

Tuesday, May 10, 2005 5:00 P.M.

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# 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

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Called to Order at 5:11 P.M.

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Council Members Present:

Bart Doyle, Chair  
Sid Tyler, Vice Chair  
Harry Baldwin  
Emile Bayle  
Bruce Heard  
Henry Lopez  
Sharon Martinez  
David Spence

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Officers:

Jack Gabig, General Manager  
Michele Chau, Council Secretary



Metropolitan Transportation Authority

**Metro**

1. APPROVED February 8, 2005 Minutes.
2. APPROVED March 9, 2005 Minutes.
3. APPROVED April 12, 2005 Minutes.
4. RECEIVED Public Comment – Ken Ruben, Southern California Transit Advocates; Max Leyva; Danny Tran, East L.A. Community College student.

Councilmember Heard commended the Sector on its efforts to improve the clarity of overhead destination signage on buses. He noticed that there are now more buses with overhead signs that show the specific streets/intersections of destinations.

5. Chair's Remarks:

Chair Doyle mentioned that he sent an email to the Councilmembers regarding the Service Sector annual Meet and Confer meeting to be held May 23<sup>rd</sup> at 4:00 P.M. in the Gateway Building Board Room. He received the agenda earlier today and was asked to provide input on behalf of the Council.

Hard copies of the agenda were distributed to the Councilmembers for their review.

Chair Doyle noted that with respect to Item #5 on the Meet and Confer agenda (DISCUSS improving coordination between the Communications Department/Marketing and the Sectors), he would like to see more of a direct, local marketing function decentralized to the Sectors. During discussions with L.A. County Supervisor Gloria Molina regarding Sector marketing efforts, Councilmembers decided that it would be appropriate to first conduct evaluations to determine the cost-effectiveness of pursuing either paid advertising campaigns or face-to-face contact with members of the community.

Mr. Gabig mentioned the importance of distinguishing between community relations/outreach efforts and marketing campaigns, as these areas are separate and distinct despite having overlapping responsibilities. He stated that an effective strategy would involve a greater focus on promoting service to both existing and potential riders. A disproportionate amount of funding is currently being used for generic image-building rather than direct communication with riders. Further, the recent budget cuts have limited the Sector's ability to expand its community relations efforts.

Councilmember Tyler asked if funding is allocated to the Sector for marketing.

Mr. Gabig responded there is no specific allocation for this function. There is a chargeback for expenses but the marketing function is not identified as a Sector-specific program.

Councilmember Baldwin mentioned that Councilmembers' existing contacts with senior groups, rotary clubs, and other organizations throughout the San Gabriel Valley would bolster Sector marketing efforts. He noted that the Sector should consider targeting the sizable Asian community in the Valley and team up with the Asian press.

Mr. Gabig stated that attempts have been made to tap into the Asian press, but they have not been very successful.

Chair Doyle recommended that the Sector focus on face-to-face contact with the community to more directly reach potential riders and place less emphasis on marketing campaigns.

Councilmember Tyler, referring to Item #3 on the Meet and Confer agenda regarding Metro Operations FY06 goals, expressed his surprise that none of the goals listed involve increasing ridership.

Mr. Gabig stated that due to increased Consent Decree requirements, the Sector hasn't had the ability, other than through marketing, to devise new ways to attract new riders.

Chair Doyle mentioned that the Sectors ought to discuss the issue of bus operator recruitment and their three-tier system during the Meet and Confer.

Councilmember Heard asked if the Sector is held accountable for improving ridership, and if it is evaluated based on ridership levels.

Mr. Gabig responded that ridership is only one of many indicators used to monitor the Sector's performance. Although ridership has been flat throughout the agency, it appears to be trending upward. The Sectors have focused on improving productivity through restructuring of lines and this has had a marginal impact on ridership.

In response to Councilmember Heard's query regarding holding regular meetings with Marketing Department staff, Mr. Gabig stated that the community leadership team and the Sectors have communicated regularly on issues such as promoting low-ridership lines and increasing ridership on municipal lines.

Chair Doyle, referring to Item #3 on the Meet and Confer agenda, asked for clarification on the acronym TOS.

Mr. Gabig stated that a TOS is a Transit Operations Supervisor.

Councilmember Bayle asked if a summary report on last year's Sector retreat will be provided.

Mr. Gabig responded that staff will provide a status update on the four strategic initiatives as well as progress on Councilmembers' meetings with various members of the MTA Board. This will take place sometime during the summer or fall after the new Councilmembers have been selected.

Chair Doyle announced that Councilmember Tyler will step down from his position as Vice-Chair and that the Council will need to select a new Councilmember at the June meeting. The new Councilmember's term will be effective July 1. He mentioned that one possible candidate is Steve Haderlein, who currently serves on the Pasadena City Council.

6. DISCUSSED selection of nominee for Transit User position on Council by Bart Doyle, Governance Council Chair.

Chair Doyle stated that Councilmember Lopez's seat as transit user needs to be filled and that the Council has received one application thus far, in addition to Councilmember Lopez's nomination by the City of San Gabriel. He explained that three Councilmembers will review the application and present their recommendation to the full Board. Councilmembers Martinez, Heard and Baldwin volunteered to be part of the application review team.

