



SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

MINUTES/PROCEEDINGS

Regular Board Meeting  
Board of Directors  
District Board Room  
425 South Main Street  
Los Angeles

August 24, 1989

Called to order at 1:20 p.m. by President Swanson:

Directors Present:

Gordana Swanson, President  
Marvin L. Holen, Vice President  
Joseph S. Dunning  
Larry Gonzalez  
Jeff Jenkins

Jerold F. Milner  
Nick Patsaouras  
Jay B. Price  
Charles H. Storing  
Kenneth R. Thomas

Director Absent:

Jan Hall

1. Director Milner presented Certificates of Merit and plaques to:
  - a. Information Operator-of-the-Month, Ha Chau;
  - b. Operator-of-the-Month, Charles Bledsoe; and
  - c. Maintenance Employee-of-the-Month, Edward Richards.

2. Introduction of Summer Youth Employment Program Students and comments by Laura Brown, spokesperson for the students.

3. Presentation of six Employee Suggestion Awards by Gayel Pitchford, Director of Personnel.

4. Presentation of the 2nd Quarter CY-1989 Safe Performance Awards.

5. Report of the President

On Wednesday, 8/23/89, the Ways and Means Committee heard SB 1 which was put into the suspense file by Senator Robbins and will be heard again some time next week.

Committee of the Whole Meeting scheduled for 9/7/89 will be held at this location.

6. Report of the General Manager

Actions taken in Sacramento this week pave the way for improved transit in this county.

7. Director Special Items

- A. Director Holen report on Phase 2 and MOS-I Cost Reduction Panels.

MOS-2 PANEL

Draft letter addressed to Alan Pegg was given to members of the Panel for their signatures. The letter talked about potential savings of from \$30 to \$180 million based on the cost saving ideas attached, i.e.:

1. right of way acquisition changes - \$10-\$50 million.
2. relaxing safety measures recommended by the City of L.A. regarding gas and fire explosion in the Fairfax District - less than \$10 million.

Traction power substations requires approval of the DWP, and the DWP is resistant. Regarding roadwork at Universal City, Cal Trans said no, City of L.A. said no. It was hoped that MCA would contribute much of the dollars.

Director Holen refused to sign the letter because he felt that the \$180 million savings number would be used for public relations purposes and would be so misleading to the public that he could not lend himself to it. The City of L.A. was also uncomfortable with the letter.

Follow-up meeting set for Saturday, August 26, 1989 at LACTC, to include DWP, Cal Trans, etc. to try to arrive at estimates with better probability factors related to the cost savings.

RTD is willing to listen to and embrace any suggestions for cost savings regardless of the source.

MOS-1 PANEL

The District received an opinion from outside counsel that the mandatory feature of the full funding agreement has not been triggered; however, the District is ready to embrace any suggestion for reasonable cost saving measures.

Letter dated 8/17/89 from Vladimir Khazak reported savings of \$33 - \$45 million if all of his suggestions were implemented. That number showed up in a recent newspaper story. We could not respond immediately to this 12-page document. A point-by-point response will be given at the 9/21 Board Meeting.

Mr. Khazak offered to work with Mr. Rhine to implement the cost saving ideas. Director Holen expressed his opinion that this would cause Mr. Rhine's time to be diluted and his decision making authority diffused.

Director Paatsouras requested a copy of the District's list of cost saving recommendations.

Director Gonzalez inquired as to the authority of this 3-member panel, and was advised that the panels were strictly advisory in nature. He also asked if the panel members were required to go to their respective Boards for ratification of recommendations from the panel.

Director Gonzalez continued that it was important for Director Holen and General Manager Pegg to understand how the Board members feel on this issue. He stated his agreement with Director Paatsouras's comment that a plan of action is needed, and it cannot be a piecemeal plan. The Panel's agreement or concurrence to the District's set of cost saving items is not important; the Panel should not be telling the District how and where to make cost cuts. He concluded by urging that the District make known its own list of cost saving items and make it known to the Legislature, the Commission, the County, the City and the public at large.

Director Jenkins inquired about what would invoke the provisions of the full funding agreement regarding the Cost Reduction Panel. He was advised the arithmetic calculation is to be based on contracts awarded. Director Jenkins expressed concern about decisions on cost reductions being made in an appropriate manner. Director Holen responded that among the suggestions made by Mr. Khazak were the following: 1) deferring the construction of 2 stations and, 2) relocation of stations at various locations.

Director Holen reported that he had requested that the Light Rail Project be added to the agenda for cost saving discussions. Mr. Peterson of LACTC declined to include the light rail project.

Director Paatsouras mentioned his request for a preliminary report on the possibility of selling air rights over the Metro Rail Stations. He asked when he could expect that report. The General Manager responded that the District does not have the right to sell air rights on MOS-2, therefore, the report will deal only with MOS-1.

Director Jenkins requested an analysis and status of the District's non-revenue fleet.

