

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

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

June 26, 1980

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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, at 1:30 p.m. on June 26, 1980, at which time President Thomas G. Neusom called the meeting to order.

Directors Present:

Donald Gibbs
David K. Hayward
Marvin L. Holen
Gerald B. Leonard
Mike Lewis
Carl Meseck

Thomas G. Neusom
Jay B. Price
Ruth E. Richter
Charles H. Storing
George Takei

Staff Present:

Jack R. Gilstrap, General Manager
Samuel M. Black, Manager of Operations
Richard T. Powers, General Counsel
Joe B. Scatchard, Controller-Treasurer-Auditor
George L. McDonald, Manager of Planning & Marketing
John S. Wilkens, Manager of Employee Relations
David D. Dominguez, Manager of Human Relations
Robert G. Williams, Manager of Customer Relations
Ralph de la Cruz, Director of Administration
Richard Gallagher, Manager & Chief Engineer, Rapid Transit
Helen M. Bolen, District Secretary

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

Resolution
No. Assigned

Presentation of Certificates of Merit

Director Lewis presented Certificates of Merit to Joseph Pistone, Operator-of-the-Month, Kenneth L. Perry, Maintenance Employee-of-the-Month; and Nadine Triche, Information Operator-of-the-Month.

Approval of Agenda Item No. 7

At the request of Director Lewis, Agenda Item No. 7 was next considered as there were representatives from the Diamond Bar area.

Director Hayward, Chairman of the Advance Planning Committee, moved approval of the extension of Line 490 from the community of Diamond Bar to the Brea Mall in Orange County for an experimental period of six months, which motion was seconded by Director Lewis.

Director Hayward further stated that this approval was for an experimental period, at the end of which the line would be reviewed on a user pay basis.

Rosemarie Cayuela and Brenda Engdahl, representing the Diamond Bar area appeared before the Board, urging favorable consideration of this extension of service.

Resolution
No. Assigned

Approval of Agenda Item No. 7 - Cont'd.

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

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

R-80-288

RESOLVED, that the extension of the Line No. 490 from the community of Diamond Bar to the Brea Mall in Orange County for an experimental period of six months is hereby approved.

Recess to Executive Session

On motion duly made, seconded and carried, the Board recessed to Executive Session at 1:50 p.m. to consider a workers compensation matter. The Board returned from Executive Session at 2:37 p.m. with all Directors except Directors Leonard and Lewis responding to Roll Call. No report was made of matters discussed in Executive Session.

Consideration of Placement of Advertising on the Exterior of New Buses

At the request of Director Gibbs, Agenda Item No. 5 was considered at this time. Director Richter, Chairman of the Customer Relations & Public Information Committee, moved approval of the

Resolution
No. Assigned

Committee recommendation that Transit Ads, Inc. be directed to proceed to place exterior advertising on 200 buses and that King sized frames be utilized on the sides of the buses and the advertisements on the rear of the buses be placed where they will not present operational problems. In addition, a survey will be conducted by Transit Ads at their expense to determine public acceptance of advertising, with the survey to contain information concerning revenues derived from advertising. This motion was seconded.

Director Hayward made a substitute motion that no advertising be placed on the exterior of any new buses, which substitute motion was seconded. There was discussion concerning the revenues gained from the advertising and the appearance of the buses both with and without advertising. Director Hayward expressed concern that advertising with frames was being proposed. He stated that he believes that previous Board action was to consider advertising on the new buses without frames. Director Takei talked about the need for the transit vehicle to contribute to the street scene and he advocated exterior advertising. Director Storing commented that adoption of the substitute motion would be

Resolution
No. Assigned

a financial disaster; half of the fleet would be precluded from carrying exterior advertising and it would be impossible to expect Transit Ads, Inc., to sell advertising on the 'old' look buses only.

Director Gibbs stated that the best test of advertising would be to try the buses without advertising on them and then conduct the survey to determine what is the public opinion; currently, all they see are buses with advertisements. The bus is not designed to take advertising, and the placement of advertising is a second rate issue. Director Meseck commented that the City of Glendale has enacted an ordinance banning outdoor advertising. This ordinance has the overwhelming support of the community. He concluded by saying that as far as the revenue is concerned, the monetary adjustments will be made over a long period of time.

As a compromise gesture, Director Price made a substitute motion to allow non-framed signs on 150 of the new buses and 50 new buses to carry queen-sized framed signs, and advertising on the rear of the vehicle to be placed so that it does not interfere with the air conditioning unit.

