

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

MINUTES/PROCEEDINGS

Regular Board Meeting
Board of Directors
May 26, 1988 - 11:07 a.m.

District Board Room
425 South Main Street
Los Angeles

Called to order by President Hall.

Members Present:

Jan Hall, President	Jay B. Price
Carmen A. Estrada, Vice-President	Charles H. Storing
John F. Day	Gordana Swanson
Joseph S. Dunning	Kenneth R. Thomas
Marvin L. Holen	
Erwin N. Jones	

Member Absent:

Nick Patsaouras

1. Considered fare adjustments for Fiscal Year 1989.

D. Cates, California Congress of Seniors, expressed her organization's opposition to the proposed fare increase.

General Manager Pegg and staff members presented the recommended fare package, speaking to the five objectives which are presented on pages 2 and 3 of the staff report.

Mr. Pegg stated that the proposal is based on 55 riders per service hour; currently the District carries 58 riders per service hour. In response to President Hall's question, General Manager Pegg said that if fares are not increased, a balanced budget would require a 8.5% cut in the system; i.e., approximately 600,000 service hours.

Director Storing stated his opposition to the increase in student and elderly & disabled (E&D) fares. Director Dunning suggested the cash fare be established at \$1.00 with the E&D fare at 50 cents.

Director Jones supported the staff recommendation. Director Estrada agreed with Director Dunning on the E&D fare. She also informed the Board that the City of Los Angeles has made a commitment to the buy down or subsidy of E&D passes. She suggested that the proposed ticket books be priced at \$8.50 rather than \$9.50 and the cash fare be established at \$1.00.

Director Price indicated his concurrence with the staff proposal and upon questioning, General Manager Pegg informed Director Price that the staff proposal allows the E&D rider to use the tickets.

Director Thomas praised staff for the proposal. He inquired about the two-level monthly pass proposal and the cost of handling tokens versus tickets. Director Thomas asked about the impact of reducing the ticket book cost to \$8.50 and the base cash fare to \$1.00. General Manager Pegg indicated the case fare at \$1.00 would cost \$8 million and the tickets would cost \$3.4 million. This proposal would reduce the E&D fares as well and would cost an additional \$200,000.

Director Swanson inquired about the programs listed on Attachment B of the report. General Manager Pegg reiterated that those programs are not included in the proposed budget for Fiscal Year 1989. He spoke to each of the eight programs listed, indicating what level of detail was provided for in the proposed budget. Director Swanson encouraged consideration of a 95 cents base cash fare with a 10-cent transfer charge.

Director Holen commented that he is resistant to complexities being introduced into the fare structure. He urged the Board to follow a policy of simplicity. He also mentioned his resistance to the double pass structure. He suggested a single monthly pass priced at \$42.00.

Director Day stated that he is wedded to a \$1.00 cash fare. Upon question, staff stated that about 50% of the riders pay cash fare. Director Day then asked how much deflection is anticipated from that ratio if the cash fare is \$1.10. Staff responded that the largest increase would be to the ticket program with the ratios expected to be as follows: Passes - 50-51%; Cash fare - 43-44%; and tickets - 5-6%. Director Day also asked about the cost of the E&D ride at present. Staff responded that about 88% of these riders are paying \$4.00 per month after the subsidy is applied to the cost of the pass. The remaining 12% pay \$7.00 per month. The average cost per boarding for E&D passengers is 7 cents.

President Hall spoke, stating her support of the staff recommendation. She expressed her pleasure at the concept of the ticket books; this will allow the bus rider to assume some responsibility for how much their ride will cost them.

Director Jones summarized by commenting that he understood the concerns of various board members. He said that staff has taken a great deal of time and effort to attempt to resolve all the problems. Director Jones then made a motion to adopt the staff recommendation. This motion was seconded by Director Swanson, and discussion followed.

Director Estrada informed her fellow board members that she would vote against the motion because she wanted the cash fare to be \$1.00 and the ticket value to be 85 cents. Director Dunning mentioned the ticket value at 85 cents and staff again stated that it would result in a \$3.4 million loss in revenue. Director Swanson commented that she did not want to increase E&D fares any more. President Hall spoke in support of the motion and urged the Board members to approve the motion.

G. Roberts, a member of the public, spoke to the motion on the floor.

On a Roll Call vote, the motion failed as noted below:

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

Director Dunning then offered a motion to accept the staff recommendation with the exception that the ticket books be priced at \$8.50. This motion was seconded by Director Price. Discussion followed.