Director Gonzalez inquired about the release of the full audit commissioned by the District on the Metro Rail Project. General Manager Pegg quickly pointed out that we have been referring to those documents as "audits" when in fact they are "forecasts". Director Gonzalez also asked about the extent of the involvement of the Inspector General in the review of cost containment and what has been his role in this review. He requested a report from the Inspector General on this subject at a later date.

8. Approved agreement between petitioners and the Southern California Rapid Transit District and adoption of resolution ordering change in Benefit Assessment.

Unanimous with 9 Directors present.

9. No Closed Session was held.

#### CONSENT CALENDAR

Items 10-13, 15, 16, 18 and 19 on the Consent Calendar were approved unanimously in one motion with 9 Directors present. Items 14 and 17 were unanimously approved following question and response.

10. Approved Requisition Nos. 9-9620-754 and 9-9620-826 and amendment of an existing contract with Arthur Bradford Landscaping, for landscape maintenance services, increasing the total cost by an additional \$109,500; form of contract amendment subject to approval of the General Counsel.

11. Approved Requisition No. 9-7500-228 and amendment of an existing contract with Foothill Industrial Medical Clinic for the provision of physical examinations, increasing the total cost by an additional \$50,000; form of contract amendment subject to approval of the General Counsel.

12. Approved Requisition No. 9-3900-99 and amendment of an existing contract with Teleride Sage Corporation, Toronto, Ontario, Canada, covering maintenance of proprietary software, increasing the total cost by an additional \$38,916; form of contract amendment subject to approval of the General Counsel.

13. Received and filed the Metro Red Line Construction Change Order Report for July 1989.

14. Received and filed Purchasing Agent Report of Purchases - \$5,000 to \$100,000 - July, 1989.

Director Dunning asked for an explanation regarding the purchase of a \$62,900 computerized paper cutter. Paul Como responded that this was a special pattern cutter for silk screen signage. The item was then approved.

Unanimous with 9 Directors present.

15. Received and filed Report Calendar - August 4, 1989 to August 17, 1989.

16. Approved Minutes of Regular Board Meeting of July 27 and Special Board Meeting of August 3, 1989.

17. Approved Board Request List as of August 9, 1989.

Director Thomas inquired and received a response about items not appearing on the Board Request List. The item was then approved.

Unanimous with 9 Directors present.

18. Approved minor route modification to Line 270 in the City of Monrovia.
  
19. Approved minor route modifications to Lines 92, 93, 94, 230, 239 and 410 in the City of San Fernando.

PERSONNEL AND LEGAL COMMITTEE

20. Approved:
  - A. Requisition No. 9-2200-170 and amendment of the contract limit with the law firm of Thelin, Marrin, Johnson and Bridges to increase the budget limit by \$300,000;
  - B. Requisition No. 9-9200-168 and amendment of the contract with the firm of Jacobs Associates increasing the total contract amount by \$125,000;

form of contract amendments subject to approval of the General Counsel.

Unanimous with 9 Directors present.

EQUIPMENT & OPERATIONS COMMITTEE

21. Approved a contract with The Flxible Corporation, Delaware, Ohio, the lowest responsible bidder under Bid No. CA-90-X-329A, covering 71 diesel-powered, 40-foot buses with options, spare parts, and accessories, for an estimated bid price of \$14,263,696; subject to the concurrence of UMTA, and form of contract subject to approval of the General Counsel.

This project to be funded in part by UMTA under CA-90-X-32.

Unanimous with 9 Directors present.

22. Approved the rejection of all bids received under Bid No. 06-8927 and authorized the Purchasing Agent to re-issue bid invitations with revised bid specifications, covering the District's projected annual usage of automotive and facilities paints, with an option for an additional year at the election of the District, for an estimated annual cost of \$175,000; form of contract subject to approval by General Counsel.

Unanimous with 10 Directors present.

23. Authorized:

- a) the receipt and filing of a report on the July 29, 1989 sale of 100 obsolete buses; and
- b) the disposal of 100 obsolete buses.

Unanimous with 10 Directors present.

24. Approved the rejection of non-responsive bid submitted by Paul G. Glasmeier, and execution of a contract with Sefac Lift and Equipment Corp, Columbia, Maryland, the lowest responsible bidder under Bid No. CA-90-X283-B, covering 4 sets of Mobile Bus Hoist for a total bid price of \$102,193.14; subject to concurrence of UMTA, with form of contract subject to approval of the General Counsel.

Funded under UMTA Grant No. CA-90-X-283.

Unanimous with 10 Directors present.

AD HOC COMMITTEE ON ACCESSIBLE TRANSPORTATION

25. Received and filed Six-Month Progress Report on Accessible Service.

Unanimous with 10 Directors present.

