

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

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

April 30, 1980

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PLANNING DEPT.

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 4:00 p.m. on April 30, 1980, at which time President Thomas G. Neusom called the meeting to order.

Directors Present:

Donald Gibbs
Marvin L. Holen
Gerald B. Leonard
Mike Lewis
Thomas G. Newsom

Carl Meseck
Jay B. Price
Ruth E. Richter
Charles H. Storing
George Takei

Director Absent:

David K. Hayward

Staff Present:

Jack R. Gilstrap, General Manager
Richard T. Powers, General Counsel
George L. McDonald, Manager of Planning & Marketing
Jack T. Stubbs, Assistant General Manager for Administration
John S. Wilkens, Manager of Employee Relations
Robert G. Williams, Manager of Customer Relations
William Foster, Deputy Manager of Operations
Helen M. Bolen, District Secretary

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

President Neusom asked Mr. Powers to explain the parameters under which the Board could accept the funding approved by the Los Angeles County Transportation Commission to delay implementation of the fare structure scheduled for May 1, 1980.

General Counsel Powers reported that the amount recommended by the Commission is the projected deficit for the two-month period left in the current fiscal year. Action of the Board may take place immediately to defer the fare changes; no other alternate is available except to reject the funding of the Los Angeles County Transportation Commission. This procedure has been researched by the Legal Department and it is legally sound; it has also been discussed with UMTA attorneys in Washington and they concur in this procedure. Mr. Powers further indicated that since it took eight votes to put the fare structure on the books, it will also take eight votes to defer the fare structure until July 1, 1980. General Counsel Powers indicated that the mechanics of accepting the funding included the filing of an amended Section 5 Grant application with UMTA.

Director Price asked a question concerning the holding of another public hearing. President Neusom indicated that he would recommend that the public hearing take place on Saturday, June 7, 1980.

General Manager Gilstrap explained the actions taken by the Los Angeles County Transportation Commission at their special meeting earlier in the day. On a unanimous vote, the Commission authorized and allocated to the District \$4.6 million

out of reserve funds. This permits the District Board to accept the \$4.6 million which would be applied against our expenses this year and not held in reserve until 1981 and 1982 as originally planned.

This funding defers the fare increase allowing additional public input from the City, the County, the Commission and the general public. Mr. Gilstrap also reported that the comments from the members of the Commission and the Board of Supervisors concerning the need for additional funding has been very commendatory.

Director Leonard moved acceptance of the \$4.6 million from the Los Angeles County Transportation Commission and the deference of the fare changes until July 1, 1980. Director Lewis indicated that he would second the motion if it provided that a public hearing would be held prior to July 1, which amendment was accepted by Director Leonard and the motion was then seconded.

Directors Storing and Takei expressed concern over the concept of borrowing from the future. President Neusom responded that the allocation of Section 5 funds through the Commission is a result of the convenience of the legislation creating the Commission. The money would not have been available otherwise, because under the District law we would not have had a reserve. This is money for the District, to be used by the District.

Director Meseck commented that we, the District, are approaching the type of funding that has driven a large

number of cities near bankruptcy. The response to the fare structure is based on what some people feel are inequities; however, it may give some financial integrity to the Board for some time to come. The revenue of the District comes from two sources; the fare box or some form of taxes. There is no free ride. The Board acted in a firm and direct way to the problem before us. This action today is not going to resolve the financial problems, rather we will have to face them in July, all we are doing is allowing sixty days of manipulation.

Director Holen stated that in fact the District in accepting this money would be borrowing from the future. However, the Board of Supervisors and the Los Angeles County Transportation Commission realize this. The people who make up these two agencies are people who represent the people and they have the electoral responsibility. Director Holen also commented that perhaps the Board in trying to avoid many of the abuses under the old fare structure was a bit innovative and bold. The public reacted very strongly; it is unfortunate because today we are taking a step backwards. We are going to take sixty days to look at the new fare structure, but we will in fact end up raising the necessary monies required for next year. The most positive thing about this is that we have really caught the attention of the public to the fact that the transportation system requires greater public funding.

