



Metropolitan  
Transportation  
Authority

One Gateway Plaza  
Los Angeles, CA  
90012-2952

**SUBJECT: SERVICE SECTOR POLICY**

**ACTION: ADOPT PROPOSED POLICY CREATING THE SERVICE  
SECTOR GOVERNANCE COUNCILS**

**RECOMMENDATION**

Adopt proposed policy creating the Service Sector Governance Councils (Attachment A).

**ISSUE**

In November 2001, the MTA established an internal working group to study the creation of new business units with decentralized, community based and locally responsive management for MTA Bus Operations. The working concept was to establish a more municipal operator-like size and working relationship with specific geographic areas served by the MTA, to co-locate those resources at operating bases and to reinvent relationships with corporate support functions in order to better meet the needs of the community and our customers.

After examining a variety of functions and processes, it was recommended that a local governing council be established and be delegated specific authority by the MTA Board of Directors. At its April 2002 meeting, the Board adopted support for the establishment of Service Sectors with governance councils.

At the August 7<sup>th</sup> Ad Hoc Service Sector Committee meeting, staff presented the draft Service Sector Governance Council policy and the Service Sector Council Bylaws for review and consideration. The Committee recommended that no MTA Board Member shall serve on the Councils and that the Councils include consumers of public transit service. The Committee also reached consensus to incorporate staff's proposed changes to the bylaws and those changes have been made.

The proposed policy will establish a framework to define the relationship between the MTA Board of Directors and its local governing Councils for Bus Operations service planning and scheduling functions. The policy will provide flexibility to allow the Service Sectors to develop and to incorporate changes from the knowledge gained by the sector experience.

## **POLICY IMPLICATIONS**

The purpose of the Service Sector governance concept is to improve bus service; increase agency accessibility and responsiveness; promote greater coordination; maintain an employee supportive work environment and create a more efficient and customer focused management structure for the delivery of bus service. Key principles are to: localize control; maintain a single point of contact for route level service issues; balance responsibility with authority; streamline the decision making process; and support agency policies, plans and safety initiatives.

Under this policy, the MTA Board of Directors shall retain all mandated responsibilities in accordance with MTA enabling legislation under Public Utilities Code 130051 et seq. For example, the Board will retain hiring of the Chief Executive Officer and other Board appointees; approval of the agency budget and capital plan; negotiation of collective bargaining agreements; setting fare and service policies; establishing and monitoring agency programs; conducting public hearings for fare changes and service changes to corporate bus lines, Rapid Bus and rail service; conducting major procurements; managing construction projects, setting regional policies and having ultimate responsibility for resolving disputes regarding agency matters. Lastly, MTA Finance will be responsible for administering all banking, investing and debt issuance.

The Sector Governance Councils shall oversee the planning and implementation of service within their area. Their responsibilities include: approval of the sector General Manager's budget proposal for the Chief Executive Officer's consideration and recommendation to the MTA Board; calling and conducting public hearings for sector bus lines; approval and evaluation of sector programs; implementing service changes; reviewing and developing policy recommendations for MTA Board approval; ensuring compliance with all MTA policies and procedures and legal agreements (e.g. collective bargaining agreements, Consent Decree); providing input into the Sector General Manager's performance review; and participating in annual meetings with the MTA Chief Executive Officer, Deputy Chief Executive Officer and the other Sector Governance Councils and General Managers.

The Chief Executive Officer is responsible for ensuring that the policy is converted to an action plan, budgeted for appropriately and implemented by staff.

### **Service Sector Council Nomination Process**

As part of the proposed governance policy, the MTA Board shall confirm and appoint members to the Service Sector Councils based on nominations submitted by the coalition. As much as possible, members of the Councils shall be selected to reflect a broad spectrum of interests and geographic areas of the sector. Members may be elected officials and/or private citizens and shall include consumers of transit service. The process should provide for maximum outreach, input and review.

Attachments B – D depict various views to demonstrate the proposed nomination process for