

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

MINUTES/PROCEEDINGS

Committee of the Whole Workshop
Board of Directors
January 17, 1987
La Puente City Hall
15900 East Main Street
La Puente

Called to order by President Hall at 9:00 a.m.

Directors Present:

Jan Hall	Leonard Panish
Carmen A. Estrada (arr. 9:15 a.m.)	Nick Patsaouras (arr. 9:12 a.m.)
John F. Day	Charles H. Storing
Norman H. Emerson (arr. 9:14 a.m.)	Gordana Swanson (arr. 9:20 a.m.)
Marvin L. Holen (arr. 9:07 a.m.)	

Directors Absent:

Nate Holden
Jay B. Price

I. Review of "Program Direction Alternatives:
1985-1990" Discussion Paper.

There was brief discussion concerning the Assemblyman Katz hearing on the structure of transportation delivery services in Los Angeles County. Staff indicated that the hearing would focus on the alternatives available for the structuring or restructuring of transportation systems in Los Angeles, and the management improvement plan for the areas that have been identified as needing improvement or attention.

Mr. Dyer commented that the Performance Action Plan would be the basis or framework for the discussion of that subject.

It was determined that this item would be held for further discussion later in the meeting.

II. Introduction of Rail Activation group.

Mr. Korach spoke briefly outlining the purpose and function of the Rail Activation group, which include the preparation of rules, procedures and documents necessary to run the rail lines. He went on to say that the first rail line will start July 1, 1990; and the first Metro Rail car is due in October, 1990. The Century line is supposed to start in 1993. This group is a nucleus of people who will know how to run a rail line and they will train other people in the organization.

Mr. Korach introduced Dan Miller, Ed Vandeventer, Richard Morton, Art Peterson, Rita Malone, Max Martinez, Harry Budds, and Frank Schroeder.

The Board raised questions and concerns about the pre-revenue testing of the rail cars, which agency, the RTD or the LACTC, would have the responsibility for the testing, the different types of technology that are being considered, and the real problems that could result if three or more different technologies are required to be run by the operator.

In response to the Board's concerns about the different technologies and the impact on the operator, General Manager Dyer indicated that staff could put together the alternatives for the decision making process.

Mr. Vandeventer spoke briefly about his duties in the Rail Activation group, as did Mr. Peterson and Mr. Morton.

In conclusion on this item, Mr. Dyer stated that the staff will bring to the Board an agreement between the LACTC and the District which contains all the points necessary to operate the various rail lines and interfaces; i.e., the Century Freeway light rail, the 7th and Flower interchange, which will be constructed under one contract, etc.

The Board then returned to discussion of Agenda Item No. I.

I. Review of "Program Direction Alternatives: 1985-1990" Discussion Paper - continued.

Mr. Dyer spoke on the subject of the Katz hearing, indicating that it would be appropriate for a committee of the Board to formulate a position to present to the hearing. He identified four concepts; the status quo, incremental change, major change and a restructuring of the transportation agencies.

Director Emerson spoke, indicating that the Board has a strategic decision to make; does the Board want to take action on a specific set of actions, does the Board want to make the Legislature understand what the implications of several different alternatives would be, does the Board want to address the issue of a directly elected Board or a full-time Board. There was discussion about presenting the Board's position at the Katz hearing, of the possibility of individual Directors appearing and presenting their personal views.

President Hall indicated that the Board should speak to the structure of transportation delivery services. After additional comments, the President was instructed to appoint a special committee to identify those areas where there is a consensus and to identify the areas where there is a perceived difference in opinion. The special committee will report their findings at a Special Meeting of the Board. Director Estrada inquired as to the purpose of the Special Meeting and was advised that it would be to adopt a policy position that would then be presented at the Katz hearing.

After further discussion, the Board agreed that the President would call a Special Meeting of the Board for Saturday, January 31, 1987 at 10:00 a.m.

The Committee of the Whole recessed, reconvening at 11:20 a.m. with all Directors responding to Roll Call except Directors Holden and Price.

III. Presentation on Final Application for the San Gabriel Valley Transit Zone.

Mr. Mike Lewis, Chief Deputy to Supervisor Pete Schabarum appeared before the Committee, introducing Mr. Bill Forsythe, Mr. Tom Jenkins and Ms. Patti Post, consultants who have been working on the San Gabriel Valley Transportation Zone proposal for the Los Angeles County Transportation Commission.

Mr. Tom Jenkins then briefly presented slides and his comments on the proposed Zone.

The Board members directed questions to the presenters on the subjects of representation on the governing board, the nature of 'new service' that could be offered within the Zone, the \$14 million projected savings and how that figure was determined, the unionization or non-unionization of the drivers of the Zone, the targeted savings of 25% versus the specified minimum savings of 15% at the conclusion of the second year of operation, the contracting for services with the District relating to the preparation and distribution of timetables, telephone information services, maintenance of the Busway stations. Mr. Dyer also informed the Board members that the costs provided by the staff were 'fully loaded'; that is, the District would not take a loss nor make a profit.

