

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

MINUTES/PROCEEDINGS

Special Board Meeting  
Board of Directors  
Wednesday, April 1, 1987  
District Board Room  
425 South Main Street  
Los Angeles

Called to order at 1:05 p.m.

Directors Present:

Jan Hall, President	Marvin L. Holen
Carmen A. Estrada, Vice-President	Nick Patsouras
John F. Day	Jay B. Price
Joseph S. Dunning	Charles H. Storing
Nate Holden (arr. 1:08 p.m.)	Gordana Swanson

Director Absent:

Leonard Panish

1. a. Approved Resolutions of Necessity and Intention to issue Special Benefit Assessment Bonds for MOS-1;
- b. Approved the scheduling of a public hearing for Thursday, May 14, 1987 at 1:00 p.m.; and
- c. Approved the rescission of resolutions adopted October 23, and December 11, 1986 regarding the sale of Benefit Assessment District Bonds in the amount of \$170 million for MOS-1 of the Metro Rail Project.

APPROVED on a Roll Call vote with all Directors present voting affirmatively.

Mr. Peter Baxter appeared before the Board.

2. Reviewed and established specific positions on reorganization legislation.

General Manager Dyer presented the staff report on the proposed reorganization of transportation delivery services in Los Angeles County, setting forth the following major goals:

1. Improved transportation service delivery to the public.
2. Removal of duplication and improvement of coordination and cooperation between all agencies involved in transportation service delivery.
3. Simplification of existing institutional arrangements.
4. Establishment of clear decision-making authority.
5. Public accountability must be ensured.

Director Patsaouras made a motion to support the consolidation of transportation services into one organizational structure, which motion was amended to include 'new' organizational structure. This motion was seconded and discussion continued.

Director Holen spoke about the history of transportation service agencies in Los Angeles County. He indicated the current structure performed well until the dilution of leadership caused by the creation of the Los Angeles County Transportation Commission.

Director Dunning expressed his concern about the time frame mentioned in the bills and the fear that support of consolidation, at this point, would be viewed as support for the Robbins or Katz bills as they are presently constituted. Director Holen commented that the current bills are nothing more than a band-aid approach to the problem. We know the District is overextended regarding delivery of service on the streets. The current bills lead people to believe they will get more service for less money.

Director Holden stated there is a need for a super-agency; the creation of the Los Angeles County Transportation Commission was the biggest mistake the Legislature ever made. He urged caution by the Legislature in moving forward on this subject. Director Patsaouras spoke his concerns about the lack of leadership, and the fact that transportation leadership tends to act when a crisis arises and not before. He said there is a duplication of service between the RTD and the LACTC. He also commented that no one has taken the leadership role in drafting the legislation to create a new super agency.

Director Price expressed his views regarding funding sources and the need to guarantee that the new Board would represent the population of the County.

Director Dunning presented a substitute motion that the Board go on record as being in support of the creation of a new governing agency which would be responsible for the governance of transportation in Los Angeles County. This motion was seconded.

President Hall commented that there is a need for a new organizational structure. She urged the Board to take a position requesting that time be given by the Senate Transportation Committee and others to seriously consider changes this Board of Directors will propose. The point must be made that the bills, as they are presently structured, will simply move all the current problems to a new agency.

Following additional discussion, Director Dunning's substitute motion was unanimously approved.

The Board then addressed the structural and program issues as set forth in the staff report dated April 1, 1987, a copy of which is filed with the District Secretary.

In response to a question posed by Section 4.2.1(2) of the report, Director Day made a motion that the short range and long range planning programming functions for transportation should be incorporated into the new agency, which motion was seconded.

Director Estrada, after some discussion, offered a substitute motion that the new governing agency in transit not include any of the current functions of the Southern California Association of Governments (SCAG). This motion was seconded and discussion ensued. The substitute motion passed on a Roll Call vote as noted below:

Ayes: Dunning, Estrada, Patsouras, Price,  
Swanson, Hall  
Noes: Day, Holden, Storing  
Abstain: Holen  
Absent: Panish

Under question posed by Section 4.2.1(3) of the report, Director Dunning proposed a motion that the implementation date for the new transportation agency not be scheduled prior to July, 1988. This motion was seconded. Director Price offered a substitute motion that the effective date of the new agency not be before July, 1989 and the substitute motion was seconded. Director Swanson, with the concurrence of Director Price, amended the substitute motion to call for an interim hearing for the purpose of studying legal and funding issues. This amendment was agreed to by the second.

