

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

MINUTES/PROCEEDINGS

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

March 10, 1988 - 1:00 p.m.

Called to order by President Hall:

Directors Present:

Jan Hall
Carmen A. Estrada
John F. Day
Marvin L. Holen
Erwin N. Jones

Nick Patsaouras (arr. 1:15 p.m.)
Jay B. Price
Charles H. Storing
Gordana Swanson
Kenneth R. Thomas

Director Absent:

Joseph S. Dunning

1. Recognized retirees and certificates presented by Director Thomas.

2. Report of the President

The President did not make a report.

3. Report of the General Manager

Interim General Manager Pegg, responding to a recent article in the Los Angeles Times, reviewed the procurement process for the District's radio system. He indicated that our current radio system is old and it is difficult to obtain spare parts and the procurement is a follow-up to an UMTA study funded some years ago. The new system will transmit data relating to the placement of buses on the street and it will also count passengers as they board and alight at stops. This new system can also be extended to the rail system as well. The newspaper article implied that the system is untried; this is not true. Mr. Pegg continued that there are differences between the base system and options that the District may purchase and the system approved by the Los Angeles County Transportation Commission; these differences relate to the counting function. Mr. Pegg concluded by stating that the passenger counting function and the bus locator function will allow the District to better manage the operations.

4. Director Special Items

No Director Special Items were considered or discussed.

5. Recessed to Closed Session to consider personnel and litigation matters at 1:18 p.m. The Board returned from Closed Session at 2:15 p.m. with all Directors responding to Roll Call except Directors Dunning and Price.

6. APPROVED benefit assessment appeal recommendations listed below:

<u>Case No.</u>	<u>Parcel No.</u>
A1-354-86	5151-026-005
A2-97-86	5141-017-003

UNANIMOUS, with nine Directors present

Copies of the formal resolutions are filed with the District Secretary.

7. ACCEPTED the recommendation of the Appeals Panel for Benefit Assessment Appeals Case A1-47-86 and adopted the Hearing Officers recommendation to deny the petition and confirm the assessment on the Manley property, Parcel Number 5173-021-001.

UNANIMOUS, with nine Directors present

8. CANCELLED public hearing on the CORE study Draft SEIS/SEIR scheduled for March 22, 1988, and authorized the General Manager to reschedule the public hearing upon completion of UMTA and District activities associated with the preparation of the Draft Addendum to the SEIS/SEIR.

UNANIMOUS, with ten Directors present

9. Received and filed status report on the Fiscal Year 1988 Operating Budget.

UNANIMOUS, with ten Directors present

Appearance of H. Watts speaking on this subject.

10. Considered General Manager report concerning adoption of the Fiscal Year 1989-91 Short Range Transit Plan (SRTP).

Interim General Manager Pegg reported that the District has received an extension for filing the SRTP to March 31. He also reported that the SRTP contains a proposed fare implementation date of July 1, 1988; this should be amended to May 1, 1988 to balance the Fiscal Year 1988 budget. He also indicated additional actions will be required to achieve a similar balance of the FY 1990 and 1991 budgets.

Director Holen proposed a motion to file a Pro Forma SRTP with the appropriate agencies, amended to include the date of May 1, 1988 for possible fare adjustments. This motion was seconded and discussion ensued.

Director Holen suggested that if the document is rejected by the LACTC staff, the Board should request the Interim Director of the LACTC to appear before the Board to explain the basis for rejection. He also suggested that the Chairman of the LACTC join the Board for discussion on this issue.

Director Estrada spoke to the suggested actions enumerated on page 2 of the report, specifically asking about the likelihood of the LACTC approving the issuance of \$18.8 million of Equipment Trust Certificates. In response to her questions, Interim General Manager Pegg indicated that the interest cost for this item would be about \$1 million per year for a ten-year period. Director Estrada stated her opposition to the SRTP because of this item.

