Minutes of Special Meeting of the Board of Directors of the District September 22, 1975

Upon notice duly given, the Directors of the Southern California Rapid Transit District met at a special meeting in the District Board Room, 1060 South Broadway, Los Angeles, California, at 3:10 p.m. on September 22, 1975, at which time President Byron E. Cook called the meeting to order.

Directors George W. Brewster, Byron E. Cook, A. J. Eyraud, Jr., Donald H. Gibbs, Adelina Gregory, Thomas G. Neusom, Pete Schabarum, George Takei and Baxter Ward responded to Roll Call, with Director Jay B. Price arriving at 3:20 p.m. Director Victor M. Carter was absent from the meeting.

Also present were General Manager Jack R. Gilstrap;
Manager of Operations George W. Heinle; Assistant General
Manager for Administration Jack Stubbs; Manager of Employee
Relations John S. Wilkens; Manager of Planning & Marketing
George L. McDonald; General Counsel Richard T. Powers;
Controller-Treasurer-Auditor Joe B. Scatchard; Secretary
Richard K. Kissick, and the public.

President Cook announced that the purpose of the meeting was to consider labor protective agreements for Section 5 applications in connection with the 13 (c) provisions of the Urban Mass Transportation Act of 1964,

as amended, and requested General Manager Gilstrap to summarize the matters under consideration.

Mr. Gilstrap outlined the history of the proposed agreements which led up to the standard form of agreement which has been approved by the industry through the American Public Transit Association (APTA) negotiating committee; that even though the agreement has been signed by industry representatives and labor representatives, it is not a binding agreement on any individual transit property until they have entered into that agreement and it has been certified by the Secretary of Labor for a particular grant. He then called on General Counsel Powers to outline the 13 (c) provisions in the law and the key points in the industrywide agreement as a basis for discussion.

Mr. Powers explained the 13 (c) portion of the agreement and read aloud that section of the agreement having to do with protective arrangements for union members. He stated it means if we are to use federal funds in such a way so as to cause an employee of the District to be displaced or to be relocated, he is entitled to certain benefits. The majority of District employees are represented by unions and we are required to bargain collectively. In the present situation it requires that we enter into an agreement specifying the benefits to which our employees are entitled should they have, as a result of receipt of these funds, their employment terminated or be displaced. He explained the differences between displacement and dis-

missal allowances and how the formula works. He also explained the method of arriving at, and the compensation for an employee terminated or displaced by the project as well as actions the employee must take.

President Cook inquired about what happens to the party that is bumped, are we in the same position that we were with the first employee, and Mr. Powers replied that it would involve the second employee.

Director Eyraud asked what happens to the second employee that gets bumped, what if he has relocation rights and he has a house, and Mr. Powers replied that he is entitled to moving allowances, if applicable.

Mr. Powers further explained that the agreement provides that the burden of proof shifts to the District if the employee makes a claim, to show that the employee is or is not entitled to benefits. Fringe benefits also continue in claims which are approved. The agreement is for a period of two more years and is tied into the federal funding, retroactive to November, 1974.

Director Price asked, if at the end of the agreement, if any personnel coming aboard after the agreement terminates would be entitled to benefits, and Mr. Powers replied no.

Director Ward asked if the federally funded projects could be identified, and Mr. Powers replied the money received for operating purposes is less definite than capital grant projects. Mr. Ward asked if we can't set up something,

and Mr. Powers replied in his opinion that could not be done since funds received would be for general operation of the District. Mr. Ward then asked if RTD had had previous layoffs on which to base any judgment. Mr. Wilkens stated there have not been any employees laid off since 1961 when a few were laid off. Mr. Ward stated the District should continue to grow, and we probably wouldn't be laying off and asked if we had any cost estimates. Mr. Wilkens replied there is no way to estimate a cost for displacement, that it would depend upon actions of senior employees.

Mr. Ward then asked if a contingency fund of 10, 20 or 30% could be set aside from the federal funds, and Mr. Scatchard replied that he personally felt that a fund could be set up and that we may have to set up a fund a little broader than that in the operating budget of items financed from other than the federal government.

