

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

Minutes of Special Meeting of the
Board of Directors of the District
with the Board of Supervisors,
County of Los Angeles

March 9, 1976

Upon notice duly given, the Board of Directors of the Southern California Rapid Transit District met at a Special Meeting with the Board of Supervisors of the County of Los Angeles in Room 739, Hall of Administration, 500 West Temple Street, Los Angeles, California, at 1:10 p.m. on March 9, 1976, at which time Vice-President Thomas G. Neusom and Supervisor Chairman Baxter Ward jointly called the meeting to order.

Directors present:

George W. Brewster
Donald Gibbs
Adelina Gregory
Marvin L. Holen
Thomas G. Neusom
Jay B. Price
Ruth E. Richter
Pete Schabarum
George Takei
Baxter Ward

Director absent:

Byron E. Cook

RTD Staff present

Jack R. Gilstrap, General Manager
George W. Heinle, Manager of Operations
Richard T. Powers, General Counsel
George L. McDonald, Manager of Planning & Marketing
Joe B. Scatchard, Controller-Treasurer-Auditor
R. Gallagher, Manager of Rapid Transit
John S. Wilkens, Manager of Employee Relations
R. K. Kissick, Secretary

L.A. County
Supervisors present

Ed Edelman
James Hayes
Pete Schabarum
Baxter Ward

Supervisor absent

Kenneth Hahn

Also present were members of the Los Angeles County staff, the public and the news media.

Presentation of the District's Bus Operating Plan for Fiscal Year 1977

Vice-President Neusom turned the meeting over to General Manager Gilstrap for presentation of the District's Bus Operating Plan for Fiscal Year 1977 and the need for continuing L.A. County subsidy. Copies of the report dated March 9, 1976 entitled "Los Angeles County Transit Service Improvement Programs" were distributed and Mr. Gilstrap briefly reviewed the report, including a summary of what has happened since 1974 in the way of transit improvements by reason of the subsidies which have been provided by Los Angeles County to the District and the municipal operators in the County, including the increased ridership which has been accomplished and the transit improvement programs which have either already been placed in effect by the District or are scheduled in the next few months, together with inter-agency transfer arrangements between the District and the municipal operators.

Mr. Gilstrap stated the report outlines programs which have been analyzed during the coming fiscal year, and in order to maintain the 25-cent fare, together with small improvements, a commitment by the County in the amount of \$33,800,000 is requested.

Mr. Neusom stated the District has accomplished a great deal, that the passengers being carried by the District and the municipal operators have increased significantly, and although probably no action would be taken by the Supervisors today, he hoped the Board of Supervisors could take the matter under advisement and act favorably. He also announced the signing of the 13(c) agreements which had been approved by the Board earlier in the day and which would enable the District to obtain the Section 5 federal funds in order to repay the County. He also sought the assistance of Supervisor Hayes, who is president of SCAG, in expediting release of funds for RTD by SCAG.

A question and answer period followed, with many of the questions centered on the "Financial Data" page of the March 9 report which outlined the District's request for Fiscal Year 1977 funds from the County and also outlined several alternatives which would require less subsidy from the County but would also provide less desirable transit programs and higher fares.

Supervisor Hayes inquired if the RTD intended to request the various cities in the county for funds to help subsidize the service, especially since the county is going to be in a fiscal bind. Mr. Gilstrap reported the District had asked the City of Los Angeles for \$11-million, and that at present the City is only providing funds for the downtown MiniBus service in an annual amount of about \$900,000. Upon inquiry, it was determined that the City of Long Beach furnished the Long Beach Public Transportation Company about \$250,000 annually.

Mr. Neusom remarked that the cities had previously been requested to furnish funds but without success.

Supervisor Edelman felt the RTD request was well intentioned but felt it would be difficult to double the subsidy, but possibly could approve a subsidy similar to this year's or \$16,000,000.

Supervisor Hayes asked County Road Commissioner Morhar how much of a time frame the County is facing, and Mr. Morhar replied that the South Bay improvements are due to start about June 1 and it certainly should not be started June 1 and then discontinued on July 1.

Mr. Neusom requested the County to be aware in their deliberations of what kind of service the RTD is trying to render and its desire to continue those services.

Supervisor Schabarum suggested projecting what types of services could be furnished with increases in fare other than the 35-cent fare.