During discussion, Director Patsaouras expressed his opposition to the SRTP. Director Storing also commented that the passage of this document would send a wrong message to the LACTC. He based his opposition on the fare increases contained in the document, indicating there is no relationship between the current fares, the proposed fares and the inflation rate. Director Thomas also expressed his concern that the document suggests the District will balance the budget by relying on a fare increase.

President Hall spoke in support of the motion. She recognized that there have been many requests to cut the budget. She expressed her concern about the status of the fleet, about the District's ability to keep service on the street, and about the District's ability to carry people on the buses. She suggested that the SRTP is a document which is amended on a regular basis. Director Jones also spoke in favor of the motion.

Director Patsaouras mentioned a recent Board request to the Los Angeles County Board of Supervisors and Mayor Bradley. The Board of Supervisors has passed a motion requesting a change in the allocation of Proposition A funds. He warned that if the Board raises the fares, it will guarantee the fate of the structure of Proposition A funds.

Director Patsaouras made a substitute motion to defer action on Agenda Item 10 until after action on Agenda Item 11 regarding fares. This motion was seconded and failed on a Roll Call vote as noted below:

Ayes:	Estrada, Jones, Patsaouras, Storing, Thomas
Noes:	Day, Hall, Price
Abstain:	Holen, Swanson
Absent:	Dunning

The question was then called for on the original motion, which passed on a Roll Call vote, resulting in the adoption of the Pro Forma Short Range Transit Plan for Fiscal Years 1989-91, amended to include May 1, 1988 implementation date for possible fare adjustments and authorized transmittal to the Los Angeles County Transportation Commission and the Southern California Association of Governments by March 31, 1988. The results of the Roll Call vote follows:

Ayes:	Day, Hall, Holen, Jones, Price, Swanson
Noes:	Patsaouras, Storing
Abstain:	Estrada, Thomas
Absent:	Dunning

11. Considered the General Manager's report concerning:
 - a. Adoption of the findings of the public hearing
 - b. conceptual adoption of service adjustments; and
 - c. establishment of a fare structure

Interim General Manager Pegg recommended that this item be removed from the agenda to allow staff to respond to the questions raised by the Board. He indicated the report would be returned to the Board at its next meeting. A motion to this effect was made and seconded.

Director Swanson requested members of the Executive and Finance & Joint Development Committees meet with staff before the next meeting to go through the budget to determine if any items can be eliminated.

Director Day inquired about the expected deficit for the FY 1989 budget. Staff responded it would be approximately \$36 million. Director Estrada asked if putting this item over would have any impact on the transmittal of the SRTP to the LACTC. Staff responded that it would have no effect on that action. She then stated that she would not support the motion.

President Hall commented that the SRTP is predicated on a series of proposals. She expressed her support of the motion.

During the dialogue on this subject, Director Estrada mentioned that Mayor Bradley has agreed to provide funds to the District, but he wants other cities and agencies to help with the problem. Director Thomas mentioned the need to get other alternatives from staff. Director Price stated that the likelihood of getting Proposition A funds from the smaller cities is negligible. Director Day commented that he believes the staff's best effort is before the Board.

Director Day then presented a substitute motion that the Board vote on agenda item no. 11 and he moved approval of the staff recommendation. A Roll Call vote was requested. The vote was started and suspended to hear public comment.

Messrs. H. Watts, E. Duncan, A. Starnes, G. Roberts and Ms. Fattorini appeared before the Board speaking on the subject of fare increases and service reductions.

Following the public comment, Director Holen inquired about the possibility of "tinkering" with the staff recommended fare structure as contained in the substitute motion. Director Holen offered a substitute proposed fare structure as follows:

Passes:

Elderly & Disabled	\$12.00
Student K-12	20.00
Student - College	22.00
Regular	40.00

Express Stamp -0-

Cash:

Elderly & Disabled	50 cents
Regular Fare	\$1.00
Regular Transfer	25 cents
Elderly & Disabled Transfer	10 cents

Express Surcharge

Elderly & Disabled	-0-
Regular Surcharge	40 cents/zone

Upon questioning, Interim General Manager Pegg commented that he believed that computation of this proposed fare structure would yield the same level of dollars as the staff proposal. Director Holen commented that this proposed fare structure would penalize cash fares and reward pass fares. Director Day indicated he would accept this proposed fare structure as a part of his substitute motion which is on the floor.

