



Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
90012-2952

December 10, 1998

TO: BOARD OF DIRECTORS

**FROM: ALLAN G. LIPSKY
DEPUTY CHIEF EXECUTIVE OFFICER**

SUBJECT: FIRST QUARTER MANAGEMENT ACTION PLANS

BACKGROUND

In FY99, the MTA began its first agency-wide business planning process based on the four guiding principles from its mission statement - to be fiscally responsible, customer-focused, community and regionally responsive and employee supportive.

Each department determined its objectives for the coming year and then detailed the strategies it will execute to achieve those goals via a form called a Management Action Plan (MAP.)

The purpose of the MAPs is to:

- focus an organization's attention and efforts on what it needs to accomplish;
- relate an individual department's focus and efforts to the overall MTA goals;
- establish individual and organizational accountability.

Several hundred MAPs were created to provide a means for quarterly monitoring, feedback and problem resolution. At the end of the first quarter, review meetings were held with each department to highlight successes and areas that need improvement and then an agency-wide meeting was held to communicate these achievements and action items to the rest of the agency.

STATUS

An outline of the agency-wide meeting presentation held on November 9, 1998 is attached, showing the progress to date on meeting some of the major MAP goals.


In general, we found that most departments had integrated the MAPs into their planning and management processes. MAPs proved to be a valuable tool for managers and senior executives to identify non-performance and problems as

well as to acknowledge excellence. The MAPs are another important step in using current management tools to ensure effective performance at the MTA.

ATTACHMENT

A. Summary of Agency-Wide First Quarter Review Meeting held on
November 9, 1998

Prepared by: April J. McKay
Director, Strategic Planning, OMB

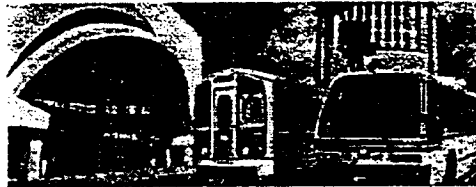


Allan G. Lipsky, Deputy Chief Executive Officer



MTA Agency-Wide First Quarter Review

November 24th, 1998



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Agency-Wide Revenue View

Revenues exceeded targets

- ◆ \$725,000 additional revenue from Real Estate marketing efforts
- ◆ Fare revenues greater than expected
- ◆ New Federal and State funds



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Agency-Wide Expense View

Overall, MTA is on budget for the first quarter; but will need mid-year adjustments for:

- Lost BDOF arbitration
- Additional Consent Decree costs

Mid-year budget: Find efficiencies, reprioritize projects within current budget to fund new needs

MTA will have \$15 million savings in FY99 through lower interest and delayed debt issuance



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Agency-Wide Initiatives/MAPs

Successes:

- ◆ 785 more bus purchases over next 7 years
- ◆ \$725,000 new revenues from MTA Real Estate
- ◆ North Hollywood Stations open for tours
- ◆ MTA departments are working more cooperatively



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Agency-Wide Initiatives/MAPs

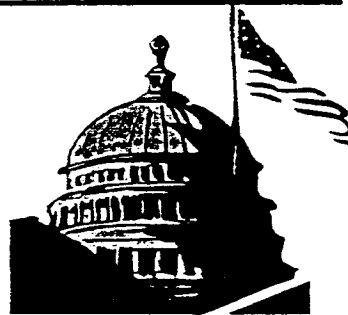
Action items:

- ◆ Accounting and financial reporting, refine procedures and reports
- ◆ Filling new vacancies in agency
- ◆ Operator courtesy, training and management
- ◆ Continued interdepartmental communication and cooperation



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Government Relations



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Government Relations Budget

Budget mitigation steps:

- ◆ Increase travel funds at mid-year budget



Government Relations MAP Status

Successes:

- ◆ Achieved funding marks for TEA21
- ◆ Coordinated improving MTA image with elected officials
- ◆ Established coalition for legislation support
- ◆ Stopped or had vetoed five bills adverse to the MTA

Action items:

- ◆ FY00 legislative program items



Risk Management

Workers' Compensation

Public Liability/Property Damage

Risk Financing

Owner Controlled Insurance Program

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Risk Management

Budget mitigation steps:

- ◆ Verify projected savings for mid-year budget adjustment and revise departmental workers compensation chargeback methodology



