

MINUTES

San Fernando Valley Service Sector
Governance Council

Regular Meeting

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

Called to Order at 6:35 P.M.

Service Sector Representatives Present:

Coby King, Chair
Brad Rosenheim, Vice-Chair
Kymberleigh Richards
Richard Arvizu
Joan H. Leonard
Nury Martinez
Marsha Ramos

Officers:

Richard Hunt, General Manager
William Walker, Council Secretary



Metropolitan Transportation Authority

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1. Pledge of Allegiance
2. APPROVED Minutes of Regular Council Meeting held on May 7, 2008 and Special Council Meeting held on April 30, 2008.

3. RECEIVED Public Comment

Ray Lopez – Said a new Rapid should supplement Line 167 (Chatsworth-Studio City via Laurel Canyon) between 6 A.M. and 6 P.M. beginning in 2010. He wished Council Representatives and meeting attendees a Happy 4th of July and summer season.

Steven Jacobs – Said Line 169 (Saticoy) should operate every 30 minutes because it serves Valley Mental Health Center and other major points of interest. He suggested a new stop for Rapid Line 741 at Reseda and Strathern to serve several dense apartment buildings in the vicinity and residents with disabilities who live nearby and are transit dependent.

Sam Altman – Said he often waits more than 12 minutes for Line 233 northbound at Van Nuys Constituent Center. He also said that the law requiring that elderly passengers vacate seats for the disabled is unrealistic. He said that buses should only accept wheelchairs when seats are already vacant and available. He said that stops on Line 233 are too far away from the intersection. He also supports the plan to split Line 163 from Line 222.

Vince Garafolo – Said he received a citation for falling asleep on the Red Line. He also mentioned the double standard of Metro rail riders being cited for behavior that goes unnoticed on Metro buses. He said as long as bus riders are unpunished for sleeping on buses that rail riders should also go unpunished. He added that Line 152 needs one more trip added to the schedule daily because of traffic congestion.

4. RECEIVED Chair's Remarks – Chair King announced that it would be his last meeting serving both as Chair and Council Representative. He said he enjoyed serving the Council and that the Council accomplished a lot over the years. Mr. Hunt thanked Chair King for his dedication and service over the past five years and said that Chair King would be sorely missed.

5. RECEIVED oral report of Richard Hunt, General Manager.
- Key Performance Indicators
 - Traffic accidents per 100,000 hub miles is at 2.01. If the Sector continues at the current trend, Divisions 8 and 15 will set a record for the lowest number of bus accidents per hub mile in recent data history, thanks to the leadership of division managers.
 - Customer complaints are down 1.25 percent since FY 2007.
 - Introduced Sal Llamas as the newly appointed Maintenance Manager at Division 15.
 - Board approved FY 2009 Budget that included
 - Funds to restore most of the summer 2008 service reductions approved in March. Board acknowledged that San Fernando Valley Service Sector Governance Council led the effort to restore planned service reductions to better serve the riding public.
 - Six new rapid lines throughout the county, 2 of which (Lines 724 Lankershim, 794 San Fernando Rd) operate within the San Fernando Valley Service Sector.
 - 10 new transit operations supervisor positions, 2 of which will be placed in the San Fernando Valley Service Sector.
 - Funding for many projects including the North Hollywood Depot and the grade separated connection between the North Hollywood Red and Orange Line Stations due to the work of the San Fernando Valley Service Sector Governance Council.
 - 260 45-foot composite buses will be purchased for \$180 million over a 2-year contract period. Buses will begin to deliver in late summer and should finish delivery by June 2009.

RECEIVED QUESTIONS regarding General Manager's Report:

- Representative Richards said she is elated to hear the North Hollywood Depot has been included in the budget. She asked if the Customer Service Center was also included in the budget. Mr. Hunt said yes.
6. CARRIED OVER Election of officers, Chair and Vice Chair to August 2008 meeting.