A handout regarding this item was distributed to Councilmembers.

7. RECEIVED report of the General Manager.

Mr. Gabig provided a summary of March key performance indicators in the area of Safety.

- **Worker's Compensation costs** were \$789,000 for March. While this far exceeds the monthly target of \$376,000, it is well below overall costs in this category from two years ago. The spike in WC costs is due to higher costs per claim and increased medical costs rather than an increase in the number of claims.
- **OSHA Recordable Incidents** were relatively low with 5 incidents for March.
- **Bus Traffic Accidents/100,000 Hub Miles** were 2.68, which is within the aggressive target set by the Sector of 2.76.
- **New WC Indemnity Claims per 200,000 Exposure Hours** were 11.44, and this is well below the target of 14.

Councilmember Baldwin stated that monthly WC costs, especially those due to catastrophic events, are beyond the control of the Sector and tend to be unrelated to Sector operations. He underscored the importance of the number and severity of claims as opposed to just the dollar amounts.

Councilmember Tyler asked if claims are delegated to Gateway in cases where employees are away from work for an extended period.

Mr. Gabig responded that the Sector plays an active role in helping employees return to work sooner through an aggressive Transitional Duty program, which has had a

definite impact on the duration of employees' injuries. The Sector is also actively involved in reducing the number of injuries that occur through coordination with risk management staff. He noted that Sector Transportation Managers have an exemplary record of holding down the number of claims.

Mr. Gabig introduced Carol Hildenbrand, who will be attending the Sector meetings on a regular basis. Ms. Hildenbrand has played an important role in piloting and enhancing the Transitional Duty program.

Chair Doyle, referring to the March figure for the key performance indicator of Miles Between Mechanical Failures (6,945 based on a target of 9,000), asked when the Sector expects to receive new vehicles.

Mr. Gabig responded that the Sector has been gradually acquiring new vehicles over the past 1.5 years. The agency is attempting to balance the distribution of new vehicles in such a way that each Sector has a relatively comparable fleet in terms of age. The Sector's fleet age has decreased, especially at Division 9, due to a combination of new bus deliveries and the retiring of old buses. Mr. Gabig announced that the Sector will be receiving an additional 75 buses by the June shakeup. He cautioned that depending on how the agency responds to new Consent Decree requirements, the Sector may have to resort to continued use of buses that would have otherwise been retired.

Councilmember Spence inquired about how Miles Between Mechanical Failures are measured.

Mr. Gabig responded that MBMF is an FTA measurement the Sector has adopted. It excludes many types of failures, including those of a non-mechanical nature. The Sector examines a dozen types of mechanical failures in measuring this indicator, including electrical and air conditioning-related failures.

Councilmember Bayle stated that he recently saw a special presentation on Channel 2 News exposing the agency's lack of scrutiny in hiring bus operators. He asked if there is a link between the Sector's performance in Miles Between Mechanical Failures and the recruitment of operators with questionable track records.

Mr. Gabig explained that the news-related program was designed to examine the driving and safety records of bus operators within the Sector as well as throughout the agency. Although certain elements of the program marred the agency's reputation, Mr. Gabig pointed out that the overall accident history of the agency has improved, and this critical fact was overlooked by the program. The agency is currently working on a response to the findings of the report.

Councilmember Heard asked if procedures are in place to guide employees on how to react to situations in which they are unexpectedly confronted by reporters.

Mr. Gabig stated that employees are advised to refer contacts to media relations.

Councilmember Bayle asked if there are a sufficient number of operators with bad driving records to impact the Sector's performance in the key indicators.

Mr. Gabig responded that these operators constitute only a small portion of the agency's workforce, and the Sector is aware of them.

**"How You Doin'?" Program:**

The Sector has once again demonstrated outstanding performance in this program. Division 3 Transportation ranked 1<sup>st</sup> place for the month of March. Division 9 Transportation and Maintenance both ranked 2<sup>nd</sup> place.

Final results for the third quarter of the fiscal year:  
Division 9 tied with Division 8 for the first place ranking, and Division 3 ranked 3<sup>rd</sup>.

**Financial Review:**

Mr. Rosenberg provided an overview of financial information through the end of March. He reported that the Sector has a budget overrun of approximately \$500,000 for the month of March. Sector Operations (not including Other Sector Support) has an overrun of slightly over \$700,000. Total Transportation is \$610,000 over budget for March, primarily due to operator wages and WC costs. Total Maintenance is \$113,000 over budget for March, due primarily to increased fuel expenses. Total Sector Office is on budget for the month of March. The YTD variances are as follows: Total Transportation is approximately \$1.1 million over budget YTD, Total Maintenance is \$1.2 million over budget YTD, and Total Sector Office is \$260,000 under budget YTD. The latter category is under budget primarily due to costs the Sector will incur in FY06 (e.g., the Transit Restructuring Study).

