

MINUTES

San Fernando Valley Service Sector
Governance Council

Regular Meeting

Marvin Braude Constituent Svc Center
6262 Van Nuys Blvd.
Van Nuys, CA 91401

Called to Order at 6:30 p.m.

Service Sector Representatives Present:

Kymerleigh Richards, Chair
Brad Rosenheim, Vice-Chair
Richard Arvizu
Coby King
Joan H. Leonard
Nury Martinez
Jesus R. Ochoa
Marsha Ramos
Mel Wilson

Officers:

Richard Hunt, General Manager
William Walker, Council Secretary



Metropolitan Transportation Authority

Metro

1. Pledge of Allegiance
2. APPROVED **Minutes** of Regular Governance Council Meeting held April 4, 2007.
3. RECEIVED Chair's Remarks. Chair Richards reminded those attending the meeting to have respect for others when they are speaking and asked that attendees refrain from speaking out of turn during meetings.
4. RECEIVED General Manager's Statement of Record by Richard Hunt. Mr. Hunt informed attendees that all public testimony made at this meeting will be forwarded to the Metro Board of Directors and will become a part of the official record for the Metro Fare Public Hearing , which will be open to the public and held at Metro Headquarters, 1 Gateway Plaza, Los Angeles, on Thursday, May 24 at 9:30am. Mr. Hunt also informed the public that comment could be made in writing, via electronic mail, by telephone or in person.
5. RECEIVED Public Comment

Philip Figatner – Suggested that Council Members limit their own comments to two minutes per member per agenda item and post agenda items and handouts on the Metro website one week prior to the Sector Council meeting. Public comment regarding presentations should be allowed in some form. These comments should be submitted to the appropriate department and entered into the meeting minutes. Mr. Figatner said that Sector Council meetings should be no longer than two hours and that Metro would not attract new riders if a bus takes twice as long as other travel modes, or are often dirty, poorly maintained, uncomfortable, or susceptible to socially dangerous situations. Making buses more attractive and efficient, since they carry 70% of the agency's ridership, will go a long way in attracting new riders.

Ray D. Lopez – Suggested a routing alternative for the Orange Line Northern/Canoga Extension and wished the Council a Happy Cinco de Mayo, Memorial Day, and a safe summer.

Rick Rofman – Summarized his most recent ride on Metro Line 150 Ventura Boulevard, mentioned *Pacific Electric Red Cars: Images of Rail*, a book by Metro Archivist and author Jim Walker who works at the Metro Library, and commended a transit website that tracks the history of every bus route and every street served under Metro and its predecessor systems.

Arnold Francke – Suggested that drivers be empowered to ask students who ride the bus to take their feet off seats when riding and to ask all riders not to bring food or drink onto the buses. Said Metro rolling stock is subsidized by tax dollars, that many people do not pay taxes, and that taxpayers should not have to compete with these people. He added that these people should also be more considerate.

Marvin Hirsch – Complemented the affordability and convenience of the Red and Orange Lines, which happen to be much more affordable than driving and paying \$11 for parking. He also suggested Metro partner with the Los Angeles Opera and Philharmonic to increase ridership to these venues. Does not support an increase in senior and disabled monthly pass prices.

Miriam Folger – Suggested raising fares more gradually – raising the senior/disabled pass price to \$20 and the student pass price to \$30.

Michael Grant – Asked how the fares were determined in the new Metro Fare Structure proposal.

6. DISCUSSED Proposed Fare Changes and Revenue Generating Alternatives.

APPROVED MOTION – That the Council recognizes, in respect to the proposed fare increase, that some fare increases are necessary to avoid service cuts, but that the proposal should be restructured so that the bulk of the increase does not fall upon our best customers; but the increases and the discounted passes is excessive; further that the agency should consider ways to avoid placing undue burden of the fare increases on the working poor including possible means testing, discounted passes; and that the agency should look into other more creative fare structures that reward our best customers and generate the revenues necessary to maintain and expand the system. (King/Leonard)

**AMENDMENT – That any fare increases that are implemented should be done more gradually than the current fare structure proposal.
(Ochoa/King)**

AMENDMENT – That we encourage the Board and our partners to actively investigate the research towards creating additional revenue sources beyond fare increases.

