

Friday, November 17, 2006 - 9:30 a.m.

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# Minutes

Los Angeles County  
Metropolitan Transportation  
Authority

## SOUTH BAY SERVICE SECTOR COUNCIL REGULAR MEETING

Carson Division 18  
450 West Griffith Street  
Carson, CA 90248

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The meeting was called to order at 9:35 a.m.

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Service Sector Representatives Present:

Terisa Price, Chair  
John McTaggart, Vice Chair  
John Addleman  
Margaret Hudson  
Lou Mitchell  
Devon Deming

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Officers:

Dana M. Coffey, General Manager  
Joanne Harper, Administrative Aide



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1. **Safety Contact** by Metro South Bay Volunteer.

Michelle Caldwell, Deputy Executive Officer, Office of Management & Budget, provided the safety tip for today's meeting. She advised to always inspect and assess all sides of an object to be moved before picking it up or moving it.

2. **APPROVED corrected Minutes of the October 13, 2006 Council Meeting. Representative Devon Deming's comment on page 7 referred to on-time performance. Ken Ruben's comment on page 8 referred to Lines 444, 446, and 447 and not Line 480.**

3. **PRESENTED Agency-wide Structural Deficit**

Michelle Caldwell provided handouts and explained revenue factors that increase or decrease Revenues. The new Transit TV advertising contributes \$100,000 annually to revenue. The high cost of fuel, employee benefits and service hours decrease revenue.

Three business core units are included in Metro's total annual budget of nearly \$3 billion dollars: bus and rail operations and capital programs, countywide planning and development and major construction programs. Bus and Rail Operations and Future Capital Programs comprise 40%, and have deficits. Planning and Construction Programs which are limited to funds available, represent the remaining 35% and 25%, respectively, and do not have deficits. Operating and capital expenses exceeded fares, advertising and formula subsidies. Prop C funding in 2006 provided discretionary allocations to balance these costs. A distribution of funds to Metro from Federal, State and local taxes were shared with other municipals. Rail is funded 100% and does not have formula subsidies.

As a result of the Consent Decree, Metro added 1.4 million annual revenue service hours. This increased the deficit by approximately \$166 million per year. In addition, service increases for the Metro Rail system included 3-car trains for the Blue Line, and the Red Line added Segments 2 and 3. The Gold and Orange Lines originated and Metro Rapid improvements were initiated and implemented. Fuel costs escalated 117%. Employee healthcare and pension costs increased 90% during the past five years. Metro initiated strategies to offset its structural deficit by aggressively identifying the following efficiencies:

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- Layoff of 545 full-time employees
- Focusing resources to increase ridership
- Extending the life of capital assets to reduce annual capital expenditure
- Deferring non safety-related capital maintenance programs; and
- Pursuing joint development projects to enhance revenues.

Ms. Caldwell said the City of Los Angeles and the Board of Directors want to improve service and stimulate the economy. The proposal to increase fares in FY08 will be presented to the Board of Directors in FY 2007. Acting Chief Operating Officer Carolyn Flowers said Metro expects to receive a CNG rebate next year, as Metro is the largest clean-air fleet in the country.

Representative Deming suggested that Proposition 1A and 1B will provide capital funding for more carpool lanes, rail improvements and operations in the State. Officer Flowers added that passage of the Propositions will also help to provide Transit Security improvements.

Chair Price asked how many service hours Metro can operate without incurring a deficit, based on existing revenues and the cost of service. Ms. Caldwell reported that rail and bus operations share one source of funding. Ms. Price asked whether the FTE reductions were administrative and if Metro benefited from those eliminations. Ms. Caldwell said the eliminations were limited and excluded bus operators and mechanics. Ms. Price said she supports FTE reductions only if a real difference results. Ms. Caldwell said that Metro lowered its overhead costs but no savings occurred.

Mr. Addleman asked how extending the life of capital assets affected the budget, considering the time and expense involved. Ms. Caldwell said the process is not feasible and Metro does not want to duplicate this pattern in the future, compared to the past ten years.

#### Public Comment

Ken Ruben asked if the Consent Decree had ended and how the Consumer Index has affected Rail operations.

#### 4. **PRESENTED** Agency FY08 Budget Kickoff and Schedule

Ms. Caldwell said that development of the Capital Program for the FY 08 budget is underway. She handed out a calendar that outlined the schedule for development and adoption of the entire FY 08 MTA budget.

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Representative McTaggart suggested deadheading was a problem and moving service around might help to avoid it. He thinks buses should be positioned to begin service closer to where they are located.

Ms. Coffey stated that in the December shakeup, Line 120/121 service will be separated and the eastern half transferred to another sector. This will reduce deadhead for Metro South Bay. Service on Line 121 will be assumed by Metro Gateway Cities and provided from that sector's division. She said that in general our divisions are full limiting our options to move service around. A new Union Division is necessary to provide service in the downtown Los Angeles area. Until then, South Bay will continue to work with other sectors to provide service.