President Hall commented that she cannot support either of the motions. She stated her preference that the dates be removed from the legislation with the new agency to become effective at a time when all of the issues have been resolved. Director Holen concurred in this approach, indicating that the dates in the legislation are foolish. After further discussion, President Hall suggested, and the Board concurred that this particular issue and the motions on the floor be considered at the end of the Board's discussion on reorganizational issues.

The municipal operators status (Section 4.2.1(4)) was discussed. Director Swanson moved that the issue of municipal operators and their power should not change from the present law. This motion was seconded and approved on a Roll Call vote as follows:

Ayes:	Dunning, Estrada, Patsaouras, Price Storing, Swanson, Hall
Noes:	Day, Holden
Abstain:	Holen
Absent:	Panish

Under Section 4.2.1(5), the Board, on motion by Director Estrada, seconded and carried, concurred that the regional operator should have powers equal to the municipal operators. With regard to a specified percentage of the funds, General Manager Dyer explained that the funds are currently allocated on a formula based on population and ridership. If the Board wishes to continue the current formula and percentages, they should vote yes. Director Holen expressed his opinion that this issue should not be addressed in the legislation. It should be left to the discretion of the new agency.

After further discussion, Director Dunning presented a motion stating that the percentage share of the County funds to the municipal operators should not be guaranteed, nor should the municipal operators have a specific percentage of the funds and that the new transportation agency should have the power to structure a formula for the purpose of distribution of funds to the transportation operators in Los Angeles County. This motion was seconded and carried. For the record, it was stated that this motion or position of the Board was not intended to indicate that Proposition A funds could be eliminated, rather the Board's position is that there is no change in Proposition A fund allocation.

The Board considered the issues of a governing board for the new transportation agency.

Director Swanson suggested governing board membership be based on population, with a representative per one million in population. Staff briefly explained the proposed governing board structure in each of the two bills in question, AB 18 and SB 2. President

Hall commented that one of the flaws in the bills is that the elected officials must serve on the governing board. Director Day stated his belief that the 82 cities in Los Angeles County are being disenfranchised. He also suggested representation based on population. He asked the Board to consider a position pointing out that a large segment of the population would be under-represented under the structure currently proposed in both bills. He also suggested a smaller Board would be better; eleven Directors is too many people to really accomplish things. Director Swanson suggested three County of Los Angeles representatives, two from the City of Los Angeles, four representatives through the City Selection Committee process, and one from the City of Long Beach.

Director Price made a motion to maintain the eleven-member Board for the new agency as it is constituted in the SCRTD. This motion was seconded, and additional discussion followed.

Director Estrada suggested that the Board not take a position on this subject. She indicated that the cities in Los Angeles County should express their concern independently. She also stated she would agree not to limit the terms of city representatives. Director Dunning expressed his belief that there should be representatives from the City of Los Angeles, the cities within the County, and from the County of Los Angeles.

Director Holden spoke to the motion, indicating nine representatives should be the maximum, with seven representatives being the ideal-sized governing board. President Hall again spoke, expressing her views that the requirement that the elected official serve is more of a problem than who is on the Board. She believes the elected official should have the opportunity to make appointments, and the eighty-two cities in the County should have representation.

General Manager Dyer explained the governing board structures under the two bills being considered by the Legislature. He suggested interlocking directorates. Director Holen stated that the Board is engaged in further fragmentation; there should be one policy board. He suggested that the Board recommend true consolidation with a policy board. He stated his belief that it should be the decision of the elected official if they want to make appointments to the governing board of the transportation agency; he stated his preference for an eleven-member board. Director Holen then made a substitute motion that the Board adopt a policy position in support of allowing the electoral authority to appoint people to represent them if they so want, and for the period they so want; in effect, "at will" appointments. There was no second at this point in the meeting; however, the motion was restated later.