Staff informed the Board that this proposal would reduce the expected revenues by a total of \$3.8 million; i.e., \$3.4 million from the regular riders and \$400,000 from the E&D riders. General Manager Pegg informed the Board that the losses from this proposal may be larger because of the impact on other categories of fare. He suggested that the motion be laid over for a one week period to allow a more accurate computation of the impact on the projected revenue. The Board rejected this suggestion, preferring to resolve the issue at this meeting.

Director Price suggested, and made a substitute motion to price the ticket books at \$9.00, which would result in a revenue loss of \$1.7 million. This substitute motion did not receive a second.

Director Day requested that the motions be handled one at a time.

Director Dunning's motion failed on a Roll Call vote as noted below:

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

Director Swanson suggested the following fare structure in the form of a motion:

Commuter Pass	\$40.00	} 1 Pass \$42.00 (Amended)
Super Pass	45.00	
E&D Pass	10.00	
Student K-12	18.00	
College-Vocational	25.00	
Cash Fare	1.25	
Ticket Books	9.00	
Express Stamp	12.00	
Transfer	.25	
E&D Cash Fare	.60	
E&D Express Charge	.20	per zone
Regular Express Charge	.35	per zone

Staff informed the Board that this proposal would generate \$34 million in additional revenues. The motion was seconded.

Director Holen expressed his concerns about the two passes. He offered a friendly amendment to the motion, which was accepted by the maker of the motion to establish a single monthly pass priced at \$42.00. The net loss of this amendment is \$600,000.

This motion failed on a Roll Call vote as noted below:

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

Director Holen commented that he voted for this motion because the base fare, by policy, is the regular monthly pass.

Director Estrada moved approval of the staff proposal with the following modifications: Cash Fare - \$1.00, E&D - .50 cents; Ticket Books - \$8.50. This motion was seconded by Director Day.

Staff computed the projected shortfall to be \$11 million.

The motion failed on a Roll Call vote as noted:

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

Director Estrada offered a motion amending the staff proposal as follows: Cash Fare - \$1.00, E&D .50 cents; Ticket Books - \$9.00. Director Day seconded this motion.

Staff indicated the projected shortfall would be \$10 million.

The motion failed on a Roll Call vote as indicated below:

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

Director Price suggested a motion to approve the staff recommendation amended as follows:

Monthly Pass	\$42.00	
Express Stamp	12.00	per stamp
E&D Monthly Pass	10.00	
Student (K-12) Pass	18.00	
College/Vocational Pass	25.00	
Tickets (Book of 20)	9.00	
Tokens: Huntington	-0-	Not available
Olympic	-0-	Not available and not honored
Cash: Base	\$1.10	
Express Surcharge	.40	per zone
Transfer Surcharge	.25	per use
E&D Base	.55	
E&D Express Surcharge	.20	per zone
E&D Transfer Surcharge	.10	per use

Staff projected that this proposal would yield \$27.5 million in additional revenue, with a projected loss of \$2.5 million from the staff recommendation.

The motion carried on the following Roll Call vote:

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

2. Certificates of Merit were presented by Director Jones to:
 - a. Lisa Viveros, Information Operator-of-the-Month;
 - b. Robert Lee Hillard, Maintenance Employee-of-the-Month;
and
 - c. Alberto Gomez, Operator-of-the-Month.

3. Employee Suggestion Awards were presented to 5 employees by the Director of Personnel.

4. First Quarter 1988 Safe Performance Awards were made to Transportation Division 12 and Maintenance Division 9.

5. Mr. Bill Chesen, of Chesen Video Concepts, producer of the award winning video, "We Like Clean," received a Certificate of Appreciation from President Hall.

Following presentations, the Board recessed at 1:33 p.m. and reconvened at 2:00 p.m., with Director Holen serving as temporary Chairman and the following Directors responded to roll call: Day, Dunning, Holen, Jones, Price, Storing, and Swanson. (Director Thomas arrived at 2:20 p.m. and Director Hall arrived at 2:34 p.m. and assumed the chair.

6. Report of the President

No report was made.

7. Report of the General Manager

Alan F. Pegg announced that a draft of the Proposed Fiscal Year 1989 Annual Budget was available to the Board and is slated for review at the Committee of the Whole Meeting, which will be held on June 2.

