

Wednesday, April 11, 2007

CORRECTED MINUTES

Westside/Central Service Sector
Governance Council

Regular Meeting

La Cienega Tennis Center
325 S. La Cienega Blvd.
Beverly Hills, CA 90211

Called to Order at 5:03pm

Council Members Present:

Brad Robinson, Chair
Jerard Wright, Vice Chair
Peter Capone-Newton
Greg Fischer
Carol Gross
Joyce Perkins
Glenn Rosten
Terri Slimmer

Officers:

Mark Maloney, General Manager
William Walker, Council Secretary

****Note:** Corrections appear in Items 5 and 7 below

1. RECEIVED Public Comment for items not on the agenda

Kymberleigh Richards, Southern California Transportation Advocates – Expressed dissatisfaction with the result of the Sector Council vote regarding changes to Lines 20 and 21.

Cathy Bator, Silver Lake Transit Coalition – Said Metro Rail escalators are out of order too frequently, elevators often smell of urine, and Metro bus operators are not receptive to passenger requests. She questioned whether operators received customer service training. Ms. Bator also requested that Line 302 operate later than 8:45 a.m. and that more limited-stop or new Metro Rapid service be implemented along the Sunset Boulevard Corridor.

2. APPROVED Minutes from the March 14, 2007 meeting.

3. Report from Council Members on their line rides – None

4. RECEIVED General Manager's Report from Mark Maloney:

- Rich Morallo replaced Jody Feerst as Community Relations Manager for the Westside Central Sector.
- February Performance Indicators
 - Mean miles between mechanical failures have been above target over the past few months, because of an extensive focus on preventative maintenance program.
 - Complaints are at a record low level for the Sector.
 - On-time performance shows improvement despite achieving only 67%, 5 percentage points below target.
- Escalators and Elevators at Metro Rail Stations:
Metro renewed its contract with Mitsubishi five months ago with a Prop A funding allotment that tripled the amount spent on repairs to Metro Rail Station escalators and elevators. Overall, escalators and elevators are performing better than before. The elevators are a continuing problem due to the lack of public restrooms on the Metro Rail system.

RECEIVED Responses to General Manager's Report:

Representative Fischer said he would look at ways to consider installing more self-cleaning public toilets in areas where space permits them in his city council district, which encompasses much of the Westside Central Sector.

Sector General Manager Mark Maloney agreed to look into Metro Rapid coaches that use lane 2 on the I-10 to deadhead at 55 miles per hour, which slows the flow of other traffic.

5. RECEIVED update on FY 08 Budget and Fiscal Report, Terry Matsumoto, Chief Financial Services Officer

MOTION – that Westside Central Sector will consider drafting a statement supporting the proposed Metro fare increase at the May Sector meeting (Rosten/Gross). MOTION CARRIES WITHOUT OBJECTION.

Chief Financial Services Officer Terry Matsumoto presented the Deficit Management Plan for fiscal year 2008. Without new revenue or cost reductions, Metro will run out of money in fiscal year 2009. For that reason, Metro is proposing a three-phase fare increase that will hopefully help the agency achieve a farebox recovery rate of 38%. Even after achieving a healthier farebox recovery ratio, Metro would still need to use \$125 million from the reserve in order to balance the budget.

Other deficit reduction goals include:

- Continuing to improve service productivity and efficiency by implementing Metro Connections and increasing seat capacity through the acquisition and deployment of larger buses in high demand corridors
- Increasing services for Metro customers
- Maintaining bus and rail purchases and facilities capital programs
- Eliminating the deficit in 5 years
- Reducing spending in administrative, capital and service delivery areas
- Establishing more consistent pass cost to number of rides ratios
- Increasing revenue with new taxes, changes to the Formula Allocation Procedure (FAP) or increasing fund balances, and increasing fares.

Mr. Matsumoto discussed some of the reasons a fare increase might be justified, including a listing of transit agencies with base fares ranging from \$2 to \$3, day passes from \$4.50 to \$9, and monthly passes from \$25 to \$104

today. He also compared the cost of a gallon of gas (\$3.25) versus a day pass cost (\$3), making Metro an overall better deal for most.

Timeline

- Two-tiered fare increase proposal will be considered at a June Public Fare Hearing. [Subsequent to the meeting, May 24, 2007 was announced as the public hearing date.]
- A fare increase can be approved anytime after the public hearing.
- A third fare increase will be required in FY10.

Representative Rosten asked if the rate of fare increases has kept pace with Metro expenses. Mr. Matsumoto said costs per hour have gone up less than cost-of-living because of efforts made by Sector staff to keep costs at a minimum. However, costs have risen at a higher rate than fares and pass prices, which have hardly risen at all. The Consent Decree also considerably restricted the ability for Metro to raise fares.

