

Wednesday, April 1, 2009

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 5:00 P.M.

Service Sector Representatives Present:

Brad Rosenheim, Chair
Richard Arvizu, Vice-Chair
Michael C. Cano
Joan H. Leonard
Jesus R. Ochoa
Marsha Ramos
Kymberleigh Richards

Officers:
Richard Hunt, General Manager
William Walker, Council Secretary



Metropolitan Transportation Authority

Metro

Minutes – San Fernando Valley Service Sector Governance Council Meeting
Los Angeles County Metropolitan Transportation Authority
April 1, 2009

1. Pledge of Allegiance
2. CARRIED OVER Minutes of Regular Governance Council Meeting held on March 4, 2009.
3. RECEIVED Public Comment

Ray Lopez – Suggested creation of Line 722 Rapid (Sun Valley-Hollywood via Hollywood Way) and wished attendees a Happy Easter Sunday.

Paul Dyson – Burbank resident; member, Burbank Transportation Commission. Commended Representative Ramos on her service to the San Fernando Valley Service Sector Governance Council.
4. Chair's Remarks – NONE
5. RECEIVED oral report of Richard Hunt, General Manager.

Key Performance Indicators

- Sector accident rate continues to perform at an all-time low.
- On-time performance targets will be increased for the upcoming fiscal year. The Sector is currently achieving a rate of 70.6 percent for the month of February.
- Workers Compensation for February is two-thirds of the anticipated amount, which is attributable to far fewer on-the-job injuries.
- Mean miles between mechanical failures continues to challenge the Sector considering the Sector's fleet has some of the oldest buses in the system.

Art Leahy appointed as Metro's new Chief Executive Officer

- Art Leahy returned to the company April 6 after beginning his career at predecessor agency Southern California Rapid Transit District (SCRTD) in 1971 as an operator.

- Leahy, a dedicated, nationally-respected transit professional, also led Metro Transit in Minneapolis/St. Paul, Minnesota and the neighboring Orange County Transportation Authority.
- Leahy comes from a long line of transit professionals, including his mother, father, brother and wife.

Roger Snoble retires from Metro after 7 years at the helm

- A public celebration at the Disney Concert Hall will be held Thursday, April 2 at 5:30pm.
- Mr. Hunt credited Snoble for his vision and said his impact was felt in many ways throughout the agency.
- The Metro Board commended Mr. Snoble with a well-received presentation and reception following the April Board Meeting.

Advanced Vehicle Technologies

- A gasoline hybrid bus is undergoing testing at the Sector and is on display outside the Governance Council meeting.
- New window design on the hybrid is a darker black film applied to the window glass that is not transparent or translucent glass like current models
- Plans for a 65-foot bus have been reviewed by Chief Operating Officer Carolyn Flowers, but obstacles may prevent California state law from being amended to allow the buses in mixed-flow traffic and Board support and direction will be needed to move forward with this project.

March Board Update

- The Board approved the purchase of 41 new 45-foot buses for the Congestion Mitigation Program. A contract will be negotiated for 41 additional North American Bus Industries composite buses.
- Discussion of the 2009 Long Range Transportation Plan (LRTP) was carried over until the new CEO has had time to review and comment on both the LRTP and the draft Short Range Transit Plan.
- The Board approved a 60-day extension to an already overdue rail procurement contract for 50 additional Breda light rail vehicles to support operation of both the Gold Line Eastside Extension and Expo Light Rail lines. Cars already received under the current procurement are over the specified weight and Metro procurement staff will continue working with the contractor to come to an agreement regarding the situation.

RECEIVED Questions and Comments regarding General Manager's Report:

Representative Rosenheim said that acquiring 65-foot buses for the Orange Line Extension was a high priority and asked that Mr. Hunt convey to Metro CEO Art Leahy that the Governance Council will provide whatever assistance is deemed necessary to proceed. He also suggested sharing a letter drafted by Administration and Financial Services Manager Kathy Drayton regarding the Sector Council's priorities for the Long Range Transportation Plan.