Mr. Gilstrap stated he thought we would have to have approval of the federal government in order to do this and that could be explored.

Mr. Price stated we have no history of laying off and we are at present planning expansion of services, so it seems like an "iffy" thing, and asked what is the normal attrition on a monthly basis. Mr. Wilkens stated that in the case of bus drivers it is 10 to 12 per week. Mr. Price said this means 40 to 50 jobs per month and it would seem under those circumstances it shouldn't be a

problem and felt the staff would not move employees and require displacements unless absolutely necessary. Mr. Wilkens replied that every position the District took would be defended, but a force reduction or move may be required under some circumstances.

Director Schabarum asked how long is the agreement operative and the answer was it would continue for two years, until September 30, 1977. He then asked about employees who came aboard during the term of the agreement, what happens after the two-year period to those employees. Mr. Powers stated if an employee four years down the line could show he was adversely affected, he could file a claim. Mr. Schabarum then asked if the vested rights of contract employees would also apply to non-contract employees, and Mr. Powers replied the benefits inure to all employees of the recipient. He also stated that the mere fact that you hire employees during the term of the agreement, and those employees are dismissed, does not mean they are automatically entitled to benefits - - they must show their dismissal was due to receipt of the federal funds. He emphasized that every claim involves the District sitting down with the union representatives and attempting to arrive at an amiable resolution of the claims and, if not, submit them to arbitration.

President Cook inquired where do we draw a line of demarcation between federal and other funds, and Mr. Powers

replied that operationally it really cannot be defined and each case would have to be determined on its own merits.

Mr. Cook then asked if a 13 (c) case had been submitted to arbitration, and Mr. Wilkens stated there have been some for capital grants but none as far as he knew under operating funds.

Mr. Schabarum asked if it would be necessary to reduce arbitrarily 4% of the service rendered for lack of funds and if those employees would be entitled to benefits.

Mr. Powers replied the agreement provides that claims are derived from the receipt of funds, not from the lack of funds.

Director Gibbs asked what section of the agreement provided for the hiring of people for new services and Mr. Powers replied Section 24.

Mr. Price felt that the attrition figure takes care of many of the problems that could be incurred, and Mr. Cook felt the staff could work out most of the problems, even in arbitration.

Mr. Cook then stated that officals of cities, the County, union officials and others, at his request, had been invited and asked for appearances at this time. He then called the following invitees by name:

Supervisor Hahn - Second District Supervisor Edelman - Third District Supervisor Hayes - Fourth District

Mayor Bradley

Los Angeles Councilman Nowell - First District
Los Angeles Councilman Wachs - Second District
Los Angeles Councilman Lorenzen - Third District
Los Angeles Councilman Ferraro - Fourth District
Los Angeles Councilman Yaroslavsky - Fifth District
Los Angeles Coulcilwoman Russell - Sixth District
Los Angeles Councilman Bernardi - Seventh District
Los Angeles Councilman Farrell - Eighth District
Los Angeles Councilman Lindsay - Ninth District
Los Angeles Councilman Cunningham - Tenth District
Los Angeles Councilman Braude - Eleventh District
Los Angeles Councilman Wilkinson - Twelfth District
Los Angeles Councilman Stevenson - Thirteenth District
Los Angeles Councilman Snyder - Fourteenth District
Los Angeles Councilman Gibson, Jr., - Fifteenth District

Los Angeles County Division - League of California Cities

Director of Transportation - (CalTrans)

United Transportation Union

Amalgamated Transit Union

Brotherhood of Railway, Airline and Steamship Clerks Los Angeles County Federation of Labor

The following statements or appearances were made by or on behalf of the above-listed invitees:

Director Neusom stated he represented Supervisor
Hahn, who was sick, and Mr. Hahn had authorized him to act
on the matter as a Board member, felt it was important to
know what is before us and the implications to him indicate no unseemly liability and we should be getting on.

Mr. John Caragozian, Staff Assistant to Supervisor Edelman, stated the limitations appear very broad, and the Supervisor had expressed his confidence in the Board and staff to work within the limitations and recommended signing the agreement.

