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SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

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

June 30, 1980

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SURFACE PLNG.

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, at 11:00 a.m. on June 30, 1980, at which time President Thomas G. Neusom called the meeting to order.

Directors Present:

David K. Hayward
(entered at 11:12 a.m.)
Marvin L. Holen
Carl Meseck
Thomas G. Neusom

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

Directors Absent:

Donald Gibbs
Gerald B. Leonard
Mike Lewis

Staff Present:

Jack R. Gilstrap, General Manager
Richard T. Powers, General Counsel
Joe B. Scatchard, Controller-Treasurer-Auditor
George L. McDonald, Manager of Planning & Marketing
Samuel M. Black, Manager of Operations
Robert G. Williams, Manager of Customer Relations
Ralph de la Cruz, Director of Administration
Suzanne Gifford, Assistant General Counsel
Helen M. Bolen, District Secretary

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

President Neusom indicated that he would entertain a motion to adjourn to Executive Session to receive a report from the General Counsel on litigation on the subject matter of this Special Board Meeting.

On motion duly made, seconded and carried, the Board retired to Executive Session at 11:05 a.m.

The Board returned from Executive Session at 12:15 p.m. with all Directors except Directors Gibbs, Leonard and Lewis responding to Roll Call.

President Neusom stated that the Board, in Executive Session, considered information presented by the General Counsel. He then read the following statement into the record.

"We will comply with the Court Order and delay any action until after the hearing and we will at the hearing present all the available information to the Court at that time.

In arriving at the fare structure, we took into consideration and applied all revenues available to us; we considered all evidence available, including the sentiments of the public expressed at our public hearing; made all findings and came to all conclusions required by both State and Federal law; and the Board of Directors established an equitable fare structure giving special consideration to the different needs of all classes of riders, including the elderly, the handicapped and the students."

Report on Options Available to Make Up Revenue Loss

General Manager Gilstrap submitted a report, dated June 30, 1980, listing five options available to the District to recoup losses created by the Temporary Restraining Order blocking the implementation of the fare structure authorized to

Report on Options Available to Make Up Revenue Loss (continued)

become effective July 1, 1980. Mr. Gilstrap recommended Option No. 1, the reduction of peak hour service immediately by removing 12 buses from service.

Director Storing moved approval of Option No. 1, which motion was seconded by Director Price.

Director Takei asked for the General Manager to elaborate on the need for reduction in service. Mr. Gilstrap responded that the action of the judge in issuing the Temporary Restraining Order was to say that the District cannot raise fares until the Restraining Order is lifted; effectively this means we must continue the current level of pass fare through the entire month of July and we cannot raise the cash fare until after the hearing on this matter on July 10, 1980. This results in a loss of revenue of \$1.5 million. The proposed action will be to make up that loss so that we will not have an unbalanced budget.

In the ensuing discussion of the motion on the floor, Director Holen reminded the Board of the overwhelming sentiment of the public at the hearing held on the fare changes was not to cut service. Director Hayward suggested that the decision made by the judge was a social decision rather than a judicial decision and to consider cutting service at this time is imprudent. Director Hayward further suggested that Option No. 3, the assumption of a lower level of inflation for Fiscal Year 1981 would be more realistic at this time. President Neusom stated that the Temporary Restraining Order is imposed for ten days only and he expects that the matter will be resolved at the end of

Report on Options Available to Make Up Revenue Loss (continued)

that time and we will be able to go ahead with the new fare structure. Under these circumstances we would have eleven months to make whatever service adjustments are necessary to balance the budget with time to make appropriate plans. The attempt to pull service out immediately could result in other problems that could be overwhelming. He urged that the matter be allowed to remain as is; that we resolve the matter in court on July 10th and we attempt to recoup in such a manner that will have the least hardship on the patrons of the system. Director Meseck commented that, we are dealing with a budget, not real or actual figures at this time. Delaying action will allow us time for some actual experience before a decision has to be made.

Director Holen expressed concern about the court making a mockery of the public hearing process. Director Price stated that he finds abhorrent the setting of one class of people against another.

Director Richter made a substitute motion that the Board take no action on this matter until after the Court hearing scheduled for July 10, 1980, which motion was seconded by Director Holen and carried on a Roll Call vote as noted below:

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

Report on Options Available to Make Up Revenue Loss (continued)

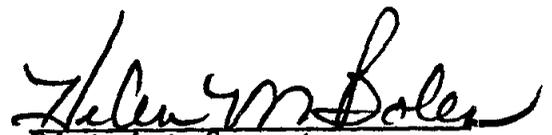
Under the item on the agenda concerning the setting of a date for public hearing, President Neusom indicated that he would recommend that no action be taken because the District has done all that can be done under the circumstances.

General Manager Gilstrap indicated that he would make no recommendation on this matter.

Appearance of Public

Patricia Price appeared before the Board suggesting charter service to bring in the needed revenue. Her comments were received with the note that proposed charter service is not predicted as a substantial income or revenue source.

The business of the agenda being concluded, the meeting adjourned at 12:43 p.m.


District Secretary