-tuning will allow some buses to be flushed out of the system and to be deployed elsewhere in the system where the need is greater. Mr. McDonald concluded that he would prefer to continue to implement the \$3 million fine-tuning program which is already in process which would allow approximately \$3 million in savings. Director Holen suggested that if funding can be found, that the service reductions proposed be added back in the budget.

After further discussion, Director Holen made a motion that service levels be operated during Fiscal Year 1982 at 98.5% of the Fiscal Year 1981 level, with staff to continue to achieve the \$3 million fine-tuning program now going on. This motion was seconded and carried as noted below and the following resolution adopted:

Resolution  
No. Assigned

Agenda Item No. 1 - Continued

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

R-81-351

RESOLVED, that the service level for Fiscal Year 1982 shall be 105.5 million annual miles, or 98.5% of the Fiscal Year 1981 service level, with the proposed budget amended to reflect this increase in cost of approximately \$3.0 million.

Agenda Item No. 1 - Adoption of Budget for  
Fiscal Year 1982

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On motion of Director Meseck, seconded and carried as noted below, the proposed budget, as amended, was approved and the following resolution adopted:

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

R-81-352

RESOLVED, that the budget for Fiscal Year 1982, a copy of which is filed with the Secretary, in the amount of \$472,958,000, including the amendments approved at this meeting, be and the same is hereby adopted.

Director Lewis made a motion that the uncommitted funds left be placed in the capital budget until such time as they may be needed. This motion did not receive a second. Directors Meseck and Storing commented that it would be preferential to consider

Resolution  
No. Assigned

Agenda Item No. 1 - Continued

any uncommitted funds during the discussion of the fare structure.

President Neusom announced that the Board would recess for approximately 45 minutes for lunch and would return at 1:00 p.m.

With the concurrence of all members present, the Board recessed at 12:15 p.m.

The meeting reconvened at 1:00 p.m. with all Directors responding to Roll Call.

Agenda Item No. 2 - Consideration of a New Fare Structure

Mr. Scatchard advised the Board that he would like to correct a number necessary for their deliberations in establishing a fare structure. The fare structure should generate an additional \$34.1 million. This is the difference between the \$183 million needed from the farebox and the \$148.9 million currently obtained from the farebox.

Messrs. Powers and McDonald presented a summary of items relating to a new fare structure. At the Public Hearing held on Saturday, June 13th, three major issues were raised: 1) opposition to peak period or surcharge pricing; 2) request for lower fares for seniors and handicapped; and

Resolution  
No. Assigned

Agenda Item No. 2 - Continued

3) retention of the college pass. They also reported that a range of fare alternatives had been presented to the Board, including a list of proposed fares under Proposition "A". Also presented were the fare and revenue variables worksheet and a staff recommendation regarding fares. An analysis of the social, economic and environmental and energy conservation impacts was made. A summary and discussion of the consultant study of ten ways of covering the deficit was presented. A discussion was also held concerning service eliminations. Other documents were made available to the Board for their use in the consideration of a new fare structure.

President Neusom also noted for the record that several members of the Board of Directors called on the Board of Supervisors and presented information concerning the fare hearing, the nature of the testimony received, and the requirements that the District is facing concerning the farebox revenue required for the coming year.

Agenda Item No. 2 - Continued

President Neusom announced that prior to taking any action of any part of the fare structure, members of the public will be accorded the right to speak.

Director Holen stated that he has been working on a fare structure that is somewhat different from the staff recommendation, but that does not do violence to their approach. He indicated that this proposal would generate about \$32.6 million, which is about \$1.5 million short of the requirement stated by Mr. Scatchard to balance the budget. Following is his proposal:

|                          |        |
|--------------------------|--------|
| Cash Fare                |        |
| Regular                  | \$ .85 |
| Senior & Handicapped     | .40    |
| Student                  | .65    |
| College/Vocational       | .85    |
| Pass Prices              |        |
| Regular                  | 34.00  |
| Senior & Handicapped     | 7.50   |
| Student                  | 22.00  |
| College/Vocational       | 26.00  |
| Transfers                |        |
| Regular                  | .15    |
| Senior & Handicapped     | .10    |
| Student                  | .10    |
| Express Increment Prices |        |
| Cash Regular             | .40    |
| Pass Regular Stamp       | 12.00  |



