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SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

MINUTES/PROCEEDINGS

Regular Board Meeting
Board of Directors
July 9, 1992
District Board Room
425 South Main Street
Los Angeles

Called to order at 12:00 Noon

Directors Present:

Marvin L. Holen, President
Charles H. Storing, Vice President
Richard Alatorre
Evan Anderson Braude
Mas Fukai
Don Knabe

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

Directors Absent:

Mas Fukai
Don Knabe

Immediately following Roll Call, recessed to Closed Session to consider real estate, personnel and litigation matters and labor negotiations, returning to Open Session at 12:25 with the same Directors in attendance.

1. Report of the President

- a. Status of negotiations regarding operation of Lines 486 and 488.

President Holen reported having met with Messrs. Kuhn and Clark of the Foothill Transit Zone and United Transportation Union respectively. The parties are negotiating to find a resolution to the problem and will meet again this afternoon. They are looking for alternative services that might be provided by FTZ until the litigation is settled. Mr. Kuhn is looking at the Foothill Transit Zone "wish list" and Short Range Transit Plan to help with that decision.

AS another alternative, President Holen has asked Legal Counsel to prepare a cross complaint for declaratory relief (draft has been distributed) which would result in an expedited response from the court. An emergency Foothill Transit Zone Board meeting is scheduled for next Monday.

President Holen reported that a motion by Commissioner Fukai and Tolbert had been presented to the LACTC's Finance and Programming Committee yesterday and adopted on a three to two vote. The motion, which will be considered by the full Commission on July 22, would provide the District with \$117 million, the amount of the budget shortfall. A group composed of municipal operators is scheduled to meet at the request of Neil Peterson, LACTC.

This Group will be reviewing the District's request based on:

- RTD budget
- performance trends over a period of years
- Prop C law and guidelines
- LACTC budget and Prop C Module

President Holen suggested a workshop on the matter of transit indicators -- how budgets are prepared and how moneys are allocated -- and encouraged every member of the Board to attend. This should happen prior to the Commission's July 22 meeting. The LACTC is also scheduled to hold a workshop meeting on Monday, July 20.

Director Patsouras noted that inner city lines are consistently overcrowded while peripheral lines run empty. He suggested that some tough decisions be made by the District to mitigate it's own budget problems.

Director Villaraigosa's opinion was that Board members should go through the budget line item by line item in order to be able to intelligently defend the need for the additional \$117 million from Prop C funds. Director Tolbert feels that the real problem may be that there is simply not enough money to do all the things everybody wants to do.

Director Swanson asked what was budgeted last year based on receipts from sales tax and if those monies were received. Staff responded that approximately \$130 million was budgeted last year and \$110 million was received. The \$117 million shortfall is made up of \$65 million in formula share allocation from the Commission; \$25 million less in fare revenue; \$3 million lost in investment income; \$29 million of additional expenses less \$5 million of a collection of other offsetting revenues in the form of subsidy for Red Line and Blue Line.

On query from the Board, Mr. Pegg explained that the 4.7% salary increase for non-contract personnel does not apply across the board. Based on Pay for Performance, individuals on the low end of the range will receive a greater increase than those at the high end of the range for the same evaluation. The increase approximates the amounts provided for in the District's labor agreements. This will maintain the approximate 15% salary disparity between the District and the Commission.

Director Raggio commented that you don't pick up a shortfall by reducing management's salaries. Director Tolbert countered that it's a matter of what priority you can get others to see. There is a need to rely on reasoning and the approach that benefits the most people. There should be a moratorium on raises.

Director Patsaouras requested a breakdown showing the cost of the 4.7% increase versus a 2% increase as well as a listing of underused candidate lines which could be cut or redeployed.

By consensus a Budget Review Session was scheduled for Saturday morning, July 11, at 8 A.M. in the District Board Room.

2. Report of the General Manager

Mr. Pegg reported that the 50-cent fare had leveled out with about \$140,000 worth of tickets per day received in the fare box. In July that jumped by \$23,000-\$24,000 to about \$160,000. Substantial amounts of new service have not had to be added.

