

Minutes/Proceedings

San Gabriel Valley Service Sector Governance Council

Regular Meeting

Metro San Gabriel Valley Sector Office
San Gabriel Valley Conference Room
3369 Santa Anita Avenue
El Monte, CA 91731

Called to Order at 5:15 P.M.

Council Members Present:

Bart Doyle, Chair
Harry Baldwin
Emile Bayle
Henry Lopez
Sharon Martinez
David Spence

Officers:

Jack Gabig, General Manager
Michele Chau, Council Secretary



Metropolitan Transportation Authority

Metro

1. APPROVED October 12, 2004 Governance Council Minutes.
2. RECEIVED Public Comment.
3. Chair's Remarks:
 - Chair Doyle announced that he and Mr. Gabig were present at the California Transit Association Conference held November 2-4. He stated that the conference gave him an opportunity to discuss the Sector's accomplishments over the past year and to advocate the Sector. Mr. Gabig added that the MTA-hosted event set a record attendance and offered a strong program with noteworthy topical issues.
4. RECEIVED report of the General Manager.
 - Mr. Gabig pointed out one key performance indicator that stood out for the month of September, Monthly Worker's Compensation (WC) costs. He explained that WC costs are related to another safety indicator, New WC Indemnity Claims per 200,000 exposure hours. With respect to the latter category, the Sector experienced 15 New Claims, up from 8 in August. This resulted in WC costs that were roughly 3 times the monthly target for September. Overall the Sector is trending well below last year and slightly below the agency as a whole. Mr. Gabig noted that the Sector is experiencing a difficult first quarter and hopes to reach the monthly target in this category in the near future.

"How You Doin'?" Program*:

- Transportation: Division 9 ranked first place for the fourth consecutive month, and Division 3 ranked 5th for September.
- Maintenance: Division 3 ranked 2nd and Division 9 ranked 4th place for September.
- Final results for the first quarter of FY05: Divisions 9 and 3 showed impressive results with rankings of 1st and 2nd place, respectively.

*This Performance Incentive program is designed to increase productivity and efficiency and to provide internal recognition to Divisions with high rankings in various categories of performance. Transportation Division rankings are based on the sum of weighted scores for each of the following performance indicators: In-Service, On-Time Performance, Running Hot, Accident Rate, Complaints/100,000 Boardings, and New WC Claims per 100 Employees. Maintenance Division rankings are based on the sum of weighted scores for the following performance indicators: Miles Between Mechanical Failures, Attendance, New WC Claims/100 Employees, and Bus Cleanliness. Summed values are sorted from high to low and the Division with the highest score wins the program award for the month.

Councilmember Spence asked if the Sector leaders receive recognition for their role in placing their Division(s) in the top rankings.

Mr. Rosenberg responded that the Division that places first at the end of each quarter receives a \$1,000 award. However, the Division that places second at the end of each quarter does not receive an award.

Financial Review:

Mr. Rosenberg stated that September marks the end of the first quarter of the fiscal year. Transportation Labor is close to the budget for both September and YTD. Maintenance Labor is slightly under budget for the month as well as YTD. Mr. Rosenberg noted that this category has historically posed a challenge for the Sector. Worker's Compensation Allocation is 57% over YTD budget. He explained that 50% of overruns are attributed to the agency as a whole, and the remaining 50% is due to reserves associated with incidents taking place with employees within the Sector.

Fringe Benefits are 8% under budget YTD, which enabled the Sector's first quarter financials to remain at a reasonable level.

Fuel Expense is \$195,000 over budget for the month and \$361,000 over YTD. Mr. Rosenberg stated that there is a concern about the price that the Sector is currently paying, which is substantially higher than in the past.

Mr. Gabig stated that he anticipates that prices will remain high in this category. It is likely that the Sectors will go back to the Board at mid-year to discuss fuel costs.

Parts Expense is \$32,000 under budget for the month and \$133,000 under budget YTD. Mr. Rosenberg stated that he is pleased with the performance of the maintenance department in this category.

Other Sector Support is substantially higher for the month. Mr. Rosenberg stated that agency-wide PL/PD claims costs were higher than expected at \$660,000 in September, and the Sector's portion of the reserve accounts for the entire overrun.

Mr. Rosenberg noted that while the price of fuel is out of the Sector's control, certain costs such as WC costs are within the Sector's control. He added that financial data tends to even out and normalize as the fiscal year progresses.

5. RECEIVED an oral report on progress of Governance Council Strategic Initiatives by Jack Gabig, General Manager.
 - Initiative One: Develop a plan for building relationship and trust with the Metro Board and the Metro staff. Refined general talking points include placing bus service decisions closer to the customer and the community, making bus service more attractive, improving operational efficiencies,

implementing targeted marketing at the Sector level, implementing a service-based budget process, and soliciting feedback on the role of the Sector Governance Council.

