

Tuesday, February 10, 2004 4:30 P.M.

Minutes

Los Angeles County
Metropolitan Transportation Authority

METRO SAN GABRIEL VALLEY GOVERNANCE COUNCIL REGULAR MEETING

Metro San Gabriel Valley Sector Office
San Gabriel Valley Conference Room
3369 Santa Anita Avenue
El Monte, CA 90231

Called to Order at 4:46 P.M.

Council members present:

Bart Doyle, Chair
Sid Tyler, Vice chair
Harry Baldwin
Emile Bayle
Bruce Heard
Henry Lopez
Sharon Martinez
Dave Spence
Rosie Vasquez

Officers

Jack Gabig, General Manager
Michele Chau, Council Secretary



Metropolitan Transportation Authority

Metro

1. APPROVED January 6, 2004 Governance Council Minutes.
2. Safety Contact-Steve Rosenberg emphasized the importance of Return-to-Work programs as a key component in helping the agency's bottom line. Research by UnumProvident found that an effective Return-to-Work program may cut worker compensation lost days by 18-22%, reduce medical costs by 15-20%, and reduce lost time cases lasting more than 180 days by one-third. More importantly, effective Return-to-Work programs allow employees to begin transitional work sooner, which reduces the time to return to their original job. This is especially true in cases involving back injuries.
3. RECEIVED report of the General Manager.

OSHA Recordable Incidents-There were five recordable incidents for the month of December, which is below the Sector target of 8 incidents per month. The Sector continues to make progress on decreasing the number of recordable incidents per month.

Bus Traffic Accidents per 100,000 miles was 3.1 for December, which matched the monthly Sector target of 3.1 exactly. Data for October/November is not available due to the recent strike.

There were 1.33 New Worker's Compensation Claims in December. The target is 1.6 claims. The Sector continues to show progress on the administration of WC claims.

Miles Between Mechanical Failures-Almost all maintenance-related indicators declined for December. This is due to strike-related impacts, including a shortage of manpower and higher absenteeism. There were 6,293 miles between road calls in December, which is below the overall Sector target of 9,000 miles.

Councilmember Spence stated that Miles Between Mechanical Failures wasn't being evaluated in an effective way, and that the Sector was being penalized for a decrease in performance owing to factors that fall outside of the Sector's control.

Mr. Gabig reaffirmed that the biggest problems are manpower and absenteeism. He explained that many vacancies have not yet been filled and that not all repairs are being made timely. He stated that it may be difficult to reach the target right away as a result of these factors.

Councilmember Baldwin asked if the figures are an aggregate of all the Divisions, and Mr. Gabig responded in the affirmative.

Bus Cleanliness rating is 7.06 overall. The target is 8. The Sector rating for FY04 2nd quarter is slightly above the rating for the agency as a whole.

Complaints per 100,000 Boardings-The Sector is achieving its target of 3.25 with a rating of 3.01 for December. This figure has gone down compared with prior months despite major changes recently implemented throughout the system which led to a greater number of complaints.

Councilmember Tyler asked if there has been an analysis of complaints.

Mr. Gabig responded that there has not yet been a comprehensive analysis of complaints, but that complaints generally tend to fall within three major categories: late bus arrivals, no-show buses, and early bus arrivals. Mr. Gabig offered to provide further detail regarding complaints if there is sufficient interest, as well as ways to address this issue more effectively.

Councilmember Tyler asked whether it would be possible to analyze complaints according to bus line and/or time of day, as well as provide further information as to where complaints are originating.

Mr. Gabig responded that he would be happy to address the above issues and share the information at a future Council meeting.

Passenger Boardings for December are about 2% below the figure for last year, due to post-strike impacts. Mr. Gabig presented a slide showing the estimated ridership on directly-operated lines by quarter for the entire agency. During the second quarter of FY04(October-December), there was a significant drop in ridership. The figures for January are not yet available; however, Mr. Gabig stated that the figures are beginning to increase gradually, and that they are approximately 2% below that of January of FY03.

He stated that the recent fare restructuring has had a positive effect on fare revenue (up 5%) for the first half of the fiscal year. He explained that the introduction of the Day Pass has had the greatest impact on fare revenue, and has been viewed as highly successful by both operators and customers. The Day Pass has reduced opportunities for passengers to use fraudulent transfers, thereby increasing farebox revenue. The agency is expecting a significant increase in fare revenue due to the Day Passes.

Mr. Gabig stated that after the strike the agency experienced a significant loss in estimated weekday ridership on the Pasadena Gold Line. Currently there are approximately 11,000 boardings per weekday, compared with an average of 15,000 boardings per weekday prior to the strike.

On Time Performance - Although the Sector is struggling at 70% for the month of December, it is doing better than other sectors. The target is 80%. The impact of the recent strike and February shakeup has negatively impacted On-Time Performance ratings.

"How You Doin'?" Program - Mr. Gabig explained that the program was designed to provide internal recognition to Divisions with high rankings in the performance categories of In-Service, On-Time Performance, Running Hot, Accident Rate, Complaints per 100,000 Boardings, and New WC Claims per 100 Employees. In the latter category, Division 9 (San Gabriel Valley Service Sector) scored well. Overall, Divisions 3 and 9 tied for first place in December. Mr. Gabig stated that despite the Sector's above average performance, it will strive to make improvements in on-time performance, among other areas.

