

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

Minutes of Regular Meeting of the
Board of Directors of the District

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August 27, 1981

Upon notice duly given, the Board of Directors of the Southern California Rapid Transit District met at a regular meeting in the District Board Room, 425 South Main Street, Los Angeles, California, at 1:00 p.m. on August 27, 1981, at which time President Thomas G. Neusom called the meeting to order.

Directors Present:

Jan Hall
Marvin L. Holen
Mike Lewis (entered 1:55 p.m.)
Carl Meseck
Thomas G. Neusom

Nick Patsaouras
Jay B. Price
Ruth E. Richter
Charles H. Storing
Gordana Swanson

Director Absent:

George Takei

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
Jack T. Stubbs, Assistant General Manager for Administration
John S. Wilkens, Manager of Employee Relations
Richard Gallagher, Manager & Chief Engineer, Rapid Transit
David D. Dominguez, Manager of Human Relations
Robert G. Williams, Manager of Customer Relations
Helen M. Bolen, District Secretary

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

Presentation of Certificates of Merit

Director Swanson presented Certificates of Merit to Juanita Cook, Information Operator-of-the-Month, Tedd Brewin, Maintenance Employee-of-the-Month, and to John Donald Hanson, Operator-of-the-Month.

Presentation of Resolution of Appreciation to Richard T. Powers

President Neusom announced that while honors were being bestowed, he would like to take the opportunity to present a resolution of appreciation to Richard T. Powers. This resolution expresses the sentiment of the Board of Directors for the outstanding job done by Mr. Powers during his tenure as Acting General Manager.

Mr. Powers expressed his thanks for the resolution and the warm thoughts of the Board.

Introduction of Line Instructors

General Superintendent of Transportation Foster introduced a group of Line Instructors from Divisions 7 and 8.

Status Report on Proposition "A"

General Counsel Powers reported on the decision issued by a local court on the petition filed by the Los Angeles County Transportation Commission and the Coalition for Economic Survival against the State Board of Equalization regarding the collection of the tax. The defense of the State Board of Equalization was that the issue of constitutionality of Proposition "A" was in doubt and the petition should be denied until the matter was resolved by the State Supreme Court. Judge Weill ruled that barring any consideration of the constitutionality of the issue, the State Board of Equalization must start to collect the tax.

Status Report on Proposition "A" - Cont'd.

The attorneys for the State Board indicated they will immediately apply for an appellate injunction of the decision, requesting that the order of Judge Weill be stayed. Mr. Powers also reported that the District has also received word that the action pending in Sacramento before the State Supreme Court may be decided in November.

In summary, Mr. Powers concluded that the status today is that the State Board of Equalization has been ordered to collect the tax. The Attorney General has indicated his intention to appeal that order.

Approval of Actions Relating to the Actions of Revenue Anticipation Notes

Mr. Scatchard, Controller-Treasurer-Auditor, reported that on this date, August 27th, the Board offered \$31.5 million in Revenue Anticipation Notes, which notes are due April 15, 1982. Two bids were received; one from a group of investment bankers headed by Merrill Lynch with an interest cost to the District of 11.43% and a second bid submitted by Security Pacific Bank with an interest cost of 12.53%. Mr. Scatchard recommended acceptance of the low bid submitted by Merrill Lynch White Weld Capital, Markets Group, adoption of a resolution requested by the District's bond counsel stating the District's intent not to sell any additional revenue anticipation notes during the life of this issue, and to further adopt a resolution allowing the participation of the District's financial consultant, Blyth Eastman Paine Webber, in the group of investment bankers bidding on the District's Revenue Anticipation Notes.

On motion of Director Meseck, seconded and carried as noted below, the Board concurred in the staff recommendation and the following resolutions were adopted:

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

R-81-491

Resolution Awarding Contract for the Purchase of the \$31,500,000 Principal Amount of 1981 Revenue Anticipation Notes of the Southern California Rapid Transit District.

(Text of complete resolution filed with the Secretary.)