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Risk Management MAP Status

Successes:

- ◆ Saved \$2.3 million in Workers' Compensation
- ◆ Saved \$400,000 in Excess Liability premiums
- ◆ Saved \$314,000 in liability claims administration
- ◆ Saved \$300,000 by transferring property exposures on MOS 2B to the Operation's property policy
- ◆ Renegotiated Construction brokerage services contract with potential savings of \$1 million per year
- ◆ Saved \$100,000 in Blue Line Safety reports

Action items:

- ◆ Reports from Travelers' data
- ◆ Information to divisions



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Administration

Human Resources (HR)

Information Technology Services (ITS)

General Services

Real Estate

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Administration Budget

Budget mitigation steps:

- ◆ Identify funds for unbudgeted trash collection (General Services)
- ◆ Rectify accounting problems for quarterly budgeting. (Real Estate)
- ◆ Evaluate and plan "Return to Work" positions needed for FY00. (Human Resources)



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Administration MAP Status

Successes:

- ◆ Real Estate increased revenues \$725,000, 145% over 1st quarter goal
- ◆ Human Resources maintained candidate pools
- ◆ Gen. Services started program to save \$300,000/year in custodial and lighting services
- ◆ Established Y2K Program Office
- ◆ ITS exceeded goal in maintaining network, 99.5%

Action items:

- ◆ HR: Policy adoption process, streamline procedures
- ◆ ITS: Asset reclamation, develop inventories
- ◆ Gen Services: Better scheduling system for printing ¹⁴



Operations

Transit Operations -- Bus
Transit Operations -- Rail
Maintenance

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Operations Budget

Budget mitigation steps:

- ◆ Bus Project is over budget by 2.5% or \$3.1 million for the quarter
 - After adjustments, Bus Project is less than one million over budget. This overage will be “made-up” in future quarters based on contract wage tiering and improved training.
- ◆ Light Rail Project is under budget by 14.2% or \$1.4 million and Heavy Rail Project is over budget by 20% or \$1 million
 - Accrual errors will be rectified.



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Operations MAP Status

Successes:

- ◆ Weekly and monthly management reports have been instrumental in tracking performance
- ◆ Heavy Rail had 99.7% OTP and 99.25% schedule adherence; Light Rail had 99.16% OTP and 98.06% schedule adherence
- ◆ Reduced wheelchair lifts with posted defects to 1.54%; goal was set at 2.0% for the 1st Quarter
- ◆ Developed Fleet Deployment Plan
- ◆ Reduced non-revenue vehicles by 89 cars, saving \$700,000/year
- ◆ Implemented Organizational Restructuring Plan



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Operations MAP Status

Action items:

- ◆ Develop and implement program to rate bus cleanliness
- ◆ Continue to focus on bus mechanic skills with “Back to Basics”, and increase road supervisors by training all division dispatchers
- ◆ Bus driver courtesy, training and management
- ◆ On-Time bus performance



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Media, Customer Relations and Marketing

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Media and Customer Relations and Marketing Budget

Budget mitigation steps:

- ◆ Identify and correct accounting charges
- ◆ Coordinate any needed “webmaster” costs or staffing issues



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Media and Customer Relations and Marketing MAP Status

Successes:

- ◆ More media events, more outreach
- ◆ MTA Report bi-weekly publication
- ◆ Customer Relations' timely response to customers
- ◆ Marketing improved and streamlined transit maps and materials from 10 to 5

Action items:

- ◆ Pass/token vendors, ensure coordination with Revenue
- ◆ Intranet/Internet communication, coordinate with other departments and implement plans



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Finance

Treasury

Revenue

Accounting

Office of Management and Budget (OMB)

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Finance Budget

Budget mitigation steps:

- ◆ Coordinate debt accounting procedures (Accounting, Treasury and OMB)
- ◆ Reevaluate adding farebox mechanics (Revenue) and identify funding source (Budget)



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Finance MAP Status

Successes:

- ◆ Approximately \$15 million one-time savings from lower interest rates & delayed debt issuance this year
- ◆ Revenue Collections eliminated canvas bags for coins saving \$48,000/year in materials
- ◆ Bank service charges reduced about \$37,000/year for bulk coin processing
- ◆ Returned 3,000 payroll calls monthly using a phone menu to eliminate backlog and complaints
- ◆ Implemented the MAP process for accountability and ownership



