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SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

MINUTES/PROCEEDINGS

Special Workshop
Board of Directors

July 11, 1992

District Board Room
425 South Main Street
Los Angeles

Directors Present:

Marvin L. Holen, President
Nick Patsaouras
Carl W. Raggio
Gordana Swanson
James L. Tolbert
Antonio Villaraigosa

Directors Absent:

Richard Alatorre
Evan Anderson Braude
Mas Fukai
Don Knabe

Also Attended:

Burke Roche, representative from Supervisor Hahn's office.

The meeting was called to order by President Holen at 8:10 A.M.

1. Reviewed allocation of District resources.

General Manager Pegg distributed copies of the FY 93 Budget and the Consolidated Transit Service Policy.

Steve Parry, Director of Scheduling, gave a brief presentation on the distribution of the District's service. He stated that ridership tends to be the primary determinant of how service is allotted, with Downtown and South Central Los Angeles demanding the most service.

There are currently 12 lines running baseline service, which is service with a one hour headway. Director Patsaouras asked what it would take to eliminate what he called the "dog" lines, which raised the issue of taxpayers' rights vs. ridership demand. He suggested getting rid of "dog" lines and having the LACTC take them over.

President Holen responded that the money all comes from the same pot. If the LACTC were to give the lines to another carrier, the funds would also have to be allocated and cut from the District's budget and the end result would be the same.

Director Villaraigosa expressed concern that with the disparity in subsidy levels between inner city and suburban lines, if the "dog" lines were to be cut, only poor inner-city lines would remain, making it difficult to get subsidy.

Director Raggio asked the Board to remember that this is the Southern California Rapid Transit District, not just the City of Los Angeles transit service. He also stated it would take an 18% reduction in service hours to achieve \$117 million in savings.

Director Swanson asked if the \$117 million shortfall was due to shrinking sales tax revenues because of the economy. Larry Schlegel, Director of OMB, responded that the sales tax revenues account for \$65.2 million of the shortfall, \$24.5 million is lost farebox revenue, \$3.4 million is investment income, \$28 million growth in expenses less \$4.2 million in other revenue categories.

Mr. Schlegel explained that the District has 8,597 authorized positions, 8,297 of which are currently filled. This year's budget is based on a maximum of 8,397 positions. There are still 77 positions authorized to be filled for the Red Line.

Director Swanson asked the amount of the total LACTC budget, and how much of that was capital cost.

President Holen stated the Board's two primary responsibilities, 1) bring resources to the District, and 2) allocate those resources. He then invited LACTC staff members Nancy Whelan and Terry Takamoto to comment. Mr. Takamoto responded that the Commission's budget is \$3.1 billion, and \$1.5 billion is capital cost. Ms. Whelan stated that if the District were to receive \$117 million from Prop C discretionary monies, no candidate light rail lines would be constructed. Jim McLaughlin, Director of Transit Systems Planning at LACTC, also answered questions posed by the Board Members.

The discussion then turned to the previously approved 4.7% increase to the non-contract salary schedule. Mr. Pegg explained that the top increase would be 6.7% for an employee at the lowest end of the range receiving a rating of outstanding. The LACTC plan runs from zero to 10%. Director Tolbert commented that he didn't understand how a raise could be justified when there is no money.

Burke Roche, a representative from Supervisor Kenneth Hahn's Office, reported that the LACTC Finance Committee voted three to two to recommend that the LACTC provide the \$117 million to the District.

Larry Schlegel, responding to a question, stated that the entire collection of Prop C monies is \$740 million and there is a proposal to bond in the amount of \$500 million for projects.

Director Raggio noted that the municipal operators have reduced service and raised fares. The District has reduced service and reduced fares.

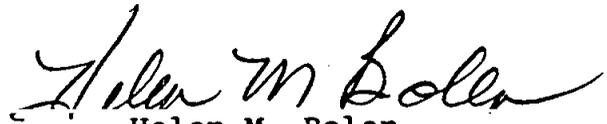
President Holen announced a special RTD Workshop for Monday, July 20, 1992 concurrent with the LACTC at the Hall of Administration, at 4 P.M. He asked staff to try to arrange to have the meeting held in the Supervisors' Hearing Room.

2. Public Comment

J. Cook complained about the hours of service being cut at the El Monte Station service center. She also commented that no money is being saved because TCU employees simply bump into other positions.

President Holen asked staff to prepare a supplemental budget which would allow for the required levels of graffiti abatement, customer service and quality of service.

Adjourned at 10:30 A.M.



Helen M. Bolen
District Secretary