Supervisor Hayes inquired what kind of lead time was needed for fare increases, et cetera, and Mr. Gilstrap replied that fare increases require operational changes which take time. It was determined that May 15 was the last date on which a decision could be made regarding a subsidy from the County and the amount of subsidy, since the District needs 45 days or more to make its plans.

Director Gibbs felt that if money was short we should consider realignment of services so that all portions of the county receive the same proportion of service, and specifically referred to the South Bay area.

Consideration of Filing of Claim with SCAG by RTD for an
Additional \$3,367,000 in SB-325 Sales Tax Funds

Copies of the report dated March 8, 1976 concerning the RTD filing a claim with SCAG for an additional \$3,367,000 in SB-325 sales tax funds to support bus operations in the current fiscal year were distributed.

Of the total amount of \$3,367,000, \$1,800,000 are identified as surplus sales tax funds available for distribution this year of which the District's share would be \$1,500,000, with the balance of \$1,867,000 being claimed under the provisions of AB-1806 which would reimburse the District for loss in sales tax funds due to the 1974 strike. The report also outlines the fact that since SCAG allocated its funds to all operators this year without regard to the effect of AB-1806, allocations of sales tax funds to municipal operators would be reduced by the same amount.

The report also stated that the entire \$3,367,000 would be turned over to the County to reduce the County's subsidy to the District by the same amount, since the RTD contract with the County requires that the District apply all available revenue to incurred costs before billing the County the difference, and the County Road Commissioner has recommended the District apply for these funds.

William Farell, Executive Vice President of the Long Beach Public Transportation Company, disagreed with Mr. Morhar's recommendation, and maintained it was not fair to the municipal operators to subsidize the RTD strike. Earl Docimo of Montebello Municipal Bus Lines agreed.

Mr. Morhar stated the problems were recognized and the legislation had been requested by the County; he also felt the municipal operators had been notified of the legislation and also felt the municipals were not using all of the money available to them as of this time.

Director Gibbs moved that the District refrain from applying to SCAG for the funds available under AB-1806, which motion was seconded.

There was discussion on whether the motion would be in violation of the County contract and, on inquiry, General Counsel Powers stated the District's obligation under the terms of the contract is to give the County credit for all revenues which the District can obtain; that the Lanterman bill was not anticipated at the time the contract was negotiated but he felt the District is obligated to comply with the contract.

Director Price inquired if the matter would also be in conflict with the municipal contracts, and Mr. Powers replied that he couldn't answer for the municipals since their contracts were separate from RTD.

Supervisor Hayes felt that the County Counsel should review the matter of whether the legislation was constitutional.

Vice-President Neusom inquired if the County couldn't resolve the financial problems with the various municipal operators, and Mr. Farell stated that the municipal contracts were all in a specific amount of dollars. Mr. King Cushman,

representing Long Beach, felt that the municipal operators' revenues would be reduced by \$1.5-million next year, and Earl Docimo agreed.

Mr. Powers felt the County Counsel should look at the municipal contracts, and that the RTD is under obligation to the County and perhaps the County could release the RTD from its obligation.

Director Price offered a substitute motion that the problem be referred back to the County Counsel, the RTD General Counsel and the legal counsels of the municipal operators, which motion was seconded.

By a Roll Call vote as indicated below, the following resolution was adopted:

RESOLUTION NO. R-76-108

RESOLVED, that the matter of the District's filing a claim with the Southern California Association of Governments in the amount of \$3,367,000 in SB-325 sales tax funds, including an amount of \$1,867,000 under the terms of Assembly Bill 1806, be and the same is referred to the Los Angeles County Counsel, the District's General Counsel and the legal counsels of the municipal operators of Los Angeles County, for investigation and report as to whether said claim should be made under the terms of the current fiscal year contract between the RTD and the County of Los Angeles.

Ayes: Brewster, Gibbs, Gregory, Holen,
Neusom, Price, Richter, Takei

Noes: None

Abstain: Schabarum, Ward

Absent: Cook

Vice-President Neusom thanked the Board of Supervisors for their cooperation and hoped they could act favorably on the District's request for Fiscal Year 1977.

There being no further business, the meeting was adjourned at 2:20 p.m.

R. K. Kissick
Secretary *hk*