Mr. Paul Satja stated he was simply an observer for Mayor Bradley, that the Mayor was hopeful for a speedy resolution to the agreement and getting the Santa Monica Freeway project in effect as soon as possible. He also reported on a management operations team for the freeway project and felt the agreement was a matter for the Board to decide.

Mr. Wendell Pond, Acting District Director for Cal-Trans, stated they had been working on the Santa Monica project for some time and hoped a decision would be made soon so the project could proceed.

Mr. William Haag, Acting General Chairman of the United Transportation Union, stated he hoped the Board would go along with the 13 (c) agreement.

Mr. Dan Collins, Secretary and Business Representative of the Amalgamated Transit Union, recommended acceptance of the agreement.

Mr. L. C. Mobley, Vice General Chairman of the Brotherhood of Railway and Airline Clerks, asked the Board to give favorable consideration to the 13 (c) agreement, since the union has lived with similar agreements since 1936 and they have proved very successful for both parties.

Mr. Ward inquired what would happen if the District declines to sign the agreement, and Mr. Powers replied the first and most obvious effect would be the District would not receive the federal funds for the current year, as outlined in the General Manager's report dated

September 11. He also reported that during an informal contact with a union in Washington we were informed that the union would accept no agreement in which the benefits were less than those which are contained in the agreement before the Board. He also stated that Mr. Neusom and Mr. Gilstrap in particular did their very best to achieve conditions in the agreement which would be more favorable to the District, but their efforts were merely in the form of offering comments to the negotiating team and the actual negotiations were conducted by three APTA representatives.

Mr. Cook asked what is the practical effect on existing service and also on the proposed expansion if we decline to execute the agreement.

Mr. Price referred to page 3 of the report regarding the effect of no agreement, and stated the Board would be irresponsible in a time of additional transportation needs, with unemployment and needs for increased transportation in the county, and we could immediately see all these projects go down the tubes without the agreement. He felt if we withdraw all of these services the legislature would soon find a new agency to provide the transportation and, further, if it comes into being the reductions in service should be done across the board starting with Wilshire Boulevard. Any such action would label the Board as irresponsible.

Mr. Takei felt that acceptance of the agreement would set a major precedent and by accepting the cost that the taxpayers would bear the responsibility of subsidizing. He asked Mr. Wilkens if acceptance would set the bottom line and precedence and basis for any future negotiations. Mr. Wilkens replied that could be argued and that was the idea of a nationwide agreement and only public pressure would probably change the terms of the labor protective agreement over the next two years.

Mr. Takei felt that with the fiscal responsibility, we have to deal with economic impact in the long run.

Mr. Schabarum stated that maybe we can rely on decisions which have gone before, and in grappling with the decision he noted that the BRAC representative stated they have been dealing with these kinds of relationships since 1936, but today there is no passenger railroad service except as provided by AMTRAK and many railroads are near the state of bankruptcy which gives him some signal of caution. Another point, he said, was to his knowledge there was not one transit property in the country that is not subsidized beyond the farebox and the best example is New York City which is enjoying about \$400-million in subsidies, which is one of the reasons New York is near bankrupt. He asked what is fair and equitable insofar as the employees are concerned and is there any other employee group in the nation that has anywhere near the benefits proposed in this agreement.

Mr. Price stated the federal government has such provisions in the case of moving, such as buying a new home if an employee is transferred at government request.

Mr. Schabarum replied that is one provision of several in the agreement, and said the Secretary of Labor has chosen to involve himself personally and, he couldn't believe the President knows what the Secretary of Labor is saying on his behalf; that history would indicate that the public would not be as much incensed by the alternatives of the agreement as it would be if this Board validates it, and the public finds they will have to pay the cost.

Mr. Price asked if this agreement is not signed wouldn't it abrogate the County contract and the loss would become even greater, and asked Mr. Wilkens how many more buses would be taken off and people laid off. Mr. Wilkens replied that, as stated at the bottom of page 3 of the September 11 report, it would increase to 610 buses and 1920 personnel on November 1, 925 buses and 2915 people on December 1 and 1070 buses and 3370 people if the reductions were not implemented until January 1.