Agenda Item No. 2 - Continued

Director Lewis inquired as to the number of stamps required for a trip on the Busway. Staff responded that the cost of the monthly pass would be slightly over \$70. Director Lewis then inquired how much monies would be generated if everyone were required to pay express charges. Staff responded that it would be approximately \$1.6 million. Director Lewis commented that he would prefer to have a smaller increase in the stamp price and at the same time he would prefer to pass along the express charge to everyone. There was discussion concerning the requirements to discount fares for seniors and handicapped and how this applies to express charges, and discussion concerning the percentage increases for each classification of fares as proposed by Director Holen. In response to a question, staff indicated that a 50% cost of regular express charge to discounted classes of riders would generate approximately \$1.6 million. Director Lewis concluded his comments that express trips are a premium service, but the District charges a premium fare to only one class of rider.

Agenda Item No. 2 - Continued

After further discussion, a straw vote was taken on the matter of a 50% express charge for discounted classes of riders, which straw vote passed 10-1 with Director Holen dissenting.

There was discussion concerning the reduction of the transfer charge for senior, handicapped and student riders to 5¢, with the Board expressing favor for this change.

The Board then discussed the subject of the number of children under the age of 5 years that is allowed to ride free with a fare paying adult. The Board rejected the staff recommendation based on a height limitation. Director Richter made a motion that the number of children under 5 be limited to two per fare paying passenger. Director Storing suggested a charge of 10¢ per child. Staff commented that the commercial use of the bus by a school class is the biggest concern to the District in this regard. A straw vote was taken on the suggestion of a 10¢ charge for each boarding child under the age of 5 years, which vote failed 5-6. Director Price then moved that this item be tabled, which motion did not receive a second. Director Holen acknowledged that the use of the bus

Resolution  
No. Assigned

Agenda Item No. 2 - Continued

by pre-school classes is a serious concern to the District and he suggested that the Board adopt a policy that would limit the free transporting of children under 5 years of age to 5 per fare paying adult. Director Swanson moved approval of this suggestion, and on an 8-3 straw vote the Board approved this policy.

Agenda Item No. 2 - Appearance of Members of the Public

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At this time, President Neusom called upon Ms. Sandra Prim, who addressed her remarks mainly to the subjects of college fares, which she advocated should be based on ability to pay, and to the reduction of service in the base period.

Mr. Bruce Saltzer, an attorney from the Legal Aid Foundation, appeared and stated that the Board was about to make a decision affecting the lives of thousands of riders in Los Angeles. In summary, Mr. Saltzer's comments were that Board action, without benefit of an exhaustive analysis of the possible ways to implement fare alternative number 7 or the zone concept, is inexcusable and an abdication of their duty to operate the District in a way that the poor,

Agenda Item No. 2 - Continued

elderly and handicapped are not deprived of free use of that system, as well as doing a disservice to the general ridership.

Mr. Larry Gross then appeared, stating he was the Coordinator for the Coalition for Economic Survival. His remarks addressed a business tax to cover the deficit, the merits of the zone charge concept, and delaying the matter of fare adjustments until the legal issue of Proposition "A" is resolved.

Director Holen responded to the comments made by Mr. Gross and Mrs. Saltzer, stating that he had given consideration to a zone system of fares and he felt that this fare collection system would slow down the entire system itself at a substantial adverse impact on productivity which would result in a much higher operating cost which must then be recaptured from even higher fares. Also a zone system is an enormous inconvenience to everyone that uses the system, the poor, elderly and handicapped certainly included. He also stated that he believes a zone system is counterproductive to the intent of the legislation which established the District. He then commented on the business tax which was suggested by Mr. Gross, indicating it was his

Agenda Item No. 2 - Continued

understanding that the Southern California Association of Governments is now studying a method by which the benefit use of a transportation system to the business community can be determined and out of that may grow a different kind of tax support structure.

Director Price commented for the benefit of Messrs. Gross and Saltzer that in the early 1970s the District was operating with between 300 and 400 zones, which zone system became administratively impossible to administer, not only for the administrative staff, but for the bus drivers as well, and it was literally bringing the entire system to a halt.

President Neusom commented that he had worked with Supervisor Hahn for the imposition of a flat fare which provided the District with a great deal of information concerning method of operations and efficiency that resulted from having a flat fare, and then he worked with the Supervisor during the implementation of the first of the grid systems. He also stated that he had read the consultant material, but judged the zone system not to be effective in terms of the kind of operation we have in Los Angeles today.