Resolution
No. Assigned

The substitute motion died for lack of a second.

Director Holen commented that to allow exterior advertising on the new buses would be the worst environmental pollution. He also stated that the revenue generated by advertising is a significant factor. He suggested that perhaps the best course would be to delay the decision for a couple of months before the placement of the advertising of the buses to invite comments on the advertising from various organizations, etc.

Director Price made a motion to table the substitute motion, which motion was seconded and carried as noted below on a Roll Call vote:

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

Director Price's motion to table the original motion by Director Richter was seconded and carried as noted below on a Roll Call vote:

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

General Manager Gilstrap suggested a report from staff concerning the elimination of advertising on all new buses. This report will include

Resolution
No. Assigned

additional input from the staff as well as from the public on this matter. This report could be ready sometime after September 1 and would then give the Board all the information available for evaluation and would be a basis on which to make a decision. In the interim, no advertising would be allowed on the new buses. Director Holen made a motion to accept the suggestion of the General Manager, which motion was seconded and failed on a Roll Call vote as noted below:

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

Mr. Donald Foley of Transit Ads, Inc. appeared before the Board, indicating that his firm is concerned about asking the public to make a decision without something to look at. Transit Ads proposes to conduct a public opinion survey and it would be best if the public could see the 'new' look buses both with and without advertising. He also stated that in other cities public opinion has been in favor of transit advertising because of the revenue.

President Neusom commented that if the District is going to participate in the public

Resolution
No. Assigned

opinion survey, it should be done in as fair a manner as possible, and we should give the people the opportunity to see the buses with and without advertising.

Director Hayward commented that he had attended the meeting where the buses were demonstrated with the exterior advertising; however, the whole thrust was that we were moving toward the adhesive advertising because the frames are ugly. Also, the advertising agency stated they would take the lead in color-coding advertisements as impacts the bus color scheme. He suggested a meeting at which we invite members of the public to come to talk about the District's policy as it relates to advertising on buses.

Director Holen made a motion to have the study done as proposed, but with some of the Grumman Flexible buses to carry advertising to have a reasonable comparison. After discussion, it was moved that 12 buses would carry advertising, 6 with frames, 6 with adhesive advertisements, and the rest of the new buses would remain without advertising pending the conclusion of the survey.

Resolution
No. Assigned

This motion was seconded and failed to carry on
a Roll Call vote as noted below:

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

Mr. McDonald recommended a three-month
survey period, with advertising to be placed on
one of the new buses for display in the community.

Director Hayward moved reconsideration of
Director Holen's motion with the including of
Mr. McDonald's recommendation, and would allow
up to two buses to carry advertising, one framed
and one with adhesive advertising, which motion
was seconded and carried on a Roll Call vote as
noted below and the following resolution adopted:

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

R-80-289

RESOLVED, that consideration of
contract renegotiation with Transit Ads,
Inc. concerning the number of buses to
accommodate exterior advertising is hereby
"Tabled" pending completion of the public
opinion survey and further staff review;

Resolution
No. Assigned

R-80-289
Continued

RESOLVED FURTHER, that within the next three month period, a public opinion survey is to be conducted by staff to determine the community's preferences concerning exterior advertising on transit vehicles, and the new buses in particular;

RESOLVED FURTHER, that up to two of the Grumman Flexible buses just received by the District will be allowed to carry advertising for demonstration purposes, with one bus to have 'framed' advertising, and one bus to have 'adhesive' advertisements, with the remainder of the new buses to remain without advertising pending the completion of the survey.

(Director Gibbs left the meeting.)

Report of the Surface Operations Committee

Director Price, as Chairman of the Surface Operations Committee, moved approval of the Committee recommendation to concur in the staff recommendation on Agenda Item No. 2, which motion was seconded.

Director Price then made a substitute motion agreeing with staff recommendation on Item No. 2-A, but asking staff to bring to the Board a proposed Charter rate structure for adoption. He explained his intent was to allow the District every opportunity afforded under the Law. The

Resolution
No. Assigned

motion died for lack of a second.

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

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

R-80-290

Resolution certifying the findings of the public hearing held May 22, 1980, regarding the proposed charter rate schedule.

(Text of complete resolution filed with the Secretary.)

R-80-291

RESOLVED, that the report dated June 20, 1980, a copy of which is filed with the Secretary, concerning charter service is adopted, and implementation of charter service and the setting of rates for charter service is hereby deferred until there is a change in the legislation with conditions more favorable to the District.