Ms. Flowers confirmed Ms. Coffey's remarks, and suggested the Regional Rebuild Center near Union Station as a possible location to create a new bus operating division. The fleet is quite large and has grown in excess of the capacity of Metro's current property.

The Governance Council is responsible for approving the sector's budget prior to its submission to the CEO. After the MTA staff makes changes in the budget, it is returned to the sector for Ms. Coffey's review and final submission.

5. **PRESENTED** Agency 10-Yr. Financial Forecast

Mr. Terry Matsumoto summarized Metro's ten-year forecast from FY07 – FY16. The ten-year forecast drives the Long Range Transportation Plan, and ensures that other plans, such as the Short Range Transportation Plan, bus and rail service plans, bus and rail fleet plans, and facilities plan are synchronized and constrained within the expected financial resources. He reviewed assumptions of revenues, expenses, the capital program, major construction projects, results, and next steps to resolve deficits.

Expected strategies to resolve the deficit include decreased costs through service reshaping, and increasing revenues. Adoption of the Financial Stability Policy by the MTA Board in October, and upcoming Board items such as adoption of a Fare Policy and Farebox Recovery Ratio target will provide direction for the LRTP. A review of the Business Planning Parameters in January will set the assumptions for FY08 budget development and FY09 planning documents.

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Mr. Matsumoto provided a thorough analysis of the financial forecast, answered questions and was invited to attend the next Council meeting on December 8, 2006 to provide an update on the ten-year forecast.

Public Comments

J.K. Drummond asked about funding intended for the San Pedro Transit Center going instead to the San Fernando Valley to restore an old depot. Chair Price said the City of Los Angeles recommended the funding be redirected to the Lankershim Depot Regional grant.

Lionel Jones commented on fares and new technologies. He suggested that the Washington D.C. Metropolitan Area Transportation Authority has annual fare increases and that Metro should try something similar. He also recommended the hybrid electric bus which is expensive to buy but cheaper to operate. He suggested elimination of the EZ Transit Pass and retention of the Day Pass.

Ken Ruben commented that Metro's fares are lower than most cities citing San Diego's \$2 cash fare and \$5 day pass. He suggested raising the (cash) fare by \$1.00 and the day pass to \$5.00. He favors using the Smart Card as fare media.

Representative Deming said the \$3.00 day pass provides an incentive and savings over paying cash for any rider that makes more than two boardings a day. She considers \$5.00 a reasonable amount for the day pass, given that most riders make four or more boardings a day on the system.

**6. PRESENTED ANTONOVICH MOTION**

Acting Chief Operating Officer Carolyn Flowers said the Antonovich Motion represents an opportunity to expand the service sectors' ability to manage their resources and make decisions. Executive Management continues to study the issues that exist between the original concepts for the service sectors and how they operate today. The concepts will be revisited. A response to the Motion is in progress. Each sector will be providing comments.

Representative McTaggart commented that perhaps the sectors should have control of contract operators. Ms. Deming and Ms. Hudson agreed.

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Ms. Flowers expressed concerns but is excited about the Antonovich motion and is looking forward to moving ahead. She wants to get written comments as soon as possible to take back to the Board in January.

Ms. Price stated that tier-one service changes presently need to go before the Board for approval. The Governance Council makes recommendations but final decisions on tier-one and Rapid service are made by the Board.

Mr. Addleman stated that direct input on financial aspects of the budget by the Governance Council was taken out of their hands. He suggested the Council needs more authority to provide input. In this way, the sector can help out with the structural deficit, for example.

7. PRESENTED Agency-wide Fare Restructuring Program

Mr. Matsumoto said modifications to the fare structure are necessary to increase revenues. Other large transit agencies recover a much greater percentage of costs through the farebox. New York City for example recovers more than 60% of its costs through fares, and Chicago more than 50%. Meanwhile, Metro is around 25% and dropping. He suggested that fare increases could be tied to increases in CPI, but ultimately it is up to the MTA Board. He recommended the \$1.25 cash fare should be retained due to a more favorable formula funding allocation. The Board however might consider raising pass prices. Regarding technology improvements, Mr. Matsumoto said the Smart Card is appealing because it can be used to make other purchases, for example in retail shops near transit stations. It appears to be an excellent tool because many vendors can use it. In May 2007, Metro is expected to begin its first leg of fare restructuring.

8. PRESENTED FY08 Service Changes

Mr. Scott Greene's presentation included a quick review of service improvements for December 17, 2006 and a look ahead to proposed changes for June 2007. All system lines will be reviewed and service provided where necessary. Service is designed to connect with activity centers, meet customer service demand and continue to interface with other Municipal and local operators. Customers have additional local and Rapid buses to use and Metro is working with Beach Cities, Torrance, Gardena, Palos Verdes, Carson and other municipals.