6. RECEIVED and FILED Budget Update by Kathy Drayton,
Administration and Financial Services Manager

For the eight month period ending February 28, 2009:

- The Sector budget is at a positive variance of \$4.5 million, 4.3 percent below budget.
- Labor: the overall variance for labor is \$1 million
 - Contract Labor
 - ATU labor expense is at a negative variance of \$963,000 because of labor shortages, employee leaves of absence due to long-term illness and other valid reasons for extended leaves. Extra work campaigns on older buses in the fleet are also a cause.
 - UTU labor expense is at a positive variance of \$1.28 million, attributable to utilizing part-time workers at a lower cost
 - Assignment ratio is at 1.172, just below the target of 1.18, attributing to the positive UTU labor variance.
 - Non-Contract Labor is at a positive variance of \$85,217 because of how charges are posted.
- Parts are at a positive variance because of credits received on parts returned to inventory. This trend will more than likely reverse before the end of the fiscal year.
- Fuel is at a positive variance of \$876,000 because of lower fuel costs and operating fewer revenue service miles than projected.
- Services are also at a positive variance, something that will change before fiscal year's end.
- Allocated and other items are at a positive variance; much of the savings is in the area of Personal Liability/Property Damage (\$2 million).

- Workers' Compensation is at a negative variance of \$407,000. Although January was a good month in regard to claims, maintenance claims are costing more than previously.
- The Sector operated 874,000 revenue service hours at a cost of \$116.97 per revenue service hour, 1.5 percent below the target of \$118.76 per service mile. The Sector only operated 97.2 percent of planned revenue service hours.
- The Sector has received \$111 million in revenue this fiscal year: 71 percent taxes and grants, 13.88 percent fares, 11 percent passes, and the balance in tokens and miscellaneous.

RECEIVED Questions regarding Budget Update

Representative Rosenheim asked the timeframe to decide whether a payment would be rewarded to individuals involved in an accident. Mr. Hunt responded that Metro generally will know whether or not a payout is imminent within 30 days of an incident. He said \$500,000 is set aside for certain incidents whether or not Metro is found to be at fault. Allocations can be adjusted dependent upon resolution of the case, potential litigation, or other causes.

7. RECEIVED update TAP Reduced Fares by Jim Pachan, Director, TAP Technical System.

Fare Product Rollout

- Over 400 vendors converted from selling paper passes to TAP cards
- Over half of the 75 discount vendor sites serving city halls and senior centers have been upgraded.
- Monthly and weekly pass conversion is pretty well transitioned for the most part.
- The Metro Passes by Mail program is still in the transition phase.
- Seniors and disabled began transitioning in January. Over 25,000 senior and 35,000 disabled applications have been distributed.
- College and Vocational School riders are mostly transitioned.
- Day pass conversion began at 11:59pm, Tuesday, April 14. It was by far the largest transition effort to date. Riders asking for a day pass are now issued a reloadable, plastic TAP card and are asked to continue reloading it each time they need to ride transit.
- Elementary, middle and high school students will begin the transition over summer. Officials from the Los Angeles Unified School District have met with TAP Operations staff to find ways to

ease the transition, considering LAUSD is the largest potential program participant.

- A pilot program with the Jet Propulsion Laboratory, a participant in the Metro Mail program, has proven successful. Online TAP management systems that allow transit pass program coordinators to order only what is needed have replaced the previously more arduous paper reconciliation system.
- EZ Pass conversion to the TAP card will likely begin in Fall 2009.

- TAP usage has increased by more than four million taps for a one-year period ending February 28, 2009.
- Monthly TAP pass sales have also increased by more than 20,000 in the one-year period ending February 28, 2009, which has leveled off any major increases in TAP sales for now.