8. Director Special Items

Director Swanson asked that the General Manager invite the Acting Executive Director of the Los Angeles County Transportation Commission to a meeting of the Board to respond to her questions about the Century Freeway Rail Line. Specifically, Mrs. Swanson inquired as to the Commission's proposals regarding implementation of systems as they have been approved, the characteristics of that system, and the expected degree of compatibility of their system with the Metro Rail System and how it will be achieved.

Director Holen urged the Marketing Department to promote the new fare structure on the premise that the base fare is the monthly pass price, not the cash fare. He suggested the strong news lead should be the monthly pass price and the new ticket books.

Director Holen then exercised the prerogative of the chair and heard Agenda Item No. 11 at this time.

11. Considered appeal by Mitsui & Co., (U.S.A.), Inc., with respect to award of contract to Breda-Costruzioni Ferroviarie covering procurement of Metro Rail Contract A650, Passenger Vehicles.

Messrs. Rhine and Richeson presented the staff's position on this contract award. Mr. Coleman, representing Mitsui, said he believed his company's criticism was substantive, and he presented information to the Board in support of Mitsui's position.

(Director Thomas entered the meeting during the discussion on this matter.)

Director Jones made a motion that the appeal filed by Mitsui be denied. This option was seconded and carried on a Roll Call vote as noted below:

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

10. Approved General Manager's report concerning designation of benefit assessment hearing officers for Cases Al-346-86 and Al-381-86 through Al-385-86.

UNANIMOUS, with Directors Patsaouras, Hall and Estrada absent.

12. Consider adoption of recommendation on reorganization of rail activities in Los Angeles County.

The Board was informed that the Los Angeles County Transportation Commission considered this item at their meeting of May 25th, at which time action was deferred to enable Commission and District representatives to meet and discuss the item and formulate a proposal that might be acted upon favorably by both bodies.

Director Swanson took issue with staff's request to defer consideration of this item, stating that the District Board has not received any information about the Commission's proposal. She made a motion to approve, in concept, the establishment of the District as the rail design and construction agency in Los Angeles County. This motion was seconded and discussion continued.

(President Hall entered the meeting and Director Day left the meeting during this discussion.)

Mr. Paul Taylor, Acting Executive Director of the Los Angeles County Transportation Commission, received questions from the Board.

Following the discussion, Director Swanson withdrew her motion. She urged that staff be guided by the position stated in the Board report and by the spirit of the work done by the RTD/LACTC Liaison Committee. The Director did request that this matter be brought back to the Board for consideration before the next meeting of the Commission.

Director Jones made a motion to defer this item. The motion was seconded and carried with eight Directors present.

(President Hall assumed the Chair at this time.)

9. Recessed to Closed Session at 2:55 p.m. to consider personnel and litigation matters. The specific litigation matter is ATU and UTU vs. RTD and LACTC.

The Board returned from Closed Session at 3:50 p.m. with Directors Dunning, Holen, Jones, Price, Storing, Swanson and Thomas present. Director Holen again assumed the Chair.

General Counsel Gifford advised the Board members that Agenda Items No. 13, 14 and 15 were matters affected by pending litigation. On motion duly made, seconded and carried, these items were deferred until the June 23 meeting.

Items 13, 14 and 15 which might be affected by potential litigation, were deferred to a future meeting.

13. Consider General Manager's report containing recommendation and alternatives to enter into separate agreements for the period July 1, 1988 through June 30, 1989, with the City of Los Angeles, the County of Los Angeles, and the Foothill Transit Zone; each agreement provides for reimbursement of District expenses related to the provision of District support services, the payment of a portion of District pass revenues to the other entities, and the establishment of an interagency transfer agreement; form of agreements subject to approval of General Counsel.

DEFERRED

14. Consider findings of the April 28, 1988 public hearing and implementation of Phases I and II of the San Gabriel Valley Transit Zone.

DEFERRED

15. Consider cancellation of Lines 480, 481, 482, 495, and 498 in the San Gabriel Valley.

DEFERRED

CONSENT CALENDAR (Items 16-32)

Items 16 through 32 on the Consent Calendar were approved unanimously in one motion, with 7 Directors present.

16. Approved contract with West-Lite Supply, Los Angeles, the lowest responsible bidder under Bid No. 5-8810 covering procurement of miniature lamps for a one-year period, with an option for one additional year at the election of the District, at an estimated annual cost of \$118,000; form of contract subject to approval of General Counsel.