Mr. Price felt that the public would never take those reductions in service.

Mrs. Gregory said in talking about the expiration date of the agreement, that no one has said the agreement

would be renewed; that we have been through a strike and something has to be signed and the unions have stated they will sign nothing less than the present 13 (c) agreement and the riding public needs to be treated fairly.

(President Cook announced that he had just been advised that a shot had been fired at the President in San Francisco but that the President was not hurt.)

Mr. Neusom felt that Mrs. Gregory misunderstood a part of the unions' position on the agreement; that the unions have indicated in this instance of 13 (c) agreements they would not consider negotiation of anything less than what the national agreement provides. has nothing to do with the standard labor agreements; that we have had 13 (c) agreements for capital grants for years which have not entered into labor negotiations, and it isn't fair to bring 13 (c) into standard labor negotiations or agreements and we are going to have to deal with them in many years to come, and we can make judicious use of the federal funds. He also said he finds it impossible for an employee who comes to work after receipt of the funds to have worsened conditions, and that many of the provisions have been in effect for years; that the consequence of not accepting federal funds to provide the service this Board should provide would be a breach of the Board's duties to provide improved service.

Mr. Price asked how long it would be before the County contract would be abrogated, and Mr. Scatchard replied he couldn't answer that because he didn't know what action the County would take.

Mr. Neusom moved that the staff be authorized to execute the industrywide agreement on behalf of the District in accordance with the application for federal funds, which motion was seconded.

Mr. Takei made a substitute motion that, since any decision in the matter would have a profound impact on Los Angeles, it is necessary and proper to have a public hearing so the public and the public officials could be heard, which motion was seconded.

President Cook stated that one of the problems is we have a concern to the taxpayer who may ultimately be called upon to pick up the tab, but felt the probability of getting the public involved or many of the elected officials is remote. They just won't bear the responsibility with us and they will leave it up to the Board. He said we had urged the public officials to attend today and they left it up to the Board. He also felt the public wouldn't be interested in attending a public hearing, and the Board has to decide itself what it wants to do and will have to take the condemnation.

Mr. Takei said that maybe we wouldn't have a good turnout, but the public should be involved, and maybe is

primed because of the conditions in New York City, but if we let them know and contact the politically active organizations we may create a condition where public officials will come out.

Mr. Price stated that if a public hearing were held it would appear it should be set at an early evening hour, and asked Mr. Heinle, in a broad parameter ballpark figure, if we failed to sign the 13 (c) agreement, and lost the federal and county subsidy, what would be the figure percentagewise of service reduction in Los Angeles County. Mr. Heinle stated the figures were in the report but it would be about one-half. Mr. Price said that a 50% reduction would be an irresponsible act.

Mr. Neusom said it seemed to him that we cannot make it a public plebiscite; that considering all of the factors the Board has to assume the responsibility they took by taking a position on the Board; that officials would not come down today, and delay will not serve our purpose. If we are going to not accept the funds we have to give notice to employees and cut the services.

Mr. Takei's substitute motion failed by a Roll Call vote of 4-6 as follows:

| Ayes | <u>Noes</u> |
|--------------------------------------|---|
| Gibbs Price Schabarum Takei | Brewster Cook Eyraud Gregory Neusom Ward |

Mr. Price made another substitute motion to carry the matter over to the next regular meeting when Director Carter would be in attendance, which motion was seconded. Following discussion, Mr. Price withdrew his substitute motion.

The question was called for on Mr. Neusom's original motion to approve the agreement and failed by a vote of 5-3, with two abstentions, as follows:

| Ayes | <u>Noes</u> | Abstaining |
|--|----------------------------|-----------------|
| Brewster Gregory Neusom Price Ward | Cook Gibbs Schabarum | Eyraud Takei |

Mr. Neusom moved that the matter be carried over to the next meeting of the Board, which motion was seconded and unanimously carried.

On motion duly made, seconded and unanimously carried, the meeting was adjourned at 5:03 p.m.

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