- Initiative Two: Develop a long-term strategic transit plan. The Sector is moving forward with scheduling meetings with city managers from the West San Gabriel Valley, including 10 cities within the Sector's service area. Hopefully, these meetings will take place sometime before Christmas. In addition, a meeting with planning directors of the San Gabriel Valley COG to discuss issues associated with Metro Connections will take place in December. The Sector hopes to reach a consensus with municipal operators as well as cities from the San Gabriel Valley on the feasibility of sharing the costs of the Transit Restructuring Study. Mr. Gabig stated that the Sector team plans to report in January or February 2005 on progress made in this area.
- Initiative Three: Develop a business case for Metro SGV requesting budgetary accountability. The Sector would like to adopt a more decentralized, service-based budgetary process. The Sector team will report back on this issue as the Sector moves into the next budget cycle. Mr. Gabig stated that a new budgetary process may be difficult to advance due to potentially negative impacts of a service-based model, but the Sector remains optimistic.
- Initiative Four: Improved customer communications resulting in higher customer satisfaction.* The Sector will keep the Council informed of any new developments in the dedication of more resources by the agency to assist the Sector in its marketing efforts.

*Combination of the original initiatives #5 and #6 of Local Marketing and Improved Customer Satisfaction, respectively.

Councilmember Spence asked if someone would assist the Councilmembers in setting up their scheduled meetings with the Board members.

Chair Doyle noted that it may be more appropriate to do this after the election. He stated that the timeframe to get this done would be by February 2005.

Mr. Gabig stated that Sector staff may volunteer to coordinate the meetings. However, Councilmembers may initiate this process themselves if they prefer.

Councilmembers discussed their individual contact assignments for each Board member.

Chair Doyle stated that because the Sector Council is not scheduled to meet in December, it will report back in January on progress made in this area.

Mr. Gabig asked if contact with the Board members will require staff assistance.

Chair Doyle responded that the Council will keep the General Manager informed of whether staff assistance will be needed as it moves forward with the initiative.

Mr. Gabig mentioned that Emma Nogales of the Sector Office Team may be able to assist in coordinating contact with the Board members.

Chair Doyle stated that the Council will explain for the Board members the accomplishments the Sector has made thus far as well as goals of the Sector. He hopes that contact with the Board members will allow them to gain a clearer understanding of how the Sectors operate.

6. RECEIVED an oral report on status of new Division 9 Transportation Building by Jack Gabig, General Manager.

Mr. Gabig reported that over the past year, the agency has been working on a capital improvement project to provide a new transportation division and sector office building for the San Gabriel Valley Service Sector to replace the existing building that was constructed about 30 years ago. The project involves a design/build procurement process that is generally reserved for rail projects. The new three-story, 40,000 sq. ft. building will be situated just east of the parking structure and south of the El Monte Station. Mr. Gabig showed slides of the proposed representation of the floor plans for each level of the building. He noted that in order to accommodate future growth, some spaces within the building have not been designated a use.

The agency has solicited qualifications from design/build teams. The Sector hopes to come back in January with the recommended contractor. The project will break ground in early spring/summer 2005 and will take roughly 14-15 months to complete. After the new building is constructed, the agency intends to demolish the current building.

Councilmember Bayle inquired about the cost of the project.

Mr. Gabig stated that the project, which is fully funded, will cost roughly \$10-11 million. This amount includes other work such as demolition, site improvements, etc.

Councilmember Baldwin asked who will oversee the project.

Mr. Gabig responded that the construction side of the project will be handled through the Facilities Department in Operations. The Sector has taken the lead on design issues such as selection of building materials and finishes.

Councilmember Lopez asked if the project will interfere with other proposed projects in the vicinity of the new Division 9 building.

Mr. Gabig responded that it will be necessary to vacate the old building to accommodate future development along Santa Anita Blvd. He stated that the new building will not interfere with any future developments in the area.

Councilmember Doyle asked if the project would be completed by the 3rd or 4th quarter of 2006.

Mr. Gabig stated that it is reasonable to assume this, however, there may be financing gaps that may push back the completion date.

Chair Doyle asked if the contract would be awarded by the full MTA Board.

Mr. Gabig responded in the affirmative.

7. RECEIVED an oral report on recommendations for modifications to Draft Transit Service Policy by Jon Hillmer, Service Development Manager.

