

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

MINUTES/PROCEEDINGS

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

January 9, 1992

Called to order at 11:07 a.m. by President Holen

Directors Present:

Marvin L. Holen
Charles H. Storing
Evan A. Braude
Mas Fukai
Don Knabe

Nick Patsaouras
Carl W. Raggio, Jr.
Gordana Swanson
James L. Tolbert
Antonio Villaraigosa

Director Absent:

Richard Alatorre

Items were considered in the following order.

3. Report of the President

No report was made

4. Report of the General Manager

No report was made

5. Director Special Items

No report was made

6. RECEIVED report on structure, role and responsibilities of the Union Station Gateway Corporation (USG).

In accordance with previous Board action, Directors Patsouras, Alatorre and Villaraigosa were appointed to the USG Board along with Directors Tanner, Vogel and Harrison from Catellus Corporation. Director Patsouras has been named Chairman of the USG Board. Mr. Spivack also noted the executive staff positions of USG approved by the USG Board are: John Bollinger, President; Tom Rubin, Chief Financial Officer; Jeff Lyons, General Counsel; and Helen M. Bolen, Corporate Secretary.

President Hohen suggested that the February Committee of the Whole meeting be devoted to the Gateway Project giving a detailed briefing on the progress of the project itself and what will happen in the near and distant future. He also requested information on how the RTD Board connects with the USG Board and the project in general. Also to be included is background information on Catellus. Mr. Hohen said that information on the actual design would be helpful and suggested a representative from the architectural firm be present at the meeting.

UNANIMOUS, with 9 directors present

7. APPROVED a request from Union Station Gateway Corp. (USG) for funding of costs of USG, including ratification of costs incurred to date, in accordance with the provisions of the Design and Construction Agreement as outlined in the General Manager's report dated January 9, 1992

CARRIED, with 9 directors present and Director Tolbert voting "No"

19a. APPROVED Requisition 1-4200-G01 and contract amendment with Coopers & Lybrand, for additional consulting services, increasing the contract ceiling by \$205,000, to a total contract of \$297,000, extending the term to December 31, 1992; form of documents subject to approval of the General Counsel.

20. Public Comment

Appearance of H. Watts speaking on various transit matters.

Director Knabe commended District staff for a presentation they made concerning transit matters in Cerritos.

2. Recessed to Closed Session at 12:11 p.m. to consider personnel, real estate, litigation and legal matters. Returned at 1:15 p.m. with all directors responding to Roll Call except Director Alatorre. No report was made.

1. Discussed the Fiscal Year 1992 Operating Budget Shortfall.

General Manager Pegg noted corrections on page 3 of the report reducing the 30 million dollar figure to \$28.1 million. He also said that although the District has sent invoices to the Commission it has not received STA proceeds since July 1, 1991.

Director Patsaouras asked if there was going to be discussion on cutting service or raising fares because he would walk out of the meeting. He felt that the majority of our passengers are working and depend on the service to get to their jobs. Also, any fare increase was unthinkable. General Manager Pegg said that this was not a recommendation.

Staff reviewed various reasons for the budget shortfall along with suggested budget cutting measures.

Director Patsaouras requested a list of programs that management considers non-essential indicating that the Board should make the decision as to what is essential and non-essential.

Director Swanson suggested a freeze on all purchase requisitions unless they were directly related to operations. Director Tolbert suggested no new spending in lieu of an entire freeze.

Director Swanson made a motion regarding the trading of Proposition A dollars with cities, which motion was seconded and discussion ensued. During this discussion Directors Knabe and Fukai said they would like to know any impact this action might have prior to voting on the motion.

On a roll call vote noted below, the following action was approved:

Ayes:	Patsaouras, Raggio, Storing, Swanson, Tolbert, Villaraigosa, Holen
Noes:	None
Abstain:	Braude, Fukai, Knabe
Absent:	Alatorre

RESOLVED, that the Board of Directors of the Southern California Rapid Transit District (District) hereby requests the Los Angeles County Transportation Commission (Commission) to allow the District to trade Proposition A dollars with those cities who wish to do so, at the rate of 55¢ on the dollar, or at an amount to be negotiated.

President Holen read a proposed motion concern STA funds. Director Fukai made the following motion which was seconded by Director Patsaouras and approved with ten directors present.

WHEREAS, pursuant to Public Utilities Code sections 99200 et seq: State Transit Assistance (STA) monies are available to transit operators, and

WHEREAS, the District is an eligible operator under the law, (pursuant to State Legislative Counsel legal opinion),

WHEREAS, nevertheless the LACTC has failed to allocate and pay to District STA funds for FY 1992 amounting to \$10.3 million,

NOW, THEREFORE, BE IT RESOLVED, that the LACTC is requested to pay to the District, the \$10.3 million in STA funds being withheld, and to henceforth make all such payments under the Transportation Development Act when due.

President Holen then read another proposed motion requesting payment by the LACTC to the District of full allocation of subsidies. Director Fukai made the motion which was seconded and unanimously carried with ten directors present.

WHEREAS, the Los Angeles County Transportation Commission (LACTC) has informed the District that it has a revenue shortfall of \$133 million and as a consequence the District will receive \$30 million less than the subsidies originally allocated to it for FY 1992; and

WHEREAS, the 1.3 million daily riders of Los Angeles will be forced to shoulder the entire burden of this shortfall;

NOW, THEREFORE, BE IT RESOLVED, that the LACTC allocate and pay to the District \$30 million from other sources, on the condition that the District will be debited by the Commission in four equal installments, beginning in FY 1993, by reduction of the District Proposition A allocation.

Director Swanson requested a report indicating the increase/decrease in passengers if fares were reduced.

Director Raggio said that a message needed to be sent to the Commission that these are difficult times and a rethinking of priorities may be in order. It is important to keep bus and rail service at least equal to that which is currently provided.

Director Patsaouras asked the status of his request concerning an Adopt a Bus program similar to the CalTrans Adopt a Highway program.

President Holen spoke to other sources of funds that might be available from the Commission. He referred to the debit card program and the \$5 million that could be rerouted to the District and other municipal operators.

Director Patsaouras made a motion to refrain from implementing cost savings measures that could diminish the quality of service. This motion was seconded and on a roll call vote noted below, the following action was approved:

Ayes: Braude, Fukai, Patsaouras, Raggio, Storing,
Swanson, Tolbert, Villaraigosa, Holen
Noes: None
Abstain: None
Absent: Alatorre, Knabe

RESOLVED, that the Board of Directors of the Southern California Rapid Transit District (District) hereby directs staff to refrain from taking any cost saving measures that would diminish the quality of service.

President Holen said it was incumbent on the persons seated on this Board, as well as their appointors, to support the actions taken on this issue today.

H. Watts appeared before the Board complaining that they were in violation of the Brown Act because they did not allow him to speak on an item prior to approval.

There being no other business, the meeting adjourned at 2:23 p.m.


District Secretary