Director Holen then made a motion to recommend amendments to the bills that truly consolidate into one agency the transportation functions currently being done by the Southern California Rapid

Transit District and the Los Angeles County Transportation Commission without reference to any other sub-agency. This motion was seconded and carried on a Roll Call Vote as noted below:

Ayes: Day, Dunning, Estrada, Holen,  
Storing, Swanson, Hall  
Noes: Holden, Price  
Abstain: None  
Absent: Panish, Patsaouras

Director Swanson inquired if the new super transportation agency can accomplish all the work that will be required of them. Director Holen suggested the legislation should give the new agency the power to create sub-agencies, i.e., one agency created by legislation, in terms of statute. The new agency, or super agency, could form sub-agencies, line divisions or subsidiary corporations.

Director Holen presented a motion that elected officials have the right to appoint people to represent them on an "at will" basis, and that the City Selection Committee process be carried forward to the new agency as it is currently established under the District Law. This motion was seconded. Discussion followed.

Director Holden suggested including in the motion that current members of the governing boards of the District and the LACTC cannot serve on the governing board of the new agency. Director Holen responded that the elected officials should have the freedom and right to choose anyone to represent them and should not be restricted as suggested by Director Holden.

Director Holden offered a friendly amendment to the motion on the floor indicating that in the make-up of the structure of the governing board of the new agency, no city shall have more than one representative other than the City of Los Angeles. This amendment was seconded and failed on a Roll Call vote as noted below:

Ayes: Day, Holden, Price, Swanson  
Noes: Holen, Storing, Hall  
Abstain: Dunning, Estrada  
Absent: Panish, Patsaouras

Director Holen then restated his motion that elected officials have the right to appoint people to represent them on an "at will" basis and that the City Selection Committee process be carried forward to the new agency. This motion carried on a Roll Call vote as noted below:

Ayes: Day, Dunning, Estrada, Holen  
Storing, Hall  
Noes: Holden, Price  
Abstain: Swanson  
Absent: Panish, Patsaouras

Director Price then made a motion to allow governing board representatives from the City Selection Committee process to serve consecutive terms. This motion was seconded and unanimously carried.

Under Section 4.2.1(13), Director Price offered a motion that the new agency should be in compliance with federal planning, construction and operating requirements. This motion was seconded and unanimously carried.

Director Dunning then made a motion that the governing board of the new agency should not be an elected board. This motion was seconded and unanimously carried.

Director Holen presented a motion that there should not be a continuity of office between the new agency and the current or existing agencies i.e., there should not be an automatic assumption of office. This motion received a second and was unanimously approved.

Under Section 4.2.2 of the report, on motion of Director Price, seconded and carried, with Director Day voting against the motion, the Board took a position against incorporating the long range planning functions of SCAG in Los Angeles County into the new agency, and against separating the transportation systems planning function in Los Angeles from the air quality, growth management and other planning functions in Los Angeles County.

The questions posed by staff under Section 4.2.3 regarding the programming of financial resources should be left up to the governing board of the new agency. This view was concurred in by all members of the Board present.

The issue of system operations, as set forth under Section 4.2.4 of the report were discussed. Director Storing made a motion to adopt a position in favor of the new agency having the authority to:

1. broker transportation services;
2. create new operating entities including transportation zones;
3. contract out for the bus services and other services;  
and
4. contract out for the operator of the rail system.

This motion was seconded. Upon question as to why Director Storing did not include authority to charter services, he explained that he did not want the new agency to compete with private enterprise. Director Day presented an amendment to the motion to include charter services, which amendment was seconded. Director Storing requested that the question be separated.

On a voice vote, Director Day's amendment regarding charter service was approved, with Storing voting against the motion, and with Directors Holden, Panish and Patsouras absent.

Director Storing's motion was approved on a voice vote with Directors Holen and Swanson abstaining and Directors Holden, Panish and Patsouras absent.

The Board then considered Section 4.2.5 of the report, dealing with the facilities, design, construction and systems integration. Director Holen stated he doesn't believe there is a role for the District in the decision on these items. He recommended that the State Attorney General be asked to review and make recommendation on these issues, and that the District prepare a set of legal issues for submission to the State Attorney General for his advice. On motion made by Director Holen, seconded and carried, staff was instructed to begin to list the legal issues for the Attorney General, and to indicate to his office that this list is just a beginning of the many issues that need to be addressed.

In response to the questions raised by the staff in Section 4.2.6 of the report, the Board agreed that the new agency should have the authority to mandate specific solutions to travel corridor needs throughout Los Angeles County.

