

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

MINUTES/PROCEEDINGS

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

June 21, 1990

Called to order at 11:15 a.m. by President Swanson:

Directors Present:

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

Don Knabe
Jerold F. Milner
Nick Patsaouras
Charles H. Storing
Kenneth R. Thomas

Director Absent:

Jay B. Price

ITEMS WERE CONSIDERED IN THE ORDER THEY APPEAR BELOW.

1. Received status report on Blue Line Operational Readiness.

Staff commented on the following issues of concern: 1) Interlocking agreement - this is still a major concern. 2) Landscaping - it is anticipated that the landscaping contract will require a single track operation in the Long Beach area for approximately two months. 3) Peer Review Report - the report was received yesterday and there are a lot of problems, however, this is typical of all new rail starts.

President Swanson asked staff to come back to the Board with a recommendation on safety issues that the District should request the LACTC to install or implement. This matter should be addressed at the next meeting.

3. Received presentation on proposed Fiscal Year 1991 Budget.

General Manager Pegg reviewed the entire budget process noting changes specifically relating to rail. He also said this budget affords the District the opportunity to retain current fare structure, maintain the current level of service, and add rail service. Mr. Pegg also mentioned the District's effort to keep the bus fleet clean and the bus rehabilitation program.

Appearance of Oscar Lopez, Allstate Air Conditioning, asking the District to maintain the current DBE programs.

Director Patsaouras expressed concern over the cuts in the DBE department. He said that the programs need to be reinforced and contractors reassured that the program is still in full force and not just a front. Several other directors expressed concern with the reduction and proposed merging of functions for the Equal Employment Opportunity Department.

Upon query from Director Patsaouras, W. Norwood responded that he did not agree with the cuts in his department or consolidation. He said that one is to assure that DBE guidelines are being followed and the other is to help with DBE in the community.

Director Jenkins suggested that the District pursue a contract with the Commission to cover all phases of DBE for MOS-I and MOS-II.

After discussion, staff was instructed to include the DBE Program in the District's goals.

Director Jenkins questioned the bottom line, indicating that the District had forecast a deficit a few months ago and now the problem appears to have resolved. He asked about the forfeiture of \$13 million in Transit Performance Measure dollars and how those funds are covered. Staff responded that three factors, which had been reported to the Board on other occasions, were prominent in the overall state of the budget. 1) the carry over of a surplus into the current fiscal year, 2) a decline in the workers' compensation reserves, and 3) a projected farebox revenue growth of 2%.

Director Jenkins requested information, on a line item basis, on where there were increases above the rate of inflation. Mr. Rubin responded the District has a very good trend on cost reductions; however, the graffiti abatement program and the bus rehabilitation program added to our costs.

5. Appointment of a Nominating Committee

President Swanson appointed Directors Price, Jenkins and Thomas to the Nominating Committee in accordance with Section 2.2 (a) of the Rules and Regulations.

There was lengthy discussion about whether an absent member could vote, via telephone communication, at the elections the following meeting. General Counsel Gifford noted that in order for a member to participate via telephone they must be able to hear discussion and be heard. District Secretary Bolen read the section of the Rules and Regulations noting that the Board can amend or suspend them.

Recessed for lunch at 12:41 p.m., returning at 1:25 p.m. with all Directors present except Jay B. Price and Kenneth R. Thomas. The Board returned to the discussion on the Fiscal Year Budget.

3. Director Knabe suggested, for future years, that each department head also submit a list of 'unmet needs.' Director Milner suggested that the Board be advised of the 'menu of programs' - both included and deleted from the budget.

Upon question, General Manager Pegg spoke about the funds in his departmental budget for consultant services and the unresolved personnel compensation issue. Also raised was a question concerning the status of the Benefit Assessment Districts. Mr. Pegg responded that staff is continuing to work on this matter in terms of legal appeals as well as attempting to secure an author for legislative changes. The General Counsel informed the Board that the petition for review has been filed with the Supreme Court. Director Holen pursued this subject, with Mr. Rubin advising that the Benefit Assessment District is being funded from insurance reserves, with approximately \$30 million being 'borrowed.'

Director Gonzalez requested the Inspector General provide a report rationalizing his proposed budget and the General Manager provide a report rationalizing the cuts in the Inspector General's budget.

2. Received report on MOS-1 Project Management Plan.

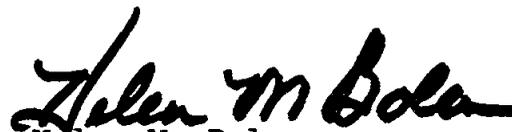
A. Perdon said that a letter was received from the LACTC expressing concern about a cooperative agreement. Meetings have been held and most things worked out. The Project Management Plan will be sent to UMTA and letters will also be sent to the LACTC assigning contracts when they are ready to assume them. We are aware that the RCC staff has not been completely filled. Effective July 1 the LACTC and RCC will be building metro rail.

4. Considered report regarding endorsement of Proposition T: A half-cent sales tax proposal for transit.

Staff reported that the LACTC was attempting to obtain concurrence in a proposal that would benefit streets and highways, with a very small allowance for transit.

During discussion, several Directors expressed their concern and opposition. Director Patsouras, the original proponent of this item, withdrew the item.

The meeting adjourned at 2:50 p.m.


Helen M. Bolen
District Secretary