R-81-492

RESOLVED, that the Board of Directors of the Southern California Rapid Transit District hereby states that as long as the principal of and interest on the \$31,500,000 District 1981 Revenue Anticipation Notes remain unpaid, or provision for their payment has not been made, the District will not issue additional Revenue Anticipation Notes that are secured by and payable from a pledge of an Operating Assistance Grant from the Federal Urban Mass Transportation Administration - UMTA Project No. CA-05-4245.

R-81-493

Resolution authorizing the Financing Consultant, Blyth Eastman Paine Webber Incorporated, to bid pursuant to Section 53691 of the Government Code.

(Text of complete resolution filed with the Secretary.)

Report of the Surface Operations Committee

Under Agenda Item No. 5, Director Price, Chairman of the Surface Operations Committee, recommended approval of the draft letter to the Department of Transportation and authorization of the General Manager to transmit the letter. This motion was seconded and carried as noted below and the following resolution adopted:

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

R-81-494

RESOLVED, that the report dated August 27, 1981, regarding federal accessibility regulations is approved, and the General Manager is authorized to transmit the District's comments on these proposed interim regulations to the Department of Transportation.

Report of the Customer Relations & Public Information Committee

Director Richter, Chairman of the Customer Relations & Public Information Committee, reported that the Committee had considered Agenda Item No. 6 concerning the establishment of a ticket office in the South Bay area. She then moved approval of the Committee's recommendation that this matter be held over in order to allow Director Swanson and any other interested Board member to view the sites that have been discussed, as well as the possibility of an additional site along Hawthorne Boulevard. The Board concurred in this recommendation.

Report of the Customer Relations & Public Information Committee -
Cont'd.

Under Agenda Item No. 7, Director Richter moved approval of staff and Committee recommendation, which motion was seconded and carried as noted below and the following resolution was adopted:

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

R-81-495

RESOLVED, that the report dated August 27, 1981 relative to the sale of Universal Studios admission tickets is approved, and the General Manager is authorized to enter into a contract with Universal Studios; form of contract subject to approval of the General Counsel.

Report of the Facilities & Construction Committee

Prior to presenting the Committee recommendations, Director Patsaouras publicly thanked Mr. Phil Meyers, Chief Engineer- Bus Facilities, for his cooperation and the support given to the Facilities & Construction Committee.

Director Patsaouras, Chairman of the Facilities & Construction Committee, reported that, under Agenda Item No. 8, it is the Committee's recommendation that a report be brought back to the Committee and Board at the September 24th meeting. The Board concurred in this recommendation.

Report of the Facilities & Construction Committee - Cont'd.

Under Agenda Item No. 9, Director Patsaouras reported that the Committee had received a status report on the Energy Use Study at District Facilities. On motion duly made, seconded and carried the Study was "Received" and staff was directed to bring to the Board a Request For Proposal for consultant development of an energy conservation management program.

Director Patsaouras moved approval of staff recommendation under Agenda Item No. 10, with a stipulation that a letter be sent to A. C. Martin notifying them of the circumstances surrounding the Change Order and that it is the District's intent to assess charges. This motion was seconded and carried as noted below and the following resolution was adopted:

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

R-81-496

RESOLVED, that the General Manager is authorized to execute a Change Order with Mallcraft, Inc., in an amount not to exceed \$65,000 to install 42" storm drain pipeline on new alignment at East San Fernando Valley Facility (Division 15); form of agreement subject to approval of the General Counsel.

RESOLVED FURTHER, that A. C. Martin, the District's consultant, is to be notified of the circumstances surrounding this Change Order and that it is the District's intent to assess charges.

Report of the Finance Committee

On motion of Director Meseck, Vice-Chairman of the Finance Committee, seconded and carried as noted below, Agenda Item No. 11 was approved and the following resolution adopted:

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

R-81-497

Resolution certifying the findings of Public Hearing held July 23, 1981 in connection with the District's application for an Urban Mass Transportation Administration Operating Assistance Grant for Fiscal Year 1982.

(Text of complete resolution filed with the Secretary.)

Under Agenda Item No. 12, Director Meseck reported that the Committee had discussed the shortage in passenger revenue and that staff has indicated that a comprehensive report will be given during September on passenger deflection and a series of recommendations will be presented based on two or three alternatives. On motion duly made, seconded and carried, the Operating Report for the month of July 21, 1981 was "Received and Filed."