Councilmember Tyler asked if a Division has the opportunity to get a reward for its performance.

Mr. Gabig responded in the affirmative, stating that a monetary award of \$1,000 is given quarterly for the top performing Division(s). The award is used for employee benefits.

Councilmember Tyler asked if there is an award for improvements made by a Division.

Mr. Gabig stated that a \$500 cash award is given for the most improved Division. When asked by Councilmember Tyler if this monetary award was sufficient, Mr. Gabig responded that everyone has been asking this question and that he has no definitive answer at this time. He noted that some changes have been made as to how performance categories are weighted. In December, for example, all performance categories were given an equal weight of 20% in calculating the final rankings.

Mr. Gabig noted that there is a new template being used for all MTA agendas, minutes, etc.

Bus rider reports were handed out to each councilmember. Staff members have been asked to use Metro's bus and rail services a minimum of one time per month (round trip) and document their experiences. The reports are designed

to prompt Sector Councilmembers to make observations on ways to improve the quality of Metro services. However, Mr. Gabig emphasized that the reports are not intended to be used for disciplinary action purposes.

Financial Review - Steve Rosenberg reported that the Sector is \$5.4M under budget on the year-to-date budget of \$56.3M. Transportation is \$4.3M under budget. Mr. Rosenberg explained that this was due to the lack of service during the strike. Direct Labor is \$76,000 (2.4%) over December budget. This is partly due to the shortage of manpower in December. The actuals were adjusted in the last month, and the nominal rate for actuals is expected to increase because there will not be as much labor base to allocate against. Fringes and Overhead are \$1.6 M (56%) over December budget. Mr. Rosenberg pointed out that it is difficult to assess the impact of the strike on Overhead. Sector Operations prior to Strike Adjustment is \$6.2M under budget. Composite Sector Operations is \$2M over December budget, and the overrun is significantly higher than for last month. Maintenance is \$2M under budget. Total Sector Office is \$80,000 over budget. Estimated "Strike Savings" is \$4.7M over YTD budget. "Strike Adjusted" Sector Operations is \$1.5M under budget. Other Sector Support is running \$770,000 (63%) over December budget. Strike-related charges have pushed Chargeback \$1.3M over budget. The "Strike Adjusted" total for the Sector is \$700,000 for the first half of the fiscal year.

Revenue Service was roughly 498,000 hours (YTD actual) for the first half of the fiscal year. Revenue Service Hours were budgeted at 621,913 hours YTD.

Worker's Compensation charges are \$341,000 over December budget. Mr. Rosenberg stated that this was expected, and that the numbers are expected to go up but will gradually normalize.

Councilmember Tyler asked if cash revenues could be accurately determined according to Division.

Mr. Rosenberg stated that the Sector generally does not report this information, but that it can be included if there is an interest. Responding to Councilmember Tyler's inquiry about availability of meaningful data on the revenue side, Mr. Rosenberg stated that farebox figures are available.

Councilmember Tyler asked if the target for cash fare is allocated by sector.

Mr. Gabig responded that cash fare is allocated on an overall, agency-wide basis, but not by sector. This includes monthly pass revenue. He explained that the agency goal is to allocate revenue based on services provided, not on the cost structure. He stated that the agency is attempting to come up with a

method to allocate revenues to the Sectors in a similar way without shortchanging any Sector. Currently, there is no unanimous support for an effort to do this by the MTA, and it is not likely to happen for the next budget.

Councilmember Tyler asked how much is collected from the farebox.

Mr. Rosenberg responded that roughly \$2M is collected monthly. He hopes to provide more detail regarding the impact of Day Passes on farebox revenue at a future meeting.

Responding to Councilmember Baldwin's inquiry as to whether a Day Pass was interchangeable on bus and rail, Mr. Gabig responded in the affirmative. He added that the agency hopes to establish a regional Day Pass, in addition to the existing EZ Pass, sometime in the future.

Future Agenda Items:

Overview of East Side Gold Line Extension

Overview of Maintenance and Material Management (M3) System

Update on Gold Line Operation

The Council agreed to give priority to the Overview of the East Side Gold Line Extension as an item of discussion to be agendaized at the next meeting. Chairman Doyle noted the East Side Gold Line Extension's importance to the Sector and its potential impact on the Sector's bus network. He mentioned that the Council should include in its discussion the construction costs involved in the project.

4. RECEIVED an oral report on Community Relations by Helen Ortiz, Community Relations Manager.

Ms. Ortiz noted that a new format is being used in the document showing the Community Outreach Activities for the Sector.

She announced that the Sector recently renewed its Chamber of Commerce membership with the cities of Pasadena and El Monte. The Sector has also established a new Chamber of Commerce membership with the city of Alhambra and renewed membership in the San Gabriel Valley Economic Partnership.