Upon the request of Director Patsouras, a Roll Call vote was taken on the calling for the question on the substitute motion. The results of the Roll Call vote follows:

Ayes:	Day, Estrada, Hall, Holen, Jones, Patsouras, Price, Swanson, Thomas
Noes:	None
Abstain:	None
Absent:	Dunning, Storing

A Roll Call vote was then taken on Director Day's substitute motion which included the modified structure as proposed by Director Holen. This motion failed to garner the minimum of eight votes required. The results of the Roll Call vote follows:

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

Following the vote, Director Day commented on his belief that it is incumbent upon every member of the Board who voted against the motion to come up with a solution to the problem. Director Estrada responded that she would like staff to come up with a proposal to balance the budget. This was put into the form of a motion and seconded by Director Storing. Upon a request for clarification, it was stated that the motion applied to the proposed budget problem for Fiscal Year 1988. Director Thomas offered an amendment to the motion, which was accepted, that the staff proposal to balance the budget exclude fare increases and service reductions. This motion failed on a Roll Call vote as noted below:

Ayes: Estrada, Patsaouras, Price, Thomas
Noes: Jones, Hall, Storing, Swanson
Abstain: Holen
Absent: Day, Dunning

A motion was then made, seconded and carried on a Roll Call vote to carry this matter over to the next meeting of the Board. The Roll Call vote is recorded below:

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

(Director Day left the meeting)

Director Swanson made a motion requesting staff to transmit a list of contracts that could be stopped or cancelled and the ramifications of this type of action. This motion was seconded and unanimously carried with Directors Day and Dunning absent.

3/10/88

CONSENT CALENDAR

Items 12, 13, 14 and 18 on the consent calendar were held for discussion.. All other items on the consent calendar were unanimously approved in one motion with nine Directors present.

15. APPROVED Requisition No. 8-3900-14 and extension of an existing contract for one additional year with Telxon Corporation, Akron, Ohio, covering maintenance services for Schedule Department micro-computer equipment, increasing the total cost by an additional \$10,908 for a total cost of \$110,220; form of contract extension subject to approval of the General Counsel.

16. APPROVED Requisition No. 8-3900-11 and a contract for a one-year period with Teleride Sage Corporation, Arlington, Virginia, covering extended maintenance of proprietary software, at a total cost not to exceed \$51,000; form of contract subject to approval of the General Counsel.

17. RATIFIED grant documents, contracts and amendments for continued participation in the State of California Work Incentive/Career Opportunities Development (WIN/COD) Program; form of documents subject to approval of General Counsel.

19. APPROVED a one-year lease extension with the Torrance Company for the South Bay Customer Service Center in the Del Amo Fashion Center at a 10% increase in the fixed minimum rent to \$813 per month with all other rental obligations; insurance, property taxes, trash, etc. remaining the same; form of agreement subject to approval of General Counsel.

CONSENT CALENDAR - Cont'd.

20. APPROVED Requisition No. 8-8100-011 covering rental of office space at 818 W. 7th St., Los Angeles, for a two-month period following the October 1, 1987 earthquake, at a total cost of \$40,000; form of documents subject to approval of General Counsel.

21. Received and filed Treasurer's report on District's Annual Policy Statement on Investments.

22. Received and filed report on District Investments for January, 1988.

23. Received and filed Report Calendar - February 19 through March 3, 1988.

24. Received and filed report of Purchases \$5,000 to \$25,000 - February, 1988.

25. RATIFIED bus stop zones as filed with the Secretary.

26. RATIFIED temporary route diversions as filed with the Secretary.

CONSENT CALENDAR - Cont'd.

27. APPROVED minutes for Board meeting held February 11 and Special Board meeting held February 15, 1988.

Items 12, 13, 14 and 18 were questioned about their need in view of the District's budgetary problems. On motions duly made, seconded and carried as noted, these items were approved.