During the discussion concerning passenger deflection, the matter of monthly pass counterfeiting was discussed. Staff will present recommendations in the near future designed to combat this problem.

Approval of Consent Calendar

On motion of Director Richter, seconded and carried as noted below, Agenda Items No. 13 through 27 on the Consent Calendar were approved, except for No. 18, which was removed by staff, and No. 26, and the following resolutions adopted and/or actions taken:

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

R-81-498

RESOLVED, that the General Manager is authorized to award a contract to Chemco Products, 19516 Suzanna Road, Compton, the lowest responsible bidder under Bid No. 8-8103, covering liquid steam cleaner at an estimated cost of \$150,900 for a one-year period; form of contract subject to approval of the General Counsel.

R-81-499

RESOLVED, that the General Manager is authorized to award a contract to Grumman Flexible Distribution Center, 3215 No. Alameda, Compton, the lowest responsible bidder under Bid No. 7-8127-A, covering engine blocks and crankshafts at a total bid price of \$52,000; form of contract subject to approval of the General Counsel.

R-81-500

RESOLVED, that the non-responsive low bids submitted by Hausman Bus Parts and Dino & Artie are rejected and the General Manager is authorized to award contracts under Bid No. 7-8128-A covering turbine torque converters to:

- a. AM General, 701 Chippewa, South Bend, Indiana, at an estimated cost of \$14,000, and
- b. Grumman Flexible Distribution Center, 3215 No. Alameda, Compton, at an estimated cost of \$17,000;

form of contracts subject to approval of the General Counsel.

Approval of Consent Calendar - Cont'd.

R-81-501

RESOLVED, that the General Manager is authorized to execute a contract with Insurance Company of North America, Philadelphia, Pennsylvania, to renew the District's comprehensive crime insurance policy at a cost of \$30,442 for a three-year period; form of contract subject to approval of the General Counsel.

R-81-502

RESOLVED, that the General Manager is authorized to award a contract to General Motors, P. O. Box 575, Sparks, Nevada, the lowest responsible bidder under Bid No. 8-8104-B, covering fluid fan assemblies at a total bid price of \$26,000; form of contract subject to approval of the General Counsel.

R-81-503

RESOLVED, that the General Manager is authorized to award a contract to Rho-Chem, 425 Isis Avenue, Inglewood, the lowest responsible bidder under Bid No. 7-8127-B, covering lacquer thinner at an estimated cost of \$15,000 for a one-year period; form of contract subject to approval of the General Counsel.

R-81-504

RESOLVED, that the General Manager is authorized to award a contract to Grumman Flexible Distribution Center, 3215 No. Alameda, Compton, the lowest responsible bidder under Bid No. 7-8128-B, covering starting motor assemblies at a total bid price of \$13,000; form of contract subject to approval of the General Counsel.

R-81-505

RESOLVED, that Requisition No. 1-9400-112 is approved and the General Manager is authorized to execute a contract with Walkerlite, 7069 Vineland Avenue, North Hollywood, covering the District's requirements for fluorescent and incandescent lamps for a one-year period under contract with the State of California at an estimated annual cost of \$15,000; form of contract subject to approval of the General Counsel.

Approval of Consent Calendar - Cont'd.

R-81-506

RESOLVED, that Requisition No. 1-3500-248 is approved and the Purchasing Agent is authorized to call for bids covering digital data switch and related equipment, which project is funded under UMTA Grant No. CA-03-0209; form of bid requirements and specifications subject to approval of the General Counsel.

R-81-507

RESOLVED, that Requisition No. 1-7200-118 is approved and the Purchasing Agent is authorized to call for bids covering procurement of access control system for the MIS Data Center, which project is funded under UMTA Grant No. CA-05-0052; form of bid requirements and specifications subject to approval of the General Counsel.

R-81-508

RESOLVED, that Requisition No. 1-3110-214 is approved and the Purchasing Agent is authorized to call for bids covering carpeting and rubber tile in the Transportation Building at District's Division 5; form of bid requirements and specifications subject to approval of the General Counsel.