According to Dennis Newjahr of OMB the grant request for the 50-cent fare is being reviewed by the FTA regional office in San Francisco, and they are looking at it very favorably. They believe there is some money that can be allocated. It is a lengthy process, but the key factor is finding out whether there are any funds available. The annual effect of the fare is \$10.6 million. \$2.3 million per month was the original estimate, and that seems to be holding true. Approximately \$11 million has been requested from the Federal Government.

3. Director Special Items

- a. Consideration of job development and training Set-Aside goals for RTD contractors.

Director Patsaouras offered the same motion which was adopted by the LACTC's PMIC Committee yesterday, that vocational schools, community colleges and technical schools train young people in disciplines and that the District set aside on all contracts a number or percentage of positions for job training and apprenticeship, and that the District participate on a task force to arrive at the methodology.

APPROVED participation by the SCRTD on the job training and apprenticeship task force to arrive at methodology and requested a report back to the Board for further consideration.

Unanimous with 7 Directors present.

Recessed from 2:08 P.M. to 2:50 P.M. to hold a Public Hearing.

4. RECEIVED Reduced Fare Program status report #4 under Report of the General Manager.

Unanimous with 7 Directors present.

H. Watts complained that it has become increasingly difficult to get a seat on many buses because of the reduced fare program.

5. RECEIVED presentation by the Los Angeles County Transportation Commission staff describing their Paratransit Program.

Richard Duroc, LACTC Paratransit Services, gave a brief presentation. He explained that the ADA requires that paratransit be provided to individuals who can not use fixed route services. Potential users would be interviewed by a registered nurse, an occupational therapist or psychiatrist. The average cost to provide a trip is \$21. The program will have a 5-year phase in.

Unanimous with 7 Directors present.

6. REMOVED FROM AGENDA item regarding sale of unimproved land located on the westerly boundary of Division 10.

CONSENT CALENDAR

Items 7-12 and 14-17 of the Consent Calendar were approved in one motion with 7 Directors present and Director Tolbert abstaining on items 9 through 11. Item 13 was removed from the Agenda by staff.

7. APPROVED a contract with Bazile Machining, Fullerton, the lowest responsible bidder under Bid No. 04-9214, covering procurement of transfer holders for a total bid price of \$44,391; form of contract subject to approval of the General Counsel.

8. APPROVED a contract with One Stop Brake Supply, Fullerton, the lowest responsible bidder under Bid No. 04-9213, covering procurement of **brake parts** for an estimated annual cost of \$65,000; form of contract subject to approval of the General Counsel.

9. APPROVED Requisition 2-7200-73 and award of a sole source contract to GIRO, Inc., Montreal, Quebec, Canada, covering **maintenance of proprietary software** for a one-year period from July 13, 1992 through July 12, 1993, for an estimated cost not to exceed \$28,062; form of contract award subject to approval of the General Counsel.

10. APPROVED Requisition 2-9400-155 and amendment of an existing contract with Digital Equipment Corporation (DEC), Santa Monica, covering **proprietary hardware maintenance services** for an additional cost of \$48,234, for a total contract amount of \$235,848; form of contract amendment subject to approval of the General Counsel.

11. APPROVED a one-year extension of an existing contract with Candle Corporation, Marina del Rey, and:
 - a. Requisition 2-7200-96 covering **new software license fees for Central Processing Unit (CPU)** for a cost of \$43,030; and
 - b. Requisition 2-7200-97 covering **software maintenance services for the existing licensed software** for an additional estimated cost of \$38,754;increasing the total contract amount to \$230,108; form of documents subject to approval of the General Counsel.

12. APPROVED Requisition 2-9630-74 and an option with Accent Landscape, Inc., Gardena, covering Metro Blue Line landscape for one additional year for an estimated annual cost of \$107,000, increasing the total contract amount to \$283,205; form of option subject to approval of the General Counsel.
13. REMOVED FROM AGENDA item regarding maintenance and repair of roll-up and tilt-up doors.
14. RECEIVED AND FILED General Manager's report on Blue Line grade crossing enforcement program, requested by SCRTD operations and LACTC staff, to be implemented by the Sheriff's Department for a period of 90 days.