**Further that the Board look into more creative fare structures that would reward our best customers along with other revenue sources from there.
(Rosenheim/King)**

RECEIVED Comment from Sector Council Representatives Regarding Proposed Fare Changes and Revenue Generating Alternatives

Representative Ramos said that she was disappointed that more members of the public were not present to share their sentiments on the fare proposal, but was appreciative of those who took the time to submit their comments.

Representative Martinez stated that she expected a larger crowd and the media to be in attendance. She didn't know to what extent the forum was publicized and didn't know whether riders understood that the forum was available for people to come and voice their opinion in case they couldn't make it to the May 24 public hearing. She was concerned that the burden of the fare hikes would fall on the poorest who rely on mass transit. She said she represented a community that relied upon mass transit which would probably be forced to buy cheaper cars that will not be very good for the environment. She said these were issues of significance for her region, the Northeast San Fernando Valley and that she hoped more people could attend public hearings so they could voice their opinion there.

Representative Leonard said that she continued to be disappointed that the official Metro public hearing would be held downtown, that there would only be one meeting, and that it would be on a workday when working people couldn't attend. She said the public hearing should be held on a Saturday in multiple locations around the city and surrounding county. She said that people who attend the May 24 public hearing may skew the perception of what is necessary for the whole because others who want to attend would not be able to. She also said that if there is no fare increase, then Metro would continue to have what are called "service changes," which she said is a euphemism for service cuts. She said Metro needs to

increase its farebox recovery ratio from 24 percent to 40 percent. She concluded by saying that the nation has experienced a widening in the gap between the rich and the poor. She mentioned that Los Angeles is the poorest major city in the United States with the greatest number of poor children; and that the idea that we have one fare is ludicrous. She said that there are many people who work who have benefited unfairly from the fact that we have not increased fares over the number of years because the Bus Riders Union filed a lawsuit against Metro. She said an across-the-board fare increase does not serve Los Angeles. She said that what was needed was a means test so people who could afford a fare increase would pay and that those who could not afford it would still be able to ride the bus. She said she felt sorry for Mr. Hirsch who said he lived on a fixed income and in subsidized housing, but said that the perception that all seniors are poor is incorrect. She said seniors had the highest disposable income as a demographic group despite having some of the poorest people. She said that when someone who drives a Lexus, decides to go to the Music Center, that they shouldn't be paying 45 cents at the cost of the people who need it most. She said that when a person who can afford to ride the bus pays a very small price, it robs us from increasing the service for the very people who need it. She said she challenged Metro and that she hoped more comments along with the public comments are going to be heard at the public hearing because she works and would not be able to attend the public hearing. She said she challenged Metro and the Mayor of Los Angeles to come up with a creative way to do means testing which would allow everybody who is poor to have an inexpensive ride on transit, and everyone who can afford it to pay more so everyone could have better service.

Chair Richards announced that a similar public forum would be held Saturday, May 19, 2007 at 10 a.m. at Metro Headquarters, 1 Gateway Plaza, Los Angeles, CA.

Representative Leonard said that the forum would be meaningless unless the members of the Metro Board of Directors would be in attendance.

Chair Richards said she presumed that the presentation given last month would be given to the public at the forum and that additional public comment would be taken. She also said that all comments of the Council Members would be forwarded to the Board along with the public comments of the forum and become a part of the public record

Representative Arvizu said that the first phase of the fare increase proposal was definitely needed, but he thought that the percentage of increases over a short span of time would be really detrimental to the people who are

transit dependent, on a fixed income, disabled and those who are college students trying to get educated to get a better job and a better position in life. He said that he agreed that fuel and labor costs were increasing, but said he felt that the types of increases proposed, 50, 100 and 200 percent increases over a short period of time, were really unacceptable. He said there should be smaller incremental increases and some structure within the fare system that allows for those who are needy to get some assistance in order to deal with the first structure increase. He voiced his opposition to the fare increase proposal because the time period was not long enough. He said fare increases should be more gradual so people understand what their other alternatives are and how the system could work better to accommodate everyone.