12. APPROVED a contract with Uniforms, Inc., Los Angeles, the lowest responsible bidder under Bid No. 02-8822 covering procurement of Transit Police uniforms and specialized equipment for an 18-month period, with an option for one additional year at the election of the District, for an estimated 18-month cost of \$41,800; form of contract subject to approval of the General Counsel.

UNANIMOUS, with nine directors present

13. APPROVED a contract with Central Power Products, Liberty, Missouri, the lowest responsible bidder under Bid No. CA-90-X222-JJ covering procurement of 100 6V92 Long Block Assemblies at a total bid price of \$717,000; form of contract subject to approval of the General Counsel.

This procurement is funded in part under UMTA Grant No. CA-90-X222.

UNANIMOUS, with nine directors present

(President Hall left the meeting at 4:15 p.m.)

CONSENT CALENDAR - Cont'd.

14. APPROVED Requisition No. 8-8100-020 and an increase in the contract limit with California Newspaper Service Bureau, Los Angeles, covering advertisement requirements at an additional cost of \$75,000, for a total cost of \$1,181,500; form of contract amendment subject to approval of the General Counsel.

CARRIED, with Directors Estrada and Patsaouras voting "No" and Directors Day, Dunning and Hall absent.

18. APPROVED Requisition No. 8-3900-3 and a contract with GIRO, Inc., Montreal, Canada, covering computer consulting services to assist District in UTU contract negotiations, for an estimated cost not to exceed \$35,000; subject to approval of the General Counsel.

CARRIED, with Directors Estrada and Patsaouras voting "No" and Directors Day, Dunning and Hall absent.

EQUIPMENT AND OPERATIONS COMMITTEE

28. APPROVED Requisition No. 8-0990-7 and exercise of an option for three additional years with Robert F. Driver Company, Newport Beach, covering performance of Insurance Brokerage Services at an additional cost of \$450,000, for a total cost of \$650,000; form of option subject to approval of the General Counsel.

UNANIMOUS, with eight directors present

EQUIPMENT AND OPERATIONS COMMITTEE - Cont'd.

29. APPROVED Requisitions Nos. 8-3399-49 and 8-3399-54 and amendment of an existing contract with Transportation Manufacturing Corporation, Roswell, New Mexico, covering various modifications to the current order for procurement of 297 buses, increasing the total cost by an additional \$742,084, to a total cost of \$47,162,544; form of contract amendment subject to approval of the General Counsel.

This procurement is funded in part under UMTA Grants CA-90-X120, CA-90-X181 and CA-03-0307.

UNANIMOUS, with eight directors present

30. APPROVED a contract with State of California Air Resources Board to receive \$1.8 million to fund the development and installation of a heavy-duty diesel emissions testing facility at the Central Maintenance Facility; form of contract subject to approval of General Counsel.

UNANIMOUS, with eight directors present

31. Received and filed status report on procurement of electronic fare collection system.

UNANIMOUS, with eight directors present

The Board considered an additional item and on motion duly made, seconded and unanimously carried, Item No. 31A was added to the agenda.

- 31A. APPROVED Requisition 8-7200-045 and a contract with Deloitte Haskins & Sells covering professional services related to the Perpetual Inventory Project, at a total estimated cost not to exceed \$30,000; form of contract subject to approval of General Counsel.

UNANIMOUS, with eight directors present

Appearance of H. Watts speaking against items 31A, 37, 38 and 39 on the agenda.

A. Starnes also appeared before the Board speaking to transit related matters.

FACILITIES & CONSTRUCTION COMMITTEE

32. APPROVED Requisition 8-8300-57 and issuance of a Request For Proposal to retain architectural engineering consultant to complete design of improvements in Unit Shop No. 2 at the Central Maintenance Facility; form of documents subject to approval of General Counsel.

This project is funded in part under UMTA Grant CA-03-0213.