Municipal Operator Conversion

- A regional central data control system was installed in Summer 2008
- Metro moved its TAP data to that system in fall of 2008
- TAP participants Santa Clarita Transit and Culver CityBus added their systems to the regional computer in December 2008 and January 2009 respectively.
- One operator from the region will be added per month until all

Conversion Periods for TAP Product Rollout

Pass Type	Paper-to-TAP Conversion Period
Monthly	June 2008-March 2009
Weekly	June 2008-March 2009
Senior/Disabled	January –May 2009
College/Vocational	February-May 2009
Day	March 2009
Students (5-17 w/ ID)	May-July 2009
Metro Passes by Mail	Began March 2009
EZ Pass	Fall 2009

participating municipal operators have been included.

TAP Operations staff will also continue working with member transit agencies of the Local Transit Systems Subcommittee (a consortium of smaller local transit operators throughout the County), Metrolink, and Access Services, Inc., in order to find alternatives (such as DCU lite validators) that will allow for the TAP card to be deployed as a truly regional fare card on all county transit systems.

Municipal Operator	TAP Commencement Date
Norwalk Transit	April 8
Foothill	May
Gardena	June
Montebello	July
Antelope Valley Transit Authority	August
Torrance Transit	Pending application
Los Angeles Department of Transportation (LADOT, DASH)	Pending Application

Rail Gating

- Creation of Metro gates involved four teams: technical integration, civil design and engineering, lease agreement development, and maintenance and technical support.
- Mariachi Plaza and Soto Stations on the Gold Line Eastside Extension will begin operation in June of 2009.
- Remaining gate installation will begin in June 2009 and be completed by December 2009.
- Stations receiving new gates include all Red and Green Line station and select Blue and Gold Line stations.
- Paper TAP card applications are being explored. Some of these could include one-way rides, day passes and interagency transfers.

Promotional and Future Programs

- Co-branded promotional cards with promotional artwork have been explored as a way to partner with local companies in order to increase the number of patrons or customers riding transit.

- A prepaid debit card will be initiated with Visa, International to create a co-branded TAP Visa Card. Visa will absorb the cost of the card, install self-service kiosks to allow customers to manage their TAP account as well as make both transit and general retail purchases on one card.
- Low cost limited use technologies such as Paper TAP and adhesive TAP stickers (which can be applied to cellular phones) will be explored to allow for even more widespread use of the TAP technology.

RECEIVED questions regarding TAP Reduced Fares Presentation by Jim Pachan, Director, TAP Technical System.

Representative Cano asked what policy would ensure a balance between accurate fare collection, on-time service, and the friction that occurs when TAP cards do not read correctly when a passenger boards. Mr. Pachan responded that the Metro Fare Policy does not change under the implementation of a TAP card. Operators are required to quote the fare and allow a fare evader to ride. If the customer is a regular customer that frequently abuses fare or is causing a nuisance, sheriff's department should be notified. Over 26,000 passes per day are being loaded onto TAP cards. It has been reported that some operators are forgetting to load TAPs correctly and TAP Operations is working with bus operations to alleviate this problem and also discover ways to make the process of loading TAP cards easier for the operator.

Representative Ramos asked why low cost validators are more beneficial for smaller operators. Mr. Pachan responded that many smaller operators that operate a fleet of three to four buses are interested in low cost validators so EZ Pass holders that ride more than one operator would be able to TAP onto those operators and a validator would indicate if that pass is valid or invalid. The validators are low cost and are attached to a cell phone that will update pass validation information electronically and wirelessly.

Representative Cano asked if there is a final deadline for municipal operators and local transit systems to sign up for the TAP program and whether an outreach program was proposed to inform EZ Pass holders where their passes can and cannot be accepted once the EZ Pass converts to TAP. Mr. Pachan said that the TAP Operations staff is currently working with all municipal operators and local transit systems to see what roadblocks may be preventing these agencies from signing on to TAP. Mr. Pachan added that the TAP Operations group is

monitoring the number of participating local operators and systems and that deadlines regarding when EZ Pass will become a TAP card will be relaxed if it is evident that all operators are not participating.