Representative King said he shared many of the sentiments of his fellow Council Members and said that it was clear that because the farebox recovery for Metro is much lower than comparable systems that fares clearly needed to increase. He said he did not really see how fares could not increase if Metro intended to maintain anything close to the existing level of service. He said expanding that service has been a hard-thought process, one that he thought was viable and served the public well. He said that Metro was headed in the right direction, had a ways to go, but needed to figure out how to pay for service expansion. He said he supported placing an emphasis on increasing daily fares rather than substantial increases in monthly pass rates. He added that the monthly pass rates are the core of Metro's customer base and that increasing these substantially would be too severe. He said that asking people on fixed incomes, students and other purchasers of discounted fare media to pay more than double what they are paying now would be unfair. He said that he hoped that the Board would dispose of the staff proposal and take another look at retaining the \$1.25 fare instead of increasing it on July 1, 2007. He said that no other major metropolitan transportation system charges less than \$2 now. He said that Metro should charge at least \$2 if not \$2.50. He also said that riders who ride frequently should receive a very substantial discount on monthly fare media purchases and that the proposed fare increases would lead Metro in the wrong direction and would punish loyal Metro customers. He added that Metro fares must increase if it is to deliver the current level of service.

Representative Rosenheim said there were two options: reduce service or increase revenue. He said that he did not think the proposed fare increases were the right solution because the rate of increase would be too dramatic and too fast. He said that Metro should not attempt to run itself like a business and that it should look at ways to run its operations more efficiently. He said that the organization is run very well but that there is a

public need that has to be served. He said that service reductions and dramatic fare increases are not feasible. He challenged the Board, unions and the Bus Riders Union to find other revenue sources, whether the revenue comes from municipal partners, the state or federal government. He added that riders would not be able to fill the gap and that Metro could not afford to reduce service. He mentioned self-taxation as an option since it was successfully used in the past to attract more riders. He suggested that the Bus Riders Union be engaged in the process in a positive way with the Metro Board of Directors and other stakeholders.

Representative Ochoa said that the public was probably not provided with a lot of the information that they sought regarding why the fare increase proposal was presented, but said he hoped the presentation provided some insight. He said that Metro has spent more than it has taken in over the past few years, has not raised fares because of mandates that were in place, and that the cost of business has increased in many areas. He also added that money from reserves has been used to help Metro balance its budget over the past year, and that this information is readily available on the Metro website. He said that fares have to be raised or else the reserves will be completely spent. He mentioned that Metro maintains the cheapest fare in the nation, that the system was recognized as the best in the nation, and that the system is very efficient. He also added that Metro needed to be fiscally responsible and that the only way to do that would be to raise fares. He also hoped that that idea could be supported

Representative Wilson said that given where Metro is considering the structural deficit and where Metro compares with other metropolitan transit systems with respect to its fares, its ridership and where fuel costs are going, that a fare increase is long overdue. He said Metro is woefully below the level it should be charging for fares and said the Bus Riders Union had some good causes for wanting Metro to improve its bus system. He suggested looking at the structural deficit from a long-term perspective, since Metro did not arrive at a deficit overnight nor would Metro get out its deficit overnight. He said that Metro needed to think of how it would position itself to help its customers. He suggested educating the public about how Metro fares compare with other agencies throughout the nation, which would then sensitize Metro riders to the fact that there is a need to increase fares. He also suggested changing behavior – encouraging more people to ride Metro. He then suggested looking at the big picture – positioning Metro to encourage riders to ride more frequently. He suggested Metro set goals to boost ridership and the frequency of ridership. He mentioned that Santa Monica Big Blue Bus operated at a higher farebox recovery than Metro several years ago and that their agency is much smaller than Metro. He said Big Blue Bus did

something right that worked and that Metro needed to look at how it could increase farebox recovery; set a goal for attaining anywhere from 40 to 45 percent farebox recovery as an achievable long term goal with the right approach; and invest in alternate fare structures, such as distance-based fare pricing, which are used by other transit properties, such as Washington Metropolitan Area Transportation Authority. Metro should look at ways to revamp the actual fare media in a creative way; consider how other agencies provide means testing for services and look at how to provide means testing for its riders in order to distribute the impact of a fare increase, provide a more equitable fare structure and help those who need it most. He said that there are discretionary riders who can afford to pay more. He also suggested Metro consider congestion pricing, basing price levels on demand. He mentioned varying staffing levels and the times of work shifts in order to operate and manage the system better. He said that riders should be offered a larger discount if they are willing to tolerate and ride the system, which, in turn, encourages more riders.