CARRIED, with Director Estrada voting "No" and Directors Day, Dunning and Hall absent

LOCAL GOVERNMENT AFFAIRS COMMITTEE

33. Received and filed report on the 1988 Operation Teamwork Program and Community Outreach Antivandalism effort.

UNANIMOUS, with eight directors present

GOVERNMENT RELATIONS COMMITTEE

34. Reviewed the State Legislative update dated March 3, 1988 and took the following action on various legislative bills:

Support: AB 2859, SB 2101, SB 2412, SB 2489 and SB 2627
Support with Amendment: AB 2927 and AB 3062
Monitor: AB 2722, SB 2111 and AB 3434
Reaffirm Support if amended position: AB 2808

UNANIMOUS, with eight directors present

35. Received and filed an analysis of the Administration's Federal Fiscal Year 1989 Budget.

UNANIMOUS, with eight directors present

RAPID TRANSIT COMMITTEE

36. APPROVED Requisition No. 8-8100-034 and amendment of an existing contract with Booz Allen & Hamilton, Bethesda, Maryland, covering additional systems engineering and analyses consulting services at an estimated increase in contract amount of \$150,000 to a total cost of \$6,742,383; form of contract amendment subject to approval of the General Counsel.

This project is funded in part under UMTA Grant CA-03-0130 and LACTC.

UNANIMOUS, with eight directors present

RAPID TRANSIT COMMITTEE - Cont'd.

37. APPROVED requisitions and contract amendments to include the Limited Preliminary Engineering and Project Planning respectively for MOS-2 of the Metro Rail Project as covered in the UMTA MOS-2 Letter of No Prejudice dated January 30, 1988:

- a. Requisition 8-8100-017 with Metro Rail General Consultant, a joint venture of Daniel, Mann, Johnson & Mendenhall/Parsons Brinckerhoff Quade and Douglas, Inc./Kaiser Engineers (California) Corporation/Harry Weese and Associates, for an amount not exceed \$1,510,000 for a total cost of \$149,632,890; and
- b. Requisition 8-4200-50 with Schimpeler-Corradino Associates, the General Planning Consultant, in an amount not exceed \$565,500 for a total cost of \$9,511,027;

form of contract amendments subject to approval of the General Counsel.

This project is funded in part under UMTA Grant No. CA-03-0130.

UNANIMOUS, with eight directors present

FINANCE & JOINT DEVELOPMENT COMMITTEE

38. APPROVED the filing of claims with the Los Angeles County Transportation Commission for TDA and STA (sales tax) funds for Fiscal Year 1989, based on the current approved Short Range Transit Plan; form of documents subject to approval of General Counsel.

UNANIMOUS, with eight directors present

3/10/88

FINANCE & JOINT DEVELOPMENT COMMITTEE - Cont'd.

39. APPROVED:

- a. the filing of an application with the Urban Mass Transportation Administration, pursuant to Section 3 of the Urban Mass Transportation Administration Act of 1964, as amended for \$900,000, for the El Monte Parking Structure Project;
- b. the filing of an application with the Urban Mass Transportation Administration, pursuant to Section 3 of the Urban Mass Transportation Administration Act of 1964, as amended, for \$5 million for 29 buses to replace the reduction in Section 9 capital funds; and
- c. the scheduling of a public hearing to be held Thursday, March 24, 1988 at 1:00 p.m.

UNANIMOUS, with eight directors present

40. Received and filed Treasurer's report on increasing investments in minority financial institutions and of reducing investments in Certificates of Deposit to \$99,000.

UNANIMOUS, with eight directors present

GENERAL ITEMS

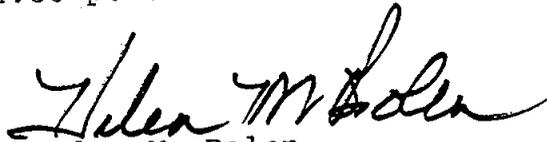
41. Consideration of items arising subsequent to the posting of the agenda.

See item 31A.

42. Public Comment

Appearance of G. Roberts and H. Watts speaking on various transit related matters.

The meeting adjourned at 4:33 p.m.



Helen M. Bolen
District Secretary