17. Approved contract with Flexible Corporation, Loudonville, Ohio, the lowest responsible bidder under Bid No. 4-8825 covering procurement of 100 Tu-Flo 700 air compressors for a total bid price of \$54,281; form of contract subject to approval of General Counsel.

18. Approved contract with Black & Marsh Corporation, Toledo, Ohio, the lowest responsible bidder under Bid No. CA-90-X120-E covering procurement of spare parts for the Devilbiss Robotic Paint System at a total bid price of \$35,409; form of contract subject to approval of the General Counsel.

This procurement is funded in part under UMTA Grant No. CA-90-X120.

19. Approved contract with William F. Schafer Construction, Inc., El Monte, the lowest responsible bidder under Bid No. CA-90-X059-X covering construction of dynamometer building at Division 9 (El Monte) for a total bid price of \$211,967; form of contract subject to approval of the General Counsel.

This project is funded in part under UMTA Grant No. CA-90-X059.

CONSENT CALENDAR - Cont'd.

20. Approved contract with Refrigeration Sales Company, Long Beach, the lowest responsible bidder under Bid No. 05-8805 covering procurement of freon refrigerant for a one-year period, with an option for one additional year at the election of the District, for an estimated annual cost of \$189,700; form of contract subject to approval of the General Counsel.

21. Approved Requisition No. 8-3399-150 and exercise of an option for one additional year with Mission Uniform & Linen Service, Montebello, covering laundry service for work clothes and shop towels at an additional estimated cost of \$92,000, for a total estimated cost of \$257,990; form of option subject to approval of the General Counsel.

22. Approved Requisition No. 8-9400-54 and a contract with Tailored Inventory Enterprises, Los Alamitos, under RFP No. 88-05 covering performance of bus parts inventory and fixed assets inventory at an estimated cost not to exceed \$475,000; form of contract subject to approval of the General Counsel.

23. Approved requisitions and contracts for a one year period covering maintenance services for proprietary software products:
 - a. Requisition No. 8-7200-078 with Candle Corporation, Los Angeles, for an estimated \$46,170;
 - b. Requisition No. 8-7200-067 with Integral Systems, Walnut Creek, for an estimated \$38,100;
 - c. Requisition No. 8-7200-077 with Megadyne Information Systems, Santa Monica, for an estimated \$31,950;form of contracts subject to approval of General Counsel.

CONSENT CALENDAR - Cont'd.

24. Approved Requisition No. 8-9400-69 and a contract for one year with Digital Equipment Corporation, Santa Monica, covering computer hardware maintenance for an estimated annual cost of \$48,200; form of contract subject to approval of General Counsel.

25. Adopted Transit Police Department policies and procedures regarding the operation of authorized emergency vehicles responding to an emergency call.

26. Approved amendment to the present agreement with the City of Rancho Palos Verdes to continue operation of Line 685 (Palos Verdes-Rolling Hills-Torrance-Hawthorne-El Segundo Employment Center) through October 28, 1988; form of agreement subject to approval of General Counsel.

27. Received and filed Purchasing Agent's Report:
Report of Purchases \$5,000 to \$25,000 - April, 1988.

28. Received and filed Report Calendar - May 5 through 18, 1988.

CONSENT CALENDAR - Cont'd.

29. Received and filed Treasurer's Report on District Investments for April, 1988.
30. Received and filed the Metro Rail Construction Change Order Report for April 1988.
31. Received and filed Board Request List for May, 1988.
32. Approved minutes of Special Board Meeting held April 21, 1988, and Regular Board Meeting held April 28, 1988.

[END OF CONSENT CALENDAR]

EQUIPMENT AND OPERATIONS COMMITTEE (Items 33-35)

33. Authorized staff to proceed with implementation of contract with Cubic Western Data Corporation for delivery and installation of a system wide electronic fare collection system.

Staff was requested to provide a monthly report on this subject.

CARRIED, with Director Storing casting a dissenting vote and Directors Day, Estrada, Hall and Patsouras absent.

(President Hall entered the meeting and assumed the Chair.)

EQUIPMENT & OPERATIONS COMMITTEE - Cont'd.