Representative Rosten asked how fare increases would be implemented through the TAP system. Mr. Matsumoto mentioned that once the fare increases are implemented, the TAP (Transit Access Pass) program will be up and ready to handle all fare changes, and will be the only pass instrument before the end of 2007.

Representative Capone-Newton asked what structure would be utilized when implementing the Regional TAP program. Mr. Matsumoto said each system will retain its sovereignty in setting fares and that the Best Fare program model would not be adopted.

Representative Slimmer asked what percentage of ridership would be lost **and whether Metro considered how this might impact traffic delays**. Mr. Matsumoto said that 2.3% of ridership is lost for every 10% the fare increases. The first increase will increase revenue by 30%; 6.9% of ridership will be lost according to the formula. After the most recent fare increase in 2004, just two months after the increase, Metro was already back at pre-strike ridership levels, during a period where gas prices were only \$2 a gallon.

Representative Gross asked how soon the Universal Fare System (UFS) would be up and running. Mr. Matsumoto said that once three agencies are using the TAP system, the central clearinghouse computer that processes data for the Regional TAP program can begin operating. This should occur sometime in summer 2007.

It was noted that CEO Roger Snoble encourages any letters of support regarding the fare proposals. If the fare increase proposal is not approved, the service hour reduction (over twice the number of service hours cut the previous fiscal year) will negatively impact Metro's operating service level.

Representative Wright asked **if the Metro Muni changes with the Metro Connections would affect the Formula Application Procedure and if** staff considered raising the price in July 2007 to \$1.50 in order to lessen the jump in price from \$1.25 to \$2.00 in 2009. Mr. Matsumoto responded by saying the Formula Allocation Procedure (FAP) would make it more expensive to raise the fare 25 cents than not raising the fare at all. He also said the FAP will most likely be amended before January 2009, the time of the next scheduled fare increase.

Representative Rosten suggested using a publicity campaign that compares the cost of food, household, utility and mortgage/rental expenses to the cost of Metro fares.

Representative Slimmer asked how much the fare increase would benefit Metro in terms of bringing down the structural deficit. Mr. Matsumoto responded by stating that over five Deficit Management Plan the first fare increase would generate \$80 million dollars in new revenue, approximately 40% of the structural deficit. The one-year deficit cost was originally \$104 million. The second increase, 1/1/09, is expected to generate an additional \$80 million dollars, another 40% of the deficit. The third increase will generate the remaining 20 percent. \$125 million in reserve revenue, Metro Connections service changes and increases in sales tax revenue will also be required to fill the gap for revenue not generated from fare increases.

6. RECEIVED final draft on 2007 Transit Service Policy, Stephen Fox, Program Manager for Metro Rapid Operations.

Steve Fox gave a report regarding the update of the Metro Transit Service Policy, first adopted in 2003, and updated in 2005. The policy is revised every two years. Many of the changes for this report included adding bus stop sign and location guidelines, adding line identification standards, relaxing some Metro Rapid warrants, and other minor additions and refinements. The report is currently being reviewed by stakeholders, including all five Sector Governance Councils, and will be presented at the May Metro Board meeting for approval.

7. RECEIVED report on Worker's Compensation, Michael Greenwood, Deputy Executive Officer, Transportation Contract Services, FSP/SAFE, Safety, Worker's Compensation and RTW.

Mike Greenwood gave a brief history of challenges Metro has faced in the Workers' Compensation area over the past decade. With the help of DuPont Safety, Greenwood reports that Workers Compensation claims dropped over 20 percent, the number of new claims per 200,000 exposure hours dropped 27 percent and the number of lost work days declined by almost half. He also reported that drivers have been generally receptive about ergonomically designed driver seats that have been installed on articulated buses, new back supports for drivers manufactured by Moller Orthopedic and available to any bus driver free of charge, and a new decal that will warn drivers passing articulated coaches to pass the left side rear view mirrors with caution. North American Bus Industries (NABI) has also admitted to a flawed left-side mirror-mounting bracket and is in the process of replacing each mirror on all articulated buses. Other improvements include Sector Safety Management team members taking a more in-depth look at accidents and performing more line saturations, an effort that has included multi-department support on dense corridors including Sunset, Wilshire and Santa Monica Boulevards.

Mr. Greenwood agreed to look into an employer-sponsored wellness programs.

Representative **Gross** requested that Metro adopt an incentive program for workers using exercise equipment and maintaining a healthy weight.

8. Chair's Remarks

The Chair suggests that officer elections be held in May rather than June.

RECEIVED Remarks from Council Members

Representative Capone-Newton requested a presentation on bunching of buses along bus lines and how the problem can be resolved.

ADJOURNED at 6:50 p.m.



Los Angeles County Metropolitan Transportation Authority
Westside Central Service Sector Council Regular Meeting
Minutes – Wednesday, April 11, 2007

Prepared by: William Walker
Council Secretary