March Operator Labor is \$253,000 over budget and Maintenance Labor is 8% over budget for March. Non-Work Allocation is 24% under budget for March. The Sector expected to see an overrun in this category this time of the year, but it didn't occur. Mr. Rosenberg stated that the Sector may sustain the underrun throughout the rest of the year. March WC Allocation is \$374,000 over budget. Fuel and Fuel Tax Expense is \$80,000 over budget, and Parts Expense is \$25,000 over budget for March. This is the first month during this fiscal year that the Sector went over budget in the latter category. Mr. Rosenberg explained that this is due to the Sector absorbing a large drop shipment of parts. Other Sector Support is \$228,000 under budget for March.

Mr. Rosenberg stated that the Sector's YTD overrun is higher than that of other Sectors. Budget for WC chargebacks was allocated in such a way that did not favor the Sector, and this will be rectified in the next fiscal year. Most of the imbalance is a product of this single line item.

Mr. Gabig added that labor costs, including overtime paid to UTU operators due to the operator shortage, has also taken its toll on the budget.

Mr. Gabig announced that the draft FY06 budget was presented to the Board yesterday.

Copies of the draft were distributed to Councilmembers.

Mr. Gabig stated that the agency is working with another lean budget totaling \$2.859 billion, which is \$153 million less than the current amended budget. 133 full-time equivalent (FTE) employees will be eliminated, and 98 union positions will be added due to expanded Consent Decree-mandated service. 200 new articulated buses will be deployed on the new Orange Line (set to open in September) as well as other routes. Mr. Gabig stated that it will be at least two years before the Sector acquires any articulated buses.

He reviewed highlights of the budget and stated that Sector staff will provide a more detailed Sector-specific budget once it is available.

Mr. Gabig provided a brief update on the status of the new Division 9 Transportation Building. Groundbreaking is expected to take place in late summer or fall. Construction will proceed on a 14-month design-build schedule. Currently the Sector is in a negotiating process with the design/build bidder. It is also finalizing authorization to build on the Caltrans-owned property. The Sector hopes to have a contract by June 2005.

8. RECEIVED an update on the Status of the Consent Decree by Jon Hillmer, Service Development Manager.

Mr. Hillmer reported that both the MTA and Bus Riders Union (BRU) submitted documents earlier this year to the Special Master, who recently ruled mostly in favor of the BRU. The Special Master directed MTA to add more service to local on Rapid bus corridors. The agency still needs to implement 15 more Rapid bus lines. We have been instructed to add more local service, as the Special Master felt we removed too much local and/or limited service when we implemented new Rapid Bus lines. We have typically removed about 45% of the local service and added Rapid Bus trips.

Key provisions of the new Consent Decree requirements include:

- Combined local/limited stop service must constitute no more than 33% of total bus service provided.
- A minimum of 134 buses must be added to peak service.
- Current resources must be maintained in the pilot program, which was designed to test new types of service.

An implementation plan must be submitted to the Special Master by July 31, and will likely be executed sometime in the next fiscal year. More clarification is needed from the Special Master as to what each of the three new orders will entail for the agency. The agency estimates that the new Consent Decree provisions will add \$20-45 million per year in operating costs. Several options are available to meet the new requirement

to add 134 buses. Purchasing the required number of buses will add an estimated \$60-75 million per year in capital costs.

Alternatively, the agency may delay the retirement of older buses. Mr. Hillmer noted that in complying with the new orders, the agency may shift some service to Division 9, which would increase the Sector's operating costs.

Councilmember Heard asked if the 134 buses will be deployed system-wide.

Mr. Hillmer responded in the affirmative, and added that most of the new buses will be used for Rapid bus corridors.

9. RECEIVED an update on the Status of the San Gabriel Valley Transit Restructuring Study by Emma Nogales, Senior Administrative Analyst.

Ms. Nogales reported that the San Gabriel Valley Service Sector, Foothill Transit, Montebello Bus Lines, and various cities within the Valley are currently seeking a consultant for the Study. The purpose of the study is to develop an optimum integrated transit plan that utilizes the community based sub-regional and regional transit assets to their best advantage and to provide the framework for the implementation of the Metro Connections program. Metro Connections is a bus service restructuring effort intended to move the region's predominately grid route system to a hybrid hub and spoke service delivery system. The consultant will be selected from Metro's pre-selected approved bench. All of the bench consultants were invited to a pre-proposal conference held on April 19, and four proposals were received on April 28. The Sector will submit the rating, based on predetermined criteria, for each proposal to the Procurement Department tomorrow. Procurement will then tabulate the scores and notify the Sector of the results by the end of May. The award date has been set for the end of May, and the study will commence in June. The Sector anticipates that the study will be completed sometime in March 2006.

Chair Doyle asked if the consultant will make a presentation to the Council once the process is complete.

Mr. Gabig responded affirmatively.

Mr. Gabig announced that Liz Armijo, who has been employed with the Sector for the past three years, will be leaving due to a reduction in Community Relations staff.

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

ADJOURNED at 6:40 p.m.

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Michele Chau, Council Secretary