Resolution
No. Assigned

Director Lewis commented that he hopes that everyone recognizes that in accepting this money we will have to raise even more money in a shorter time which will require higher fares in July than we had originally adopted.

The question was called for and on a Roll Call vote as noted below, the following resolutions were adopted:

Ayes: Gibbs, Holen, Leonard, Lewis,
Neusom, Price, Richter, Takei
Noes: Meseck, Storing
Abstain: None
Absent: Hayward

R-80-198

RESOLVED, that an allocation of \$4.6 million be accepted from the Los Angeles County Transportation Commission for the purpose of funding the projected shortfall for the remainder of Fiscal Year 1980 and to delay implementation of the fare structure scheduled for May 1, 1980;

RESOLVED FURTHER, that as a condition of the acceptance of this funding, a public hearing will be held to receive comments from the public on a proposed fare change to be implemented on or about July 1, 1980.

R-80-199

Resolution authorizing the General Manager to execute and file an amendment to Fiscal Year 1980 Section 5 UMTA Grant.

(Text of Complete resolution is filed with the Secretary.)

Resolution
No. Assigned

Setting of Date of Public Hearing

On motion of Director Gibbs, seconded and carried as noted below, the date of public hearing was set and the following resolution adopted:

Ayes: Gibbs, Holen, Leonard, Lewis,
Neusom, Meseck, Price, Richter,
Storing, Takei
Noes: None
Abstain: None
Absent: Hayward

R-80-200

RESOLVED, that a public hearing will be held on Saturday, June 7, 1980 at 9:00 a.m. in the Board Room, Second Floor, 425 South Main Street, Los Angeles, for the purpose of receiving comments on possible fare changes to be implemented on or about July 1, 1980.

Director Holen stated that one of the worst things that has happened since the adoption of the fare structure, which was to have been implemented May 1, is the misunderstanding of the public on the pass rate. The public should have been made cognizant of the value of buying the pass. Director Gibbs asked that the public be provided with as many kinds of potential types of fares that may be considered as possible.

(Director Lewis left the meeting at 4:50 p.m.)
(Director Leonard left the meeting at 4:52 p.m.)

Mr. Premo of the Los Angeles County Transportation Commission appeared before the Board and indicated that there remains \$10.1 million in the

Resolution
No. Assigned

reserve account which can be made available to RTD commencing July 1, 1980. He pointed out that the District faces an overall deficit of in excess of \$100 million through Fiscal Year 1982. The action taken today by the Board in reality means that the shortfall has to be dealt with in the next 24 months, not a 26-month period.

Mr. Premo also indicated that the Commission will respond to Transportation Improvement Programs (TIP) requests. It will be necessary for the District to revise their Short Range Transportation Plan.

Mr. Gilstrap indicated that staff and Director Takei had met with the Los Angeles City Committee on Transportation. We have been receiving indications that other public agencies want to get involved in the setting of fares.

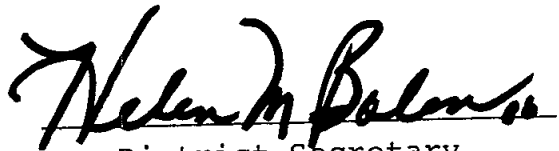
(Director Holen left the meeting at 5:00 p.m., President Neusom left the room to participate in a news conference, and Vice President Richter assumed the Chair.)

In view of the fact that a quorum was not present, Agenda Item No. 3, the Summer Youth Pass Program for 1980 was carried over to the May 8, 1980 meeting.

Appearance of Members of the Public

Messrs. Bob Swan, Pat Moser, Greg Roberts, and Ms. Pamela James appeared before the Board concerning the fare increase.

The meeting adjourned at 5:21 p.m.


District Secretary