7. RECEIVED oral report on Workers' Compensation Improvements, by Greg Kildare, Executive Officer, Risk Management.
- The issue of tackling workers' compensation costs has been through multiple chief operating officers. Metro has implemented a number of measures over the past 9 years to stem the amount of scarce resources being used to treat workers' injuries that could have been prevented in the first place.
 - In FY 2000, Metro had almost 3,500 claims for 10,000 employees, an average of 1 in 3 employees.
 - In FY 2007, Metro had about 1,200 claims, almost a 2/3 reduction in claims.
 - Dramatic reductions in workers compensation costs can be attributed to aggressive fraud investigation, transitional duty programs, a contract with Dupont for environmental and behavioral training, collaboration with line management on post-injury absence management, and collaborative management of claims with line management and labor relations.
 - Employees also don't have injuries impeding their quality of life
 - Lost work days per 200,000 employees is down from a high of 1,500 days per 100 employees per year in FY 2001 to just above 600 days per 100 employees per year in FY 2008.
 - Mandatory transitional duty return-to-work program was spearheaded by Dupont that forces people to return to work if there is something productive to do, or forfeit the workers compensation benefit.
 - In 2000, it was estimated that \$80 million would be reached in ultimate losses occurred in that year. Without safety improvements, the actual losses would have been \$100 million. Because of restructuring, the ultimate losses were reduced to \$30 million, saving over \$70 million in revenue that is returned to general operating costs.
 - FY 2008 is the best ultimate loss year, adjusted for inflation and number of hours worked, in Metro's history.
 - Payments are not declining because claims continue to pay out since the initial claim (some dating back to 1965). Payments have reduced since 2004 and will continue to decline as long as claim numbers continue to fall.
 - Workers' compensation debt (outstanding reserves) went from \$125 million in FY 2001 to a high near \$200 million in FY 2004. After state reforms to workers' compensation law, the debt has fallen to \$175 million and continues to decline.
 - San Fernando Valley Service Sector is on target for industrial injuries. The sector is a leader in utilizing the transitional duty program to

manage industrial injuries and keep workers compensation costs down.

8. RECEIVED and FILED Budget Update by Kathy Drayton, Finance and Admin. Manager.

- As of April 30, the San Fernando Valley Service Sector budget is operating at a positive variance of \$2.5 million, which is two percent below budgeted expenditures for that same time period.
- Labor spending is at a negative variance of \$184,000 overall. There is a \$1.1 million overage in overtime spending due to maintenance personnel (ATU) working overtime to keep older buses maintained and on special campaigns, such as eliminating graffiti. Other labor areas (UTU, TCU) are operating at positive variances, offsetting the ATU negative variance.
- Non-Labor is operating at a negative variance of \$803,000. Parts and revenue equipment has a negative variance of \$1.3 million. Costs are high because of parts for old buses and special campaigns to fix air conditioners and radiators in order to ready buses for summer.
- Fuel is operating at a negative variance of \$132,000. Costs per therm have increased but the variance is pretty small considering the increases in fuel prices over the past year.
- Allocated items is operating with a \$3.5 million positive variance. Personal Liability/Property Damage has a \$3.1 million positive variance, also linked to the low number of accidents Divisions 8 and 15 have experienced over the past fiscal year.
- Workers' Compensation is operating with a negative variance of \$450,000. This negative variance includes other departments in addition to the sector, but the area is still on track to end the year on target.
- Revenue service hours (RSH) delivered is below target at 1.1 million, about 98 percent of budgeted RSH at a cost of \$110.46 per RSH, about 15 cents above target. The Sector is slightly above budgeted costs because it is not delivering the full amount of service budgeted, which increases the average cost per RSH.

- Revenue as of April 30 is \$108.7 million. Taxes and federal grants fund 68 percent of the Sector's revenue, farebox recovery funds 15% of Sector revenue and 12 percent is generated by tokens and passes. The average amount of revenue generated per boarding is 66.7 cents, just below target of .67 cents.

9. Service Sector Representatives Closing Remarks.

- Several Council Representatives and Sector General Manager Richard Hunt expressed their sadness about Chair Coby King's resignation and said that Chair King will be missed.
- Chair King thanked the Sector Staff for all their great work over the past five years and especially thanked former Sector Manager David Armijo, Sector General Manager Richard Hunt, Administrative and Financial Manager Kathy Drayton and Service Development Manager Mike Brewer for their work over the years.

ADJOURNED AT 7:40 P.M.



Prepared by: William L. Walker
Council Secretary