Representative Ramos said that getting more funds from municipal partners would probably not be realistic. She suggested that municipal partners work with Metro and the federal government to reduce duplication of service. She expressed frustration regarding the Burbank-Glendale-Pasadena corridor where both LADOT and Metro are planning to run services that are duplicative. She said that most Council representatives agree that some sort of increase needs to take place. She agreed that Metro should establish a means test, which would result in a tiered system – an idea that she supports. She also mentioned increasing base fare for infrequent riders who can absorb the brunt of the increase and giving breaks to more frequent riders as ideas that would help increase overall ridership and improve the environment in which we live.

Chair Richards said she agreed with about 98 percent of suggestions from the Council. She said the fare system should be based on small annual increments of the base fare and that everything else operate as multiples or percentages of the base fare. She suggested an annual incremental increase of 25 cents for the base fare over a three year period; a day pass based on three uses instead of four; a weekly pass based on twelve to fifteen uses; and a monthly pass somewhere within the 40 to 45 use range. She said that the Formula Allocation Procedure negatively impacts an agency's farebox recovery by designating a portion of any fare increase toward municipal operators that maintain more affordable fare structures with lower fares. She said she could only support an incremental increase if the FAP was amended to prevent agencies that raise fares from losing the funds generated from the fare increase. She also suggested that Metro

set the level of increase for discounted monthly fare media no higher than \$10 per year until the price level of discounted monthly fare media catches up with where the staff proposal would like it to be. She said she would rather see a fare increase than Sector Governance Councils having to consider severe service cuts.

RECEIVED Public Comment

Vince Garafolo – Said that a Line 233 bus passed him up deliberately at around 7:00pm this evening. Spoke against the fare increase.

Marvin Hirsch – Mentioned Atlanta runs a beautiful system, suggested Metro enforce fare policies on Metro Rail, and partner with major destinations in the region to encourage their patrons to ride Metro rather than drive alone and pay \$11 for parking.

Arnold Francke – Suggested Metro tell riders not to bring radios and televisions onto trains, and that Transit TV monitors are disruptively loud. Said that Metro should be accessible to all socioeconomic class levels.

Miriam Folger – Said the cost of living is too high in Los Angeles for riders to endure such a steep fare increase.

Bart Reed, Executive Director, Transit Coalition – Said that the fare increases should be gradual and that feeder services continue to go away which leaves Metrolink riders with no connecting service.

Philip Figatner – Suggested Metro sell more advertising on buses, eliminate all passes except day passes, create express lanes in high traffic areas for buses, ensure adequate parking at major hubs, such as North Hollywood Station, and advertise the online trip planner on drive time radio programs and billboards. Also suggested that Metro charge \$6 rather than \$8 for a day pass.

7. RECEIVED Service Sector Representatives Closing Remarks

Representative Ramos – Thanked public for their comments.

Representative Wilson – Encouraged public, especially stakeholders, to participate in public hearing on May 24th.

Representative Ochoa – Thanked public for coming, voicing their opinions, and hoped they would support the fare increase.

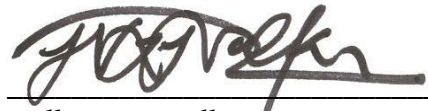
Representative King – Congratulated Representative Marsha Ramos on her election to Mayor of the City of Burbank and said Metro has to find creative ways to maintain and run the facilities and infrastructure it has built.

Representative Arvizu – Thanked the public for attending and commenting on the fare changes and said that Metro should increase its fares in a more gradual manner. He said there should be alternative ways to fund transit in Los Angeles County considering it is so sprawled out in comparison to San Francisco and New York. He also commended Metro for doing an outstanding job.

Representative Martinez – Wished there was more representation of ridership from those who truly use buses to travel to work, home; those who are disabled, elderly, or students – all segments of the community who did not get information regarding the fare increase forums and hearing in time.

General Manager Richard Hunt – Promised to increase outreach to customers, mentioned that the regional fare forum for the San Fernando Valley Sector was mentioned on KFWB radio and advertised on Metro vehicles. He added that those methods along with seat drops, notices on Metro vehicles, and other marketing measures will all be used to advertise the Saturday Fare Forum and the May 24 Fare Hearing. He also added that all Governance Council meetings will offer time for the public to offer comments regarding the fare increase proposal. He said Metro appreciates the Governance Council's creative ideas and wants to hear what customers have to say regarding the fare increase. He thanked the public for attending and thanked the Council for its patience, time and participation.

ADJOURNED at 8:10 p.m.



Prepared by: William L. Walker
Council Secretary