The consultants also stated that the Zone could be in a position to utilize the savings generated by the Zone to maintain the current fare structure. The consultants also stressed the transparency of the Zone to the passengers. After discussion, it was suggested that the transparency was a temporary issue.

Director Storing spoke, indicating that he was a member of the San Gabriel Valley Transportation Zone Steering Committee, and he stated that he had cooperated with the Committee. Now that the proposal was before the Board of Directors, he felt it was incumbent upon him to ask some basic questions. Storing said that the buses will be provided by an UMTA grant and will be operated for profit using Proposition A funds. He asked where was the privatization aspect. Mr. Forsythe indicated the intent was to contract the work to private firms. Director Storing went on to say that the Zone would be using 100% local funds, they would not have to meet federal requirements that are imposed upon the District, etc.

President Hall thanked the consultants for appearing before the Board and listening to the comments and concerns expressed by the various Directors.

The meeting recessed at 12:10 p.m. for lunch, reconvening at 1:10 p.m., with all Directors responding to Roll Call except Directors Emerson, Holden and Price.

President Hall announced that the Board would discuss Agenda Items V, VI and then would consider Agenda Item IV.

V. Discussion of Fiscal Year 1987 Financial Operating Plan.

Controller-Treasurer-Auditor Joe B. Scatchard presented the staff report on the expected shortfall in farebox revenue for Fiscal Year 1987 and the actions recommended to reduce operating expenses.

The Board members expressed their concern about the proposed 2% staff reduction, questioning if this reduction could be done through attrition. Mr. Scatchard indicated that was not possible due to a very slow turnover rate. He stated further that the District has 9,000 employees, and a 2% reduction of administrative and BRAC staff equates to approximately 40 people, which is a very small number.

Director Day questioned the reduction of non-driver overtime costs and the impact of the service. Mr. Scatchard said that most of this savings will come from the Maintenance Department and should not affect the service on the street.

With regard to the item on reprogramming of capital financing over a three-year period, Mr. Scatchard commented that the District has always budgeted just a one-year cost for capital projects; however, TDA requirements changed this procedure. Director Holen asked if the LACTC made this request to change budget strategies after the District adopted the FY 87 budget, with Mr. Scatchard responding affirmatively. There was discussion concerning the merits of reprogramming over a three-year period versus a four-year or longer period. Director Holen stated that he would not vote to reduce service but he would support an extension to four years of the change in accounting treatment for capital projects. He also requested an estimate using a four-year period and a five-year period.

In response to questions about approaching the LACTC for funds to cover the proposed shortfall, Mr. Dyer stated that the Commission is making up approximately \$12 million. Mr. Dyer also spoke to the absenteeism problem, stating that if just 200 of the 1,000 operators who are off work every day would come to work, we would not have a problem.

As the Board members explored ways to minimize the actions necessary to cover the proposed shortfall, Mr. Dyer cautioned that the District will be facing an even greater problem next year and it would be best to start now with reductions in service, employees, etc. in an effort to smooth out the curve so that the shock will not be so great.

VI. Discussion of Financial Operating Plan for FY 1988 through FY 1992.

Mr. Leo Bevon presented the staff report on this subject. President Hall and Director Patsaouras expressed their concern about a needs based fare.

(President Hall and General Manager Dyer left the meeting at 2:30 p.m.)

Director Estrada spoke on the subject, indicating that the administrative difficulty on a needs based fare must be recognized. She suggested that there is another source of identifying the students, and that would be through the schools.

There was discussion concerning various discount fares and the logic and definitions applied. Mr. Bevon reported that the Board has discussed an advance fare purchase system other than a monthly pass; the proposed token program would accomplish this. He also said that staff will return to the Board in February with a financial plan for FY 1988.

Director Holen stated that he would not support a radical departure from our current fare structure; he will not support a change in the District's current approach in providing subsidy for K-12 and college students. Mr. Bevon indicated that to raise the fare to \$1.00 and maintain the same kind of fare structure we now have will raise only \$25 million. We would still have to cut service in the amount of \$20 million.

IV. Receive Proposed Fiscal Year 1988 Districtwide Objectives.

Mr. Larry Schlegel presented the staff report on this subject indicating that the Board will receive the second quarterly report on the FY 87 objectives at the February Committee of the Whole meeting. He also stated that this report could be held and presented to the Board at that time. Director Patsaouras requested a change in format of the report, indicating current and proposed

objectives. Director Day also expressed his belief that objectives need to be specific rather than global.

In response to a question from Director Swanson, Mr. Schlegel indicated that the objectives did not contain any reference to the General Manager's proposed Performance Action Plan. The Board members also requested that the Division 6 project be reflected in the District-wide objectives.

The meeting adjourned at 3:16 p.m.


District Secretary