R-81-509

RESOLVED, that Requisition No. 1-3399-259 is approved and the Purchasing Agent is authorized to call for bids covering procurement of 400 Super Queen-sized advertising frames; form of bid requirements and specifications subject to approval of the General Counsel.

Approved Minutes of Special Meeting held August 6, 1981.

Ratified temporary route diversions as described in the report dated August 21, 1981.

(Director Lewis entered at 1:55 p.m.)

Approval of Consent Calendar - Cont'd.

Under Agenda Item No. 26, Director Storing indicated that he was not comfortable with the staff recommendation. He would prefer to change the Section of the Rules and Regulations to prohibit District employees from participating in the sale of District property be either sealed bid or public auction process. Director Meseck commented that he cannot understand why the District employees should be barred from participating and he felt that perhaps the employees might be the best customers for District surplus property. Director Patsaouras expressed his agreement with Director Meseck.

Following further discussion, upon motion of Director Storing, seconded and carried as noted below, the following resolution was adopted under Agenda Item No. 26:

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

R-81-510

RESOLVED, that Section 9.1 of the District's Rules and Regulations is amended to prohibit the purchase of salvage or surplus property by District employees.

Report of the President

President Neusom reported that he will be travelling to Houston to meet with the Chairman of the Board of the Metropolitan Transit Authority of Harris County, Texas to discuss with him the recruitment techniques used by the District in filling the position of General Manager.

Report of the General Manager

General Manager John Dyer reported that he has been meeting with the individual members of the Board in an effort to get to know them. He also indicated that he has been in discussions with CalTrans and the Southern California Association of Governments regarding the I-105 Century Freeway Busway project. CalTrans has requested an opportunity to make a presentation to the Board in September. After discussion, on motion duly made, seconded and carried, the meeting time of the September 10th meeting was changed, as noted in the following resolution:

R-81-511

RESOLVED, that the Regular Meeting of the Board of Directors to be held on September 10, 1981, will convene at 12:30 p.m., with the first item of business to be a presentation by CalTrans.

Report of the General Manager - Cont'd.

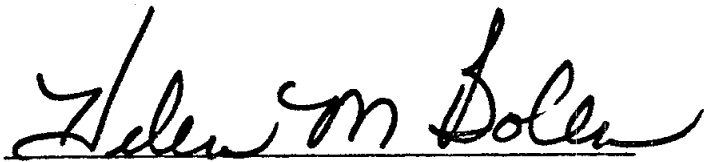
Mr. Dyer also distributed a Legislative Update report, a copy of which is filed with the Secretary. He reported that Assembly Bill 1655 is now a two-year bill. Assembly Bill 2231 has been amended to include language which is troubling to District staff. This amendment states "...only a state agency can freely operate to insure necessary rapid transit service,...". Mr. Dyer and General Counsel Powers pointed out that in the strictest sense the District is not a state agency; the District is a public corporation created by the State Legislature. Staff also commented that Assemblyman Berman's office has advised that this language was included to make the bill relate to the entire state. Mr. Powers stated that this language is in the introductory portion of the bill which does not have the impact of what follows, but staff does feel apprehensive about the presence of this language.

President Neusom stated that perhaps this matter should be referred to the Government Relations Committee to take the necessary steps to have the language changed. He indicated that this new language is not consistent with the original intent of the bill. Director Holen as Chairman of the Government Relations Committee concurred with President Neusom indicating that an investigation needs to be conducted before the District goes on record in response to this amendment. If the bill is going to become a two-year bill, then the District will have a sufficient opportunity to investigate this amendment at length.

Report of the General Manager - Cont'd.

Mr. Dyer also reported that the Los Angeles County Transportation Commission has asked that the District not make any public comment regarding the order issued by Judge Weill regarding Proposition "A." The Commission requests that this matter be kept within the confines of the Court.

There being no further business, the meeting adjourned at 2:15 p.m.

A handwritten signature in cursive script, reading "Helen M. Dolan". The signature is written in dark ink and is positioned above a horizontal line.

District Secretary