Next month, in December 2006, the Council will be asked to set a public hearing date of February 9, 2007. The public hearing notice will be published

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in newspapers early in January 2007. On Sunday, January 7, 2007, the Los Angeles Times' publication begins the public input process that ends on February 14, 2007. Mr. Greene outlined the service change process for Metro South Bay:

- ◇ December 8, 2006 – Council sets public hearing date for February 2007
- ◇ January 7, 2007 – Publish Public Hearing Notice  
February 7 through 14, 2007 – hold Public Hearings (if approved, Metro South Bay's hearing would be Friday, February 9)
- ◇ March 9, 2007 – Council approves results of public hearing and takes action on service changes for implementation in June 2007 or later.

9. Chair's Comments

Ms. Price said she is excited to hear what was presented to the Board, in terms of service changes and provisions. She would like an invitation extended to Rod Goldman to attend the December meeting to update the Sector on the status of Metro Connections. She is interested in more information about the possibility of a new division and whether Metro has purchased additional property. She also would like to know which lines will be included and whether an additional sector will be added. Ms. Price also said she would like to see the process for reallocating lines from one division to another. Ms. Price asked that these items be placed on the Agenda.

Ms. Price also mentioned that the process to nominate a new Governance Council member is underway. She suggested that anyone interested in participating should call Jacki Bacharach at (310) 377-8987. Ms. Price closed her remarks by stating that she recently attended the Access Services annual meeting and that the paratransit service is good but expensive.

10. General Manager's Comments

Ms. Coffey said the South Bay sector's Governance Council meets the second Friday of each month usually at the Carson Community Center. The November meeting here at Division 18 gives operators an opportunity to provide input. She said that as Line 450X continues to grow the service on the Harbor Transitway may need to be provided with articulated buses. Over time, more buses will be needed throughout the system to reduce waiting time and to improve service reliability.

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11. Public Comments

Representative Devon Deming expressed her concern about old meeting dates listed on South Bay Sector's website. She suggested that Metro update the website regularly. Ms. Deming announced that Los Angeles World Airports as an employer intends to join the annual Metro pass program. As a result, many airport employees will convert from the monthly pass to the annual transit access pass.

Ms. Hudson said she agrees with Mr. Hobson's comment at the previous meeting that the allocation of running time for buses on the Harbor Transit way is not enough which makes it impossible for buses to remain on schedule.

As a follow-up to her comments from a previous meeting, Ms. Lou Mitchell said the service improved at First and Main Streets. Buses are pulling into the curb and stopping.

Mr. McTaggart reported the quality of service improved on Lines 444 and 446. While riding on the 446, stops were called, the bus was clean and on time, with schedules available, and the Transit TV worked.

Chair Price reported that e-mail access (via Metro) for Governance Council members was requested earlier this year. Ms. Coffey will contact Matt Raymond of Metro Communications to determine the status.

Public Comments

Ken Ruben commented about Metro's finances, fares and the Consent Decree. He appreciated the video that Rich Morallo made in which he spoke five minutes on Metro's status as "America's Best" in the transit industry.

Rafi Katzir addressed service changes on several lines, including Line 202. He suggested cancellation of service north of Myrrh and replacing it with Lines 105 and 705. On Line 214, he thinks Metro should cancel all service and replace the service on Broadway with Lines 45 and 745 and Main Street service should be replaced with Line 48. He suggested cancellation of Line 305 and requested retention of Line 444, south of Artesia.

J.K. Drummond commented he would like to see schedules of South Bay Sector Governance Council meetings posted on buses. Mr. Drummond also said the Line 446/447 bus stop signs on northbound Avalon Boulevard should



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indicate that service to Los Angeles only runs during rush hours and late at night. Also he suggested Line 720 Wilshire Metro Rapid needs a stop at San Vicente so passengers can transfer to and from Lines 305 and 550.

Ms. Dorothea Jaster reported two buses are required for a one-hour trip from the Carson Community Center to Division 18, which should only take 15-minutes. As a resident of Harbor City, she says passes and monthly stickers are difficult to obtain in the South Bay – she either has to go to Ralph’s or to downtown LA to buy monthly stamps. She suggested that Metro should sell passes and stamps at the Artesia Transit Center. Also she asked for a water fountain on the side of the building at Artesia Transit Center.

Lionel Jones said that Division 4 should be re-activated to reduce deadhead. He also claimed that bus operators do not always adhere to posted detours; Recently, he observed detour signs posted for passengers in downtown L.A. but the Line 446 bus operators ignored the detour route that Metro had set up. He also suggested that Metro should not abandon suburban areas like Cerritos.

Ms. Price commented that the Council recognizes the need for greater coordination between Metro and other municipals.

Nisala Premaratna commented that he rides the Line 710 bus to school and work. The bus stops at El Camino College but it’s the next stop is not until the Del Amo Mall. He requested a new bus stop at Redondo Beach Boulevard. and Yukon Avenue to provide better access to apartment buildings and to Alondra Park. The riders today must get off at El Camino College and walk all the way to Yukon.

12. The meeting ADJOURNED at 1:07 p.m.



Administrative Aide