Resolution  
No. Assigned

Agenda Item No. 2- Adoption of a Fare Structure

Following comments by the public, the Board resumed their deliberation of a fare structure. Director Holen requested that the Board defer any action on the downtown and west side shuttle bus services. The Board concurred in his request.

The Board then discussed subscription fares and concurred in the staff recommendation.

There was discussion concerning the student fare, with Director Patsaouras suggesting a cash fare of 60¢. The Board then discussed the Senior and Handicapped pass price, with Director Swanson making a motion that the pass price be established at \$7.00, which motion was seconded and failed on a 5-6 straw vote.

Director Holen made a motion to adopt the fare structure he proposed earlier in the meeting, as amended in the straw votes, which motion was seconded.

Director Patsaouras stated that he was uncomfortable with the 85¢ fare and he made a motion to amend the fare structure to an 80¢ regular cash fare with the resultant revenue loss to be made up from uncommitted funds, which motion was seconded. On a Roll Call vote, the motion failed 2-9.

Resolution  
No. Assigned

Agenda Item No. 2 - Continued

On a call for the question on Director Holen's motion, a Roll Call vote was taken as noted below and the following resolution adopted:

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

R-81-353

RESOLVED, that the fare structure outlined in Exhibit I to these Minutes is adopted, and the General Manager is authorized to include this fare structure in the District's tariff.

RESOLVED FURTHER, that the implementation date for the new fare structure outlined in Exhibit I is July 1, 1981.

RESOLVED FURTHER, that it is the official finding of the Board of Directors that revenue derived from the fare structure adopted herein would be used for the purpose of meeting operating expenses, particularly higher wages and salaries, increased fuel costs, and the failure of the Federal subsidy and the sales tax revenue to keep up with the rate of inflation, and that an exemption is, therefore, claimed from the provisions of the California Environmental Quality Act.

There being no further business, the meeting adjourned at 3:22 p.m.

  
District Secretary

EXHIBIT I

Fare Structure to be Implemented July 1, 1981

| <u>Fare Category</u>   |                 | <u>Fare</u>                                |
|--|-----------------|--|
| Regular  | Pass            | 34.00                                      |
|  | Cash            | .85  |
|  | Transfer        | .15 each use - maximum of 1 additional bus |
|  | Express Charges |  |
| Express Charges  | Pass            | 34.00                                      |
|  | Cash            | .85  |
|  | Steps           | .40  |
|  | Transfer        | .15 each use - maximum of 1 additional bus |
|  | Stamps          | 12.00 Increments                           |
| Elderly & Handicapped<br>Ages 62-64 only with proof<br>of retirement<br>Ages 65 & over-no restrictions | Pass            | 7.50                                       |
|  | Cash            | .40  |
|  | Transfer        | .05 each use - maximum of 1 additional bus |
|  | Express Charges |  |
| Express Charges  | Pass            | 7.50                                       |
|  | Cash            | .40  |
|  | Transfer        | .05 each use - maximum of 1 additional bus |
|  | Stamps          | 6.00 Increments                            |
| Student - Elementary &<br>Secondary Levels   | Pass            | 22.00                                      |
|  | Cash            | .65  |
|  | Transfer        | .05 each use - maximum of 1 additional bus |
|  | Express Charges |  |
| Express Charges  | Pass            | 22.00                                      |
|  | Cash            | .65  |
|  | Transfer        | .05 each use - maximum of 1 additional bus |
|  | Steps           | .20  |
|  | Stamps          | 6.00 Increments                            |
| Student - College/Vocational   | Pass            | 26.00                                      |
|  | Cash            | .85  |
|  | Transfer        | .15 each use - maximum of 1 additional bus |
|  | Express Charges |  |
| Express Charges  | Pass            | 26.00                                      |
|  | Cash            | .85  |
|  | Steps           | .40  |
|  | Transfer        | .15 each use - maximum of 1 additional bus |
|  | Stamps          | 6.00 Increments                            |
| Downtown Minibus   | Cash            | .25  |
| <b>Subscription Fares</b>  |                 |  |
| Pass - 20 miles & under  |                 | 80.00                                      |
| Pass - 25 miles & under  |                 | 92.00                                      |
| Pass - 30 miles & under  |                 | 92.00                                      |
| Pass - 35 miles & under  |                 | 104.00                                     |
| Pass - 40 miles & under  |                 | 116.00                                     |