With regard to Section 4.2.8 of the report, the Directors present indicated that the new agency should be allowed -- but not required -- to establish an interagency coordinating board with representatives from the various local, state and federal agencies and entities involved in the provision of transportation.

Under Section 4.2.9 of the Report, the Board indicated the issues concerning employee benefits and employee protections should be addressed by the Attorney General and the Legislative Analyst. The bills pending before the Legislature should incorporate some language to protect the rights of our employees.

The Board considered the policy directions issues set forth under Section 4.2.10 of the report as follows:

On motion by Director Estrada, seconded and carried, the Board took action in support of the new agency having the same immunities to various laws, codes and regulations (e.g., local permits) that the RTD currently has.

The question of the new agency's authority to impose a property tax and if such authority could invalidate its ability to levy the half-cent sales tax was referred to the Attorney General. The Board noted that flexibility in the powers of the new agency is of paramount importance.

The Board supported the concept of the new agency having the authority to generate additional revenue through a sales tax increase or other general revenue sources.

The Board also supported the concept of the new agency having the authority to levy benefit assessments and for projects other than Metro Rail. Director Holen commented that it is important that the agency created by statute be financially self-contained.

The extension of authority to the new agency to joint develop at rail transit stations and to projects other than Metro Rail was approved by the Board.

The new agency should have ownership of facilities, equipment, operating rights, liability reserves, vested employee benefits, and asset management responsibilities. The Board supports this direction in policy in the establishment of a new transportation agency.

The Board took a position that the statute should allow flexibility for the new agency in the determination of the purchasing authority.

Finally, the Board concurred that the boundaries of the consolidated agency should be defined as the entire county rather than the District's more limited boundary.

The issue of implementation date for the new transportation agency as discussed earlier under Section 4.2.1(3) of the report was again brought forward and discussed. This discussion also included the subject of one comprehensive transportation reorganization bill as opposed to the existing bills with subsequent "trailer" bills.

Director Holen presented a motion that the bills, i.e., AB 18 and SB 2 need to be amended and consolidated into one bill just as they are attempting to consolidate transportation into one agency. This motion was seconded and carried.

President Hall stated that SB 2 will be heard before the Senate Transportation Committee on April 7, 1987. She suggested the Board take a position that the bill not be passed out of Committee until these issues have been addressed. Director Holen presented the motion with the addition that both bills be considered by the Senate Policy Committee on May 5, 1987. This motion was seconded and passed.

Director Price made a motion to request the Legislature to delay implementation until July 1, 1989, which motion was seconded and discussion followed, with Director Holen commenting there are federal fiscal questions involved with respect to the District having been named in the federal appropriations bills. These questions should be addressed in view of their legal implications. He also suggested that the fiscal implications

warrant advising the State Treasurer that the possibility exists that the credit of the State of California could be involved and that the Office of the State Treasurer should also review these matters as they relate to the State's fiscal position.

Director Dunning presented a substitute motion that the Board go on record that the dates in the bills are not acceptable as they do not allow adequate time to effect a constructive transition and a proper analysis of our amendments, and that a date be set for a time not before these questions have been satisfactorily resolved and not before the end of the fiscal year. This motion was seconded and approved by consensus.

Mr. Howard Watts appeared before the Board indicating that he favored direct election to the Board.

In response to a comment from Director Holen concerning the definition of the Metro Rail Project with respect to the reorganization legislation, and following comments from the General Manager, Director Holen moved that the Metro Rail Project be defined as that which is approved by the Board of Directors through the proper Environmental Impact processes, state and federal level. This motion was seconded and carried.

For the record, it was stated that this definition would be compatible with the local decisions and the environmental documents and would enforce the federal funding legislation in the face of resistance on the part of the Department of Transportation.

Director Swanson made a motion to request deletion of the section on page 2 of SB 2 pertaining to requirement of the Board, not later than November 30, 1989, to determine if the authority is to be governed by an elected 11-member board on and after January 1, 1991. This motion was seconded and approved following discussion.

In response to questions concerning when the suggested amendments could be given to the legislative authors, General Manager Dyer indicated this would be a two-step process. First, a statement or position paper setting forth the suggested amendments or positions would be prepared and submitted; secondly, proposed legislative language would be prepared.

President Hall requested that the members of the Board receive a copy of the statement or position paper as soon as it is completed.

The meeting adjourned at 5:22 p.m.

  
District Secretary