34. Approved Requisition No. 8-9400-84 and exercise of options for one additional year covering procurement of engine and transmission parts with:
- a. Korody-Colyer, Wilmington, covering Items 7, 9, 11 and 12 at an estimated additional annual cost of \$242,000, for an estimated total cost of \$479,400;
 - b. Muncie Reclamation & Supply, Muncie, Indiana, covering Item 16 at an estimated additional annual cost of \$18,400, for an estimated total cost of \$37,120;
 - c. Flexible Corporation, Compton, covering Items 5, 14 and 15 at an estimated additional annual cost of \$87,060, for an estimated total cost of \$174,120;
 - d. Valley Detroit Diesel, City of Industry, covering Items 1 through 4, 6, 8, 10 and 13 at an estimated additional annual cost of \$337,990, for an estimated total cost of \$662,770;

form of options subject to approval of the General Counsel.

UNANIMOUS, with eight members present.

35. Approved requisitions and contracts with International Business Machines Corporation (IBM), Los Angeles, covering systems engineering services, software licenses, hardware maintenance and emergency rental of equipment for a one-year period:
- a. Requisition No. 8-7200-074 covering computer hardware maintenance at an estimated cost of \$1,000,000;
 - b. Requisition No. 8-7200-090 covering software license fee for an estimated cost of \$950,000;
 - c. Requisition No. 8-7200-110 covering systems engineering for an estimated cost of \$155,325; and
 - d. Requisition No. 8-7200-065 covering emergency rental of equipment for an estimated cost of \$62,000;

form of contracts subject to approval of the General Counsel.

UNANIMOUS, with eight members present.

FINANCE & JOINT DEVELOPMENT COMMITTEE

36. Approved an amendment to the Memorandum of Understanding (MOU) with the Los Angeles County Transportation Commission (LACTC) to increase allocation of Proposition A Funds from \$103.6 million to \$114.8 million for operations in Fiscal Year 1988.

Note: This action is merely an administrative matter as no new funds are involved.

UNANIMOUS, with eight members present.

RAPID TRANSIT COMMITTEE (Items 37-39)

37. Approved amendments to change orders to Metro Rail Contract Al45 with Guy F. Atkinson Construction Company, South San Francisco, covering construction of the 5th/Hill Street Station, increasing the total contract price to \$39,905,305:
- a. Requisition No. 8-8100-555 increasing the total of Change Order No. 25, covering utility rearrangements, by an additional \$80,100 to a total cost of \$150,100; and
 - b. Requisition No. 8-8100-556, increasing the total of Change Order No. 30, covering removal of underground concrete structures, by an additional \$84,900 to a total cost of \$132,900;

form of amendments subject to approval of General Counsel.

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

UNANIMOUS, with eight members present.

RAPID TRANSIT COMMITTEE - Cont'd.

38. Approved:

- a. contract with Tutor-Saliba-Perini, Joint Venture, Sylmar, the lowest responsible bidder under Bid No. A135 covering Metro Rail Contract A135, Union Station Stage I, at a total bid price of \$46,677,700;
- b. authorization of the General Manager to approve all contract amendments, increasing the aggregate contract price by up to five percent; however, no individual amendment may exceed \$99,999;

form of contract subject to approval of General Counsel.

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

UNANIMOUS, with eight members present.

39. Approved Requisitions 8-8100-075, 8-8100-076 and 8-8100-78 and amended an existing contract with the joint venture of Daniel, Mann, Johnson & Mendenhall/ Parsons, Brinckerhoff, Quade & Douglas/Kaiser Engineers/ Harry Weese & Associates, doing business in Los Angeles as Metro Rail Transit Consultants (MRTC), to provide for the Fiscal Year 1989 Annual Work Program of General Consulting Services in the following areas:

- a. Completion of MOS-2 Limited Preliminary Engineering (LPE), as authorized by UMTA's Letter of No Prejudice;
- b. MOS-1 design and design support;
- c. Final design of a tunnel segment in North Hollywood, complying with the legislative mandate of SB 1995;

at an estimated cost and fixed fee of \$13,144,350, bringing the total contract level to \$161,654,740; form of contract amendment subject to approval of General Counsel.

This work is funded pursuant to UMTA Grant No. CA-03-0130.

UNANIMOUS, with eight members present.

GENERAL ITEMS

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

No items arose subsequent to posting of agenda.

41. Public Comment

G. Roberts addressed the Board regarding transit related matters.

Adjourned at 4:05 p.m.


Helen M. Bolen