Mr. Hillmer stated that corporate MTA will go to the Board with recommendations for adoption of the Draft Transit Service Policy. He gave an overview of potential issues that the Policy may pose with respect to services provided within the Sector. Mr. Hillmer mentioned that the Policy may be overly confining and that the Sector may need more flexibility with respect to certain guidelines. These include cancellation of lines that do not meet minimum performance standards after 18 months and restrictions on the operation of shuttle service, among other issues. Mr. Hillmer noted two potential issues with the bus performance measures outlined in the Policy. Because the values of line performance index numbers are based on system averages by type of service, a few large and productive lines may increase the average performance value to such a high level that some lines may need to be cancelled even though they are good lines. In addition, using 60% of the system average as the cutoff point for poor performance will result in lines falling either above or below the average regardless of how well they perform. Mr. Hillmer recommended that hard numbers be used instead of setting a standard based on percentage of the system average. Another potential issue involves the current system of using system averages to determine the cost of operating a line and average revenue per passenger. Mr. Hillmer recommended using Sector costs instead of system averages to determine line performance numbers. He noted that ATMS will allow for provision of more accurate line-level revenue information.

Mr. Hillmer reiterated the need for a revised Policy that 1) provides enough flexibility to control for local conditions, 2) sets minimum line level performance values rather than using the system average, and 3) incorporates actual Sector operating costs/passenger revenue information in determining line performance numbers. He added that any comments made by the Council will go to corporate Metro.

Mr. Gabig noted that each Sector has been asked to respond to MTA staff regarding the Policy. He asked if the potential issues outlined constitute an appropriate recommendation.

Mr. Hillmer responded in the affirmative.

Chair Doyle added that the Council will need to provide its input by 12/13/04.

Mr. Hillmer stated that as part of Metro Connections, the agency would need to select the appropriate type of service and incorporate standards for the design of restructured bus routes to generate the required number of boardings.

The Council discussed the revisions it would like to make to the Draft Transit Service Policy. These include, but are not limited to, the following changes:

- The Policy states that bus routes ending within one mile of a rail station *will be* extended to terminate at the station. Council would like to change "will be" to "*will be considered* for extension."
- The Policy stipulates an average three hour peak load factor of less than 75 percent as a condition under which intersecting bus lines or bus lines that travel in a perpendicular direction to a rail line will be diverted to serve the closest rail station. Council would like the Policy to allow more flexibility in determining the peak load factor. It would also like to request greater local control and Sector input in deciding how certain routes would operate.
- The Council would like to cut down the process for implementing service changes from 12 months to 6 months. Currently, the required lead-time for public hearings is 7-8 months prior to implementation of service changes.
- The Policy's language dictates that a certain structure be followed. Language should be softened up to account for local conditions.

Councilmember Baldwin inquired where the guidelines would be applied.

Mr. Hillmer responded that all Metro bus routes would be impacted. He noted that staff would like the Council's general input on the Policy and that it would not be necessary for Councilmembers to review the entire 52-page draft.

Chair Doyle mentioned the possibility of adding generalized language to the introductory sections of the Policy. Mr. Hillmer stated that he would draft this language and email it to the Councilmembers.

The Council agreed that it may be necessary for the Chair to draft a letter to corporate MTA Planning staff that represents the Council's position on the matters discussed.

Chair Doyle inquired about the number of lines that would be impacted by the Policy's existing requirement that "bus lines that do not meet minimum performance standards after 18 months of operation will be cancelled."

Mr. Hillmer stated that 5 routes currently fall below the break point of .600 for poor performance. This does not include contracted bus service.

Councilmember Spence inquired about the impact of using shuttles to decrease operating costs for under-performing lines.

Mr. Hillmer stated that using shuttle service may not necessarily result in reduced costs unless the agency can contract out to lower wage operators.

Mr. Hillmer added that corporate MTA should set a system-wide standard to determine line performance instead of using system averages. The Sectors can recommend a range of fixed numbers to determine performance, but the agency as a whole would need to set unified standards throughout the system.

8. RECEIVED an oral report on Community Relations by Liz Armijo-Holbrook, Community Relations Officer.

Ms. Armijo-Holbrook gave an overview of recent community outreach activities and events. These include a ride share fair at Cal Poly Pomona on October 5, a San Gabriel Valley Economic Partnership Conference at Pacific Palms Conference Resort on October 14, and a California Transit Association Annual Fall Conference and Expo at the Sheraton Universal Hotel November 2-4.

Ms. Armijo-Holbrook noted that copies of internet and newspaper articles relating specifically to the Sector have been included in the community outreach report distributed to Councilmembers.

9. Consideration of Items not on the Posted Agenda – None.

Mr. Gabig announced that the December Governance Council meeting has been CANCELLED. The next Council meeting is scheduled for January 11, 2005.

ADJOURNED at 6:30 P.M.

Michele Chau, Council Secretary