- ◆ Started Capital Improvement Plan

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Finance MAP Status

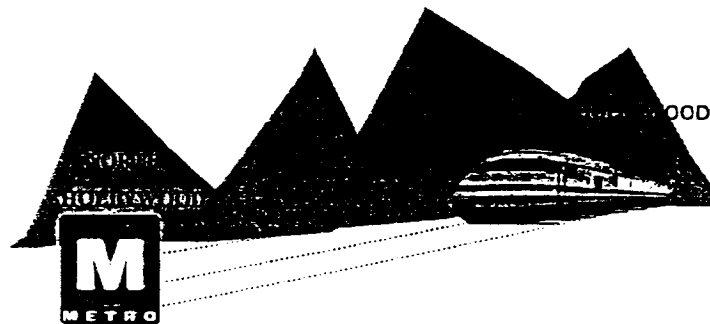
Action items:

- ◆ Treasury – develop and implement an outreach plan to rating agencies and investors.
- ◆ Revenue – evaluate options & make decisions on bus transfer machines.
- ◆ Accounting – pay invoices on time; identify & resolve causes of delays and establish better internal FIS controls.
- ◆ Budget – improve financial reports.
- ◆ Accounting – improve accuracy of charges, accruals and controls.



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Construction

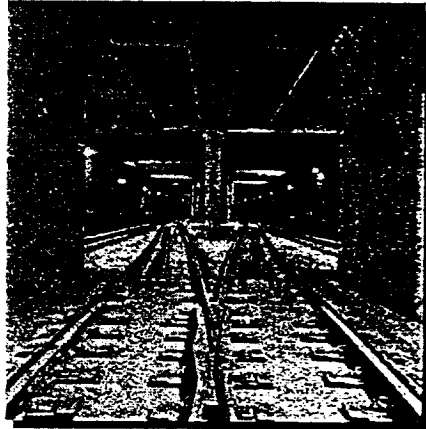


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Construction Budget

Budget mitigation steps:

- ◆ Mitigate agency overhead overrun on Seg. 3



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Construction MAP Status

Successes:

- ◆ Red Line Segment 2 stations open for tours
- ◆ Permanent power operational at North Hollywood, Segment 3 stations
- ◆ Successful systems and vehicle testing on Segment 2
- ◆ Plan to meet ROD date of May 1999, Segment 2
- ◆ Metro Art launched "Poetry in Motion"; oversaw installation of art in 14 Metro rail stations, 3 streetscape projects, & aboard 2000+ buses
- ◆ Public Affairs gave 1500 tours of N Hollywood, Seg 3
- ◆ Firm to market Program Management Change Control System for 5 years at \$25,000/year



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Construction MAP Status

Action items:

- ◆ Implement Engineering reorganization
- ◆ Resolve emergency environmental action procurement issues
- ◆ Blue Line platform extensions schedule date of FY00
- ◆ May need to accelerate CNG fueling facilities to meet new bus procurements



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Office of Safety and Security

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Office of Safety and Security Budget

Budget mitigation steps:

- ◆ Safety – determine need for industrial hygienist position or contract
- ◆ Security – reforecast budget with potential LAPD and Sheriff contract adjustments



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Office of Safety and Security MAP Status

Successes:

- ◆ Safety – met regulatory requirements and exceeded hygiene studies; successful audit of *MTA System Safety Program Plan*
- ◆ Security – LAPD and Sheriff conducted advanced training; improved presence, communication and cooperation with MTA operators; passed CPUC audit & CPUC accepted the *MTA's System Security Program Plan*

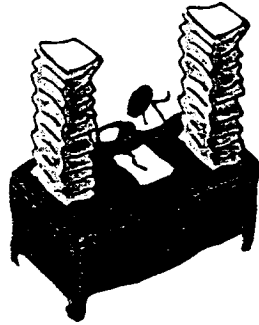
Action items:

- ◆ Safety – finalize reorganization and develop safety “template” for future construction contracts
- ◆ Security – hire security guard vacancies and review regional security plans; coordinate revenue security issues



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Management Audit Services (MAS)
Board Research Services
Employee and Labor Relations



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MAS, Board Research Services,
Employee/Labor Relations Budget

Budget mitigation steps:

- ◆ MAS – estimate funds needed for litigation



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