Representative Cano asked where to direct complaints regarding TAP. Mr. Hunt responded that the web will be used to respond to complaints and that Mr. Pachan is responsible for updating an internal website that is dedicated to discussing TAP implementation-related events. He added that the Metro management team is dedicated to the successful implementation of the TAP card which will allow for the Board to implement different types of fare structures that are not possible under the existing fare collection methods.

Representative Cano asked if Sector Councils could give input on future fare structures to be implemented under the TAP program, Mr. Hunt responded that fare structure is the purview of the Metro Board, but added that the Board has been open to receiving input on issues outside the Sector Councils' purview.

Representative Rosenheim asked if the Los Angeles Department of Transportation (LADOT) was in the process of joining the TAP Program. Mr. Pachan responded that a contract is being drafted between LADOT and Cubik. LADOT has already purchased 300 validators. The remainder needed to outfit the fleet will be acquired by September.

Representative Rosenheim asked if a year of TAP passes could be purchased at one time by customers who are not offered an employee pass discount program. Mr. Pachan responded that the only way to purchase a year's worth of passes would be through the Metro Business TAP (B-TAP) program. Riders will only be able to purchase passes one month at a time. Mr. Rosenheim added that Metro should explore ways to place the burden of funding transit on commercial and residential property developers and owners. Mr. Hunt responded that he discussed the purchase of an annual pass with Communications Officer Matt Raymond who said that once a program like TAP is instituted, it would be a lot easier to implement and manage an annual pass program.

Representative Ramos asked when the prepaid debit VISA TAP card would be introduced, why Visa was chosen rather than other credit card vendors, and whether Metro would benefit from the VISA TAP partnership. Mr. Pachan said that VISA is currently under contract for the VISA TAP card and that the product would be released some time in

the summer or fall of 2009. Visa will pay for the cost of all VISA TAP cards, return a percentage of all purchases made on VISA TAP cards to Metro and they will also invest a large amount in promoting the TAP card through self-serve kiosks and marketing campaigns at no-cost to Metro. The cards will also be readily available. Unbanked customers will be able to directly deposit their payroll checks to the debit card, which will separate transit spending from day-to-day expenses. It is anticipated that other credit card providers will sign on for future campaigns.

8. CARRIED OVER report Short Range Transit Plan for FY 2010-2014 by Rod Goldman - Principal, Diversified Transportation Solutions.

9. RECEIVED Service Sector Representatives Closing Remarks

Representative Ramos – Thanked Burbank Transportation Commissioner Paul Dyson for his remarks and for attending the Governance Council meeting. She said it was great serving on the Council for the past 3 years and hopes that transit services in the San Fernando Valley continue to be improved and enhanced. She said she learned a lot from fellow Council Representatives and thanked Mr. Hunt for his service and being responsive to concerns.

Representative Richards asked that the General Manager evaluation be placed on the June agenda. Mr. Hunt added that the item would be a Closed Session item.

Representative Leonard said that Representative Nury Martinez who resigned from the Board in March would be missed.

Representative Cano said the Council should protect gains made as a Sector in regard to the Metro budget planning process and find ways to expand at the local level. He added that the Council could advocate for more.

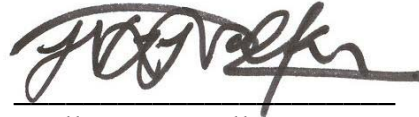
Representative Rosenheim asked that a budget presentation be added to the Council agenda in the future.

Representative Rosenheim thanked Representative Ramos for her service.

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Representative Rosenheim requested an update on Orange Line as well as ridership statistics.

ADJOURNED at 7:34 P.M.

A handwritten signature in black ink, appearing to read "W. L. Walker", written over a horizontal line.

William L. Walker
Council Secretary

Prepared by:

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