Funded by the LACTC.
15. RECEIVED AND FILED Report Calendar for June 26 through July 8, 1992.
16. ADOPTED Certification of Findings for Public Hearing held May 14, 1992, to consider the District's Fiscal Year 1993 Section 3 Grant Applications to Federal Transit Administration for \$149,543,000 to design and construct a Union Station Gateway Intermodal Transit Center.
17. APPROVED minutes of Regular Board Meetings held June 11 and June 25, 1992

PERSONNEL & LEGAL COMMITTEE

18. AUTHORIZED the District's participation in a coalition of potentially responsible parties that are equitably sharing cleanup costs at the Mountaineer Refinery hazardous waste site in Wyoming, pursuant to an agreement currently being negotiated with EPA, and authorize payment of District's share of Phase I cleanup costs estimated not to exceed \$25,000.

Unanimous with 7 Directors present.

EQUIPMENT, OPERATIONS & ACCESSIBLE TRANSPORTATION COMMITTEE

19. APPROVED an amendment to the Memorandum of Understanding (MOU) for liability insurance and indemnification with respect to operations, use and maintenance of the Metro Blue Line between City of Compton, City of Long Beach, County of Los Angeles, Los Angeles County Transportation Commission and Southern California Rapid Transit District extending the term from August 1, 1992 to July 31, 1993, with automatic one-year extensions through July 31, 1995; form of documents subject to approval of the General Counsel.

Unanimous with 7 Directors present.

20. AUTHORIZED staff to continue negotiations with insurance companies for Rail and Bus Excess Public Liability and Property Damage (P/L & P/D) insurance coverage effective August 1, 1992 based on Option A.

Carried with 7 Directors present and Director Patsouras objecting.

Director Villaraigosa requested a report on DBE compliance on this contract.

ADVANCE PLANNING COMMITTEE

21. APPROVED the Metro Blue Line lease rates for Fiscal Year 1993.

Unanimous with 7 Directors present.

22. APPROVED a three-month extension to the FY 1992 Prepaid Fare Reimbursement Agreement with Los Angeles Department of Transportation.

Unanimous with 7 Directors present.

GOVERNMENT RELATIONS COMMITTEE

23. RECEIVED AND FILED report containing recommendation and alternatives contained in the State Legislative update and APPROVED the following positions on legislation:

Support: SB 272
Support with Amendments: AB 3547
Oppose: AB 3091

Unanimous with 7 Directors present.

Director Patsaouras moved and Director Storing seconded a motion to require staff to request approval of funds to be spent for lobbyists and that a breakdown of their work be available monthly.

Unanimous with 6 Directors present.

FINANCE & JOINT DEVELOPMENT COMMITTEE

26. ADOPTED a resolution authorizing participation in the California Arbitrage Management Program along with other public agencies, investing in shares of the trust and in individual portfolios; form of documents subject to approval of the General Counsel.

Unanimous with 7 Directors present.

24. CARRIED OVER to next Board Meeting item regarding the sale of approximately \$70 million in Revenue Anticipation Notes (RANS) to raise cash for District operating costs in Fiscal Year 1993.

In response to questions from Director Patsaouras, staff explained that the Financial Advisor selects the bond counsel to be used on the RANS transactions subject to District approval. Arnelle & Hastie was selected and approved.

Motion for approval FAILED with 7 Directors present and Directors Patsaouras and Tolbert voting no.

Director Patsaouras asked to see a copy of the RFP for financial advisor, the Board action on the item and the list of approved firms from which the bond counsel is selected.


25. APPROVED Requisition 2-7099-63 and a contract with Orrick, Herrington & Sutcliffe, San Francisco, under RFP 92-19 covering legal advisory services for Japanese Cross Border Leasing of 303 methanol fueled buses for a total cost not to exceed \$100,000; form of contract subject to approval of the General Counsel.

Unanimous with 7 Directors present.

GENERAL ITEMS

27. There were no items arising subsequent to the posting of the agenda.
28. Public Comment was received from:
- D. Hill regarding DBE participation on the cash counting contract.
 - B. Allen regarding Blue Line grade crossing problems.
 - J. Walsh regarding waste by the L.A. County Transportation Commission.
 - P. Moser in favor of longer hours for the Blue Line.
 - H. Watts complained about Line 167 which replaced Line 420 but does not go all the way to the Sepulveda Veterans' Hospital.
 - A. Carlson offered to put up for sale signs on the property adjacent to Division 10.

Adjourned at 4:05 P.M.


Helen M. Bolen
District Secretary