MARKETING AND CUSTOMER INFORMATION COMMITTEE

26. Approved Requisition No. 9-4800-108 and execution of a Memorandum of Understanding with the City of Los Angeles and the Los Angeles County Transportation Commission (LACTC), providing for participation in a City of Los Angeles/Countywide Dial-One-Number Telephone Information two-year demonstration project, for a total estimated revenue of \$1,900,000; form of Memorandum of Understanding subject to approval of the General Counsel.

Unanimous with 10 Directors present.

ADVANCE PLANNING COMMITTEE

27. Approved new turnaround loop and layover zone for Line 10 during evening and OWL service operations in the City of West Hollywood.

Unanimous with 10 Directors present.

28. Approved a new Agreement to continue the Youth Employment/Bus Cleanliness Program for Supervisorial District 2 for FY 1990 through FY 1992; form of agreement subject to approval of the General Counsel.

Unanimous with 10 Directors present.

29. Approved premium fares on New Year's Day and Pomona Fair Special Event Services for Fiscal Year 1989-90.

Carried with 10 Directors present and Director Patsouras objecting.

Director Gonzalez asked for a report on the procedure the District has for pricing of services to generate a profit.

FINANCE AND JOINT DEVELOPMENT COMMITTEE

30. Authorized:

- a. the execution and filing of applications on behalf of the District under Section 3, Section 9 and Section 10 of the Urban Mass Transportation Act of 1964, as amended, for:
  1. \$4,799,000 in Section 3 funding (\$3,599,250 Federal share/\$1,199,750 local share) to purchase 20 low-emission buses and to convert two divisions to dispense multiple fuels;
  2. \$133,781,000 in Section 9 funding (\$48,338,000 Federal share/\$48,338,000 local share) to purchase 133 low-emission buses, bus spare parts and 40 non-revenue vehicles, and to make facilities and equipment improvements, and for operating assistance; and
  3. \$200,000 in Section 10 funding (\$100,000 Federal share/\$100,000 local share) to provide management training; and
- b. the District Secretary to schedule a public hearing on September 28, 1989 at 1:00 p.m. to receive comments on the District's Section 3 grant application.

Unanimous with 9 Directors present.

RAPID TRANSIT COMMITTEE

31. Item regarding exercise of an option to Contract A620 was removed from the Agenda by staff.
32. Approved agreements with the Los Angeles County Transportation Commission for Metro Red Line Phase II; with the following amendments:
  1. Agreement between The Southern California Rapid Transit District and the Los Angeles County Transportation Commission

That the language of Benefit Assessment be reworded to show that the District agrees that:

Benefit Assessment Districts will be formed with respect to the Phase II part of the Locally Preferred Alternative Alignment, and the monies collected by the District will be committed by the District to Phase II construction; and that this includes the authority to execute funding agreements with the Federal, State and City Governments to effect the purposes of Phase II funding.

2. Phase II Construction Agreement, Section 4.0, Roles and Responsibilities, Subsection 4.1.1

Noting the effort of the LACTC to become the grantee for Phase II or MOS-2, and allowing for the possibility that the Commission will not be named as grantee for that particular section, the District will retain the flexibility to deal with whatever agency is actually named as grantee, including the District.

3. Phase II Construction Agreement, Section 1.0, Definitions

The first three paragraphs remain and the last two should be deleted.

form of agreements subject to approval of the General Counsel.

Carried, with 10 Directors present and Director Jenkins voting against the motion.

Following the vote, Director Jenkins commented that he has not seen a copy of the original agreement forwarded by the Commission and that the Commission adopted our report on August 16. Discussion on the timeliness of the negotiations and transmittal of documents ensued, with Mr. Pegg reporting that the Commission ultimately transmitted a copy of their proposal to the District at 7:00 a.m. on the date they were to vote; this allowed only one to two hours for District review and reaction. He continued that a second issue is one of delay to the project. The consultant staff is already beginning to disperse as a result of the end of the fiscal year. Director Holen suggested the District consider a Joint Powers Agreement or see through in Sacramento a responsible reorganization of the transportation agencies in Los Angeles County.

GENERAL ITEMS

33. There were no items arising subsequent to the posting of the agenda.

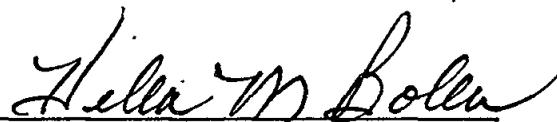
Just prior to the conclusion of the meeting, General Counsel Gifford reported that it has just been learned that the California Supreme Court has stayed the take-over of any more lines by the Foothill Transit Zone.

Director Jenkins commented that he hoped that the content of the brief submitted by the District would be more in line with the Board's desire of not opposing the Zone. Director Thomas instructed the District's legal staff to prepare their documents in strict conformance with the laws of the State of California.

34. Public Comment

G. Roberts lodged a complaint about a layover placement on Line 94.

The meeting Adjourned 3:45 p.m.

  
Helen M. Bolen  
District Secretary