Outreach Activities for January included attendance at HENAAC award event at Cal State LA on January 16, conducting business outreach with the city of Sierra Madre for SM Shuttle to the Gold Line station, participation at a Council District

14 town hall meeting in Boyle Heights, and holding community meetings for upcoming service changes. Ms. Ortiz mentioned the Sector's involvement in a quarterly meeting with the transportation managers of the cities of Alhambra and South Pasadena, and establishment of a core cities transportation liaison with these respective cities.

Ms. Ortiz stated that at a recent meeting at Caltech to promote the services of the MTA, she received positive feedback on Line 177, which allows express service to JPL.

Ms. Ortiz mentioned that the agency is hosting the Rail-Volution conference this year. The conference is devoted to building livable housing around transportation. Mr. Ortiz stated that any Sector members who are interested may attend the upcoming September conference.

5. RECEIVED an oral briefing on Worker's Compensation and Safety by Randall Jones, Risk Management Claims Manager.

Mr. Jones explained that in light of historically high worker's compensation costs, one of the agency's goals is to rehabilitate the WC program to mitigate these costs. In September 2001, the agency, adopting a new approach in managing WC claims, became self-insured and self-administered. The agency's WC cost reduction efforts include four key areas: an aggressive fraud and abuse prevention program, medical cost containment program, Safety's 1st program, and return-to-work/transitional duty program.

An aggressive Safety's 1st program, based on the premise that prevented claims are the best cost reduction method, involves measures such as employee training, field observation and feedback, and local safety committees.

An aggressive fraud and abuse prevention program involves an internal special investigations unit to identify any fraudulent WC cases. An improved incident investigation process is being introduced this month.

An aggressive medical cost containment program uses the services of on-site nurse case managers and an extensive preferred-provider network and panel of specialists.

A revised, aggressive return-to-work/transitional duty program is being introduced this month, and would include locally managed medical oversight of WC claims by the Sector. The goal is to gradually increase physical capabilities until the employee can return to work. Mr. Jones noted that Sector leadership

helped pioneer the agency's new WC claim processes and that momentum for long-term cost reduction is in place.

Councilmember Tyler asked if there was an incentive for treating physicians to follow the suggestions of on-site nurse case managers to have employees return to work.

Mr. Jones responded that a good provider is instrumental to increasing an employee's physical capability and desire to return to work.

When asked by Councilmember Tyler about whether the agency has access to employees' medical records, Mr. Jones responded in the affirmative.

Councilmember Tyler asked whether an employee can pre-designate a doctor in WC cases.

Mr. Jones responded in the affirmative, and explained that less than 10% of doctors are pre-designated. He noted that treatment must be related to the employee's type of injury, and that MTA does respect an employee's choice of doctor.

Mr. Jones stated that he would like to commend Mr. Gabig for his role in helping improve WC management through constant monitoring of claims, which allows for an internal system of checks and balances. He noted that successful WC administration involves both claims management by the WC unit as well as interaction with the Sectors.

When asked by Councilmember Spence about how changes in state legislation could help improve administration of WC claims with respect to budgetary constraints, Mr. Jones emphasized the importance of reducing the costs of WC. He noted that legislative changes don't always work to benefit the agency, and that any savings from cost reductions in WC could be reallocated to benefit the Sector and community.

Councilmember Tyler asked if there are any feasible changes that could be implemented legislatively. Mr. Jones replied that vocational rehabilitation could stand some changes, and that there should be ways to monitor fraudulent procedures performed by doctors.

Chairman Doyle asked if MTA operates under the same rules as other agencies even though it is self-insured. Mr. Jones responded in the affirmative.

Chairman Doyle inquired about how long it would take for the agency to become 100% self-insured.

Mr. Jones stated that it would likely take a few years.

Councilmember Spence asked if there is an incentive for employees to go on the transitional work program in light of the fact that they receive monetary benefits while out of work.

Mr. Jones responded that employees who file WC do not receive 100% of their pay while on WC. He pointed out that there is a maximum monthly limit for those who file WC. For example, the maximum monthly payment for employees on temporary disability is \$728.

Mr. Gabig added that over the past few years, the agency's WC costs have decreased slightly, and that the return-to-work program will help continue this positive trend.

6. Public Comment-none.

7. Chair's Remarks-Chairman Doyle mentioned that councilmembers had raised questions regarding the time and location of future meetings. Some of the Sector members are planning on being out of town for the March 9th League of Cities meeting in Washington, DC, and will not be able to attend the March Sector meeting on that date. Councilmember Heard recommended that a single purpose meeting be set to discuss the results of the February 10 public hearing.

The Chairman authorized that a special Sector meeting be held on Tuesday, March 2nd at 4:00 P.M. at the Grapevine Room, 324 S. Mission Dr., San Gabriel. He further authorized that all Sector meetings be relocated to the San Gabriel Valley Sector office, 3369 Santa Anita Ave., El Monte, beginning in April due to scheduling conflicts experienced at the previous location. All future meetings beginning April will be held on the 2nd Tuesday of the month, at 5:00 P.M.

The April Sector meeting will be held on Tuesday, April 13th, 5:00 P.M. at the Sector office.

8. Consideration of items not on the Posted Agenda - None.

Adjourned at 6:06 P.M.

Michele Chau, Council Secretary