Report of the Equipment & Maintenance Committee

On motion of Director Storing, Chairman of the Equipment & Maintenance Committee, seconded and carried as noted below, Agenda Items No. 3 and 4 were approved and the following resolutions adopted:

Resolution
No. Assigned

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

R-80-292

RESOLVED, that Requisition No. 0-3399-119 is approved covering procurement of recommended spare parts for 940 RTS-II General Motors Buses, and the General Manager is authorized to negotiate a contract with General Motors Corporation, 660 South Boulevard East, Pontiac, Michigan, covering specified items, and the Purchasing Agent is authorized to call for bids covering specified items; form of contract, bid requirements and specifications subject to approval of the General Counsel.

R-80-293

RESOLVED, that Requisition No. 0-3400-44 is approved, and the General Manager is authorized to execute Change Order No. 5 to the contract with General Motors Corporation for 940 Advance Design buses, covering paint scheme, provision of interior advertising frame and deletion of auxiliary heating system; which project is funded in part under UMTA Capital Grant Project No. CA-03-0178 and is subject to the prior concurrence of UMTA, with form of Change Order subject to approval of the General Counsel.

Report of the Advance Planning Committee

Director Hayward, Chairman of the Advance Planning Committee, moved approval of Agenda Item No. 6, which motion was seconded and carried as noted below, and the following resolution adopted:

Resolution
No. Assigned

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

R-80-294

RESOLVED, that the report dated June 16, 1980, relative to subscription service, is approved, and the General Manager is authorized to reinstitute subscription service between the Wilshire District and the San Fernando Valley designated as Line No. 513, at a monthly fare of \$77.00 for an experimental period of six months;

RESOLVED FURTHER, that a policy is hereby adopted for subscription service which calls for taking appropriate steps to raise the fare structure for all subscription service in approximately six months to recover estimated direct cost of operation.

At the request of Directors Holen and Hayward, staff was directed to prepare a report on proposed expansion of subscription service.

Report of Rapid Transit Committee

Director Meseck, Chairman of the Rapid Transit Committee, reported that the Committee had reviewed Items No. 8 through 10. Agenda Item No. 8 is recommended and he so moved, which motion was seconded and carried as noted below and the following resolution adopted:

Resolution
No. Assigned

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

R-80-295

RESOLVED, that Requisition No. 0-8000-25 is approved, and the Purchasing Agent is authorized to issue Requests For Proposals covering geotechnical services to provide subsurface exploration work for the Rapid Transit Starter Line; form of RFP subject to approval of the General Counsel.

Under Agenda Item Nos. 9 and 10, Chairman Meseck reported that the Rapid Transit Committee had considered this matter on June 12th, met with a peer group panel in San Francisco on June 18th, and reiterates its previous recommendation to a) adopt the Professional Construction Manager Strategy concept, and b) that the District contract for design work with three general consultants, one of whom to be designated as Design Coordinator.

The Committee also recommends that the organizational structure identified in the TAD-LOG/AN report for the Preliminary Engineering Phase be adopted, with the exception that separate positions be shown for the Project Manager and the Chief Engineer. On motion of Director Meseck, seconded and carried as noted below, the following

Resolution
No. Assigned

resolutions were adopted:

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

R-80-296

RESOLVED, that the Professional Construction Manager Strategy is hereby adopted for the Rapid Transit Starter Line, wherein a consultant, other than the Design Consultants, will be retained to manage construction at the appropriate time;

RESOLVED FURTHER, that the District shall contract for design work with three general consultants, one of whom to subsequently be designated as the Design Coordinator;

RESOLVED FURTHER, that the organizational structure identified in the TAD-LOG/AN report for the Preliminary Engineering Phase, a copy of which is filed with the Secretary, is adopted, with the exception that separate positions be shown for the Project Manager and for the Chief Engineer.

R-80-297

RESOLVED, that the report dated June 6, 1980, relative to Rapid Transit Staff requirements for Preliminary Engineering, a copy of which is filed with the Secretary, is approved with the exception of change in title from Community Representative III to Manager, Community Relations.

Resolution
No. Assigned

The Board further concurred in the Committee's recommendation to delay the filling of the Project Manager position until the position of General Manager is filled.

Report of Personnel Committee

Director Takei, Chairman of the Personnel Committee, reported that the Committee had considered the staffing requirements for the Rapid Transit Starter Line and concurred in the recommendation of the Rapid Transit Committee.

Report of the Finance Committee

On motion of Director Meseck, Vice-Chairman of the Finance Committee, seconded and carried, the Operating Report for the month of May, 1980, was "Received and Filed".

Approval of Consent Calendar

On motion of Director Richter, seconded and carried as noted below, all items on the Consent Calendar except Items No. 13, 19 and 22 were approved and the following resolutions adopted and/or actions taken:

Resolution
No. Assigned

Approval of Consent Calendar - Cont'd.

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

R-80-298

RESOLVED, that Requisition No. 0-8000-24 is approved, and the Purchasing Agent is authorized to call for bids covering procurement of word processor; form of bid requirements and specifications subject to approval of the General Counsel.

R-80-299

RESOLVED, that Requisition No. 0-3336-044 is approved, and the General Manager is authorized to amend an existing contract with Tool Crib, 755 South Arroyo Parkway, Pasadena, increasing the cost by an additional \$6,720 to a total estimated cost of \$10,560, covering rental of a portable generator; form of amendment subject to approval of the General Counsel.

R-80-300

RESOLVED, that the General Manager is authorized to award a contract to Victor-California, 3821 South Santa Fe. Los Angeles, the lowest responsible bidder under Bid No. 6-8005 covering the District's requirements for acid core wire solder at an estimated cost of \$11,575 for a one-year period; form of contract subject to approval of the General Counsel.

R-80-301

RESOLVED, that all bids received in response to Bid No. CA-03-0132-BB are hereby rejected, and the Purchasing Agent is authorized to reissue bids with revised specifications covering procurement of Dispatch Logging Recorder Reproducer and related equipment; form of revised specifications and bid requirements subject to approval of the General Counsel.

Resolution
No. Assigned

R-80-302

RESOLVED, that the bid submitted by Noland Paper Company is hereby rejected, and the General Manager is authorized to award a contract to Empire Products, 155 East LaJolla, Placentia, the lowest responsible bidder under Bid No. 6-8004, covering the District's requirements for masking tape at an estimated cost of \$23,943 for a two-year period; form of contract subject to approval of the General Counsel.

R-80-303

RESOLVED, that the report dated June 20, 1980 relative to minor route modifications to Line 451 - Garey Ave.- Foothill Blvd., and Line No. 453 - Indian Hill Blvd.-Reservoir St., in the City of Pomona, is approved, and the General Manager is authorized to include in the Official Route Descriptions Second Revised Page 451 and Third Revised Page 453, effective September 15, 1980.

R-80-304

RESOLVED, that the report dated June 23, 1980 relative to minor route modification to Line No. 503 - Huntington Beach, ARCO Center, in the City of Huntington Beach, is approved, and the General Manager is authorized to include in the Official Route Descriptions Third Revised Page 503, effective July 7, 1980.

At the request of staff, Agenda Item No. 13, reading as follows, was removed from the Agenda.

Resolution
No. Assigned

"Consider approval of Requisition No. 0-9400-59 covering procurement of one (1) five-ton stake platform truck and authorization of the Purchasing Agent to call for bids thereon in accordance with the Rules and Regulations; form of bid requirements and specifications subject to approval of the General Counsel.

This project is funded in part under UMTA Capital Grant No. CA-03-0309."

(Director Storing left the meeting)

Under Agenda Item No. 19, Mr. J. Linhart of Eastman Kodak, Messrs. Barry Gluckstern and Howard Susman of 3M Business Products, and Mr. Richard Peck of Bell and Howell appeared before the Board. The representatives of 3M Business Products protested the staff recommendation to award to Eastman Kodak, stating they felt their bid met the bid requirements, Mr. Peck of Bell and Howell stated that the price was mid-quoted in his bid. Mr. Linhart supported the staff recommendation, stating that the Eastman Kodak equipment does indeed meet the bid specifications.

After discussion on motion of Director Hayward, seconded and carried as noted below, Agenda Item No. 19 was approved and the following

Resolution
No. Assigned

resolution adopted:

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

R-80-305

RESOLVED, that the bids submitted by Microtron Inc. and 3M Business Products are hereby rejected, and the General Manager is authorized to award a contract to Eastman Kodak, 10100 Santa Monica Blvd., Los Angeles, the lowest responsible bidder under Bid No. CA-03-0132-AA, covering micrographic equipment at a bid price of \$50,506, which purchase is funded in part under UMTA Capital Grant Project No. CA-03-0132; form of contract subject to approval of the General Counsel.

Director Richter stated that staff had answered her questions concerning the Purchasing Agent's Statement of Purchases under Agenda Item No. 22 (d) (2), and she moved approval of Agenda Item No. 22, which motion was seconded and carried by all members present and the following actions taken:

Approved Minutes of Special Board Meeting held June 9, 1980.

Ratified temporary route diversions as described in report dated June 20, 1980, filed with the Secretary.

Resolution
No. Assigned

Ratified bus stop zone changes as described in report dated June 20, 1980, filed with the Secretary.

Received and Filed:

1. Purchasing Agent's Statement of Material & Supplies Account for the month of April, 1980.

2. Purchasing Agent's Statement of Purchases Over \$1,000 for the month of May, 1980.

Report of General Counsel on Application for Temporary Restraining Order Against the District's Fare Increase

General Counsel Powers made a brief report concerning the application for a Temporary Restraining Order against the District's fare increase. The District was notified on June 25th of the proposed action. The basis for the legal action is the profound effect on the elderly and handicapped and is also claimed to be an adverse impact on the environment. Mr. Powers concluded by stating that the initial reaction of the Legal Department was that the facts were not fairly presented.

Resolution
No. Assigned

Report of the General Manager

Mr. Gilstrap, General Manager, submitted his resignation, effective September 1, 1980, to accept the post of Executive Vice President of the American Public Transit Association in Washington, D.C. A copy of Mr. Gilstrap's letter of resignation is filed with the Secretary. On motion of Director Hayward, seconded and carried as noted below, the resignation was accepted and the following resolution adopted:

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

R-80-306

RESOLVED, that the resignation of Jack R. Gilstrap, General Manager, effective September 1, 1980, is accepted with regret.

On motion of President Neusom, seconded and carried as noted below, the following resolution of endorsement was approved, and the Secretary was directed to transmit the resolution to APTA:

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

Resolution
No. Assigned

R-80-307

WHEREAS, Jack R. Gilstrap has been an employee of the Southern California Rapid Transit District for more than 20 years, and has served as General Manager for the past decade; and

WHEREAS, Mr. Gilstrap has accepted the challenge of a critical national leadership role as he assumes the position of Executive Vice-President of the American Public Transit Association in Washington, D.C., and

WHEREAS, the Board of Directors believes that Mr. Gilstrap will take experience and qualifications to the position;

NOW, THEREFORE, BE IT RESOLVED, that it is the policy position of the Board of Directors of the Southern California Rapid Transit District to endorse Jack R. Gilstrap in his acceptance of the leadership of APTA and offer congratulations and encouragement as he assumes this challenging role.

Report of the President

President Neusom stated that the Board at this time will act on the question of Acting General Manager.

Director Hayward made a motion to appoint Richard T. Powers as Acting General Manager commencing August 1, 1980, at a temporary salary of \$55,000, with Mr. Powers to act as General Manager Pro Tempore for any absences of Mr. Gilstrap between now and the time of his departure from the

Resolution
No. Assigned

District, which motion was seconded and carried
as noted below and the following resolution adopted:

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

R-80-308

RESOLVED, that Richard T. Powers
is hereby appointed to the position of
Acting General Manager effective August 1,
1980, at a salary of \$55,000 per year, to
continue in this position until a permanent
General Manager is appointed;

RESOLVED FURTHER, that Mr. Richard
T. Powers is to act as General Manager Pro
Tempore during any absences of the General
Manager in the interim period.

On motion of Director Richter, seconded and
carried as noted below, a resolution was adopted
approving a contract with Coopers & Lybrand for
the services of Mr. Patrick D. Murphy.

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

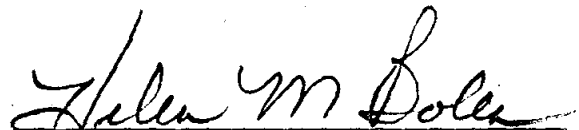
R-80-309

RESOLVED, that a contract with
Coopers & Lybrand, Houston, Texas, is
hereby approved for the services of Mr.
Patrick D. Murphy in connection with the
preparation of qualifications and specifi-
cations for the position of General Manager.

Resolution
No. Assigned

Director Holen elaborated on this motion, stating that it is the Board's intent to meet with Mr. Murphy to discuss the qualifications that might be called for with respect to the filling of the General Manager's position. This would be preliminary to the possibility of retaining an executive search firm and would be a short-term consultant contract. He also stated that Mr. Gilstrap would be asked to participate and give his advice on the filling of the position.

There being no further business, the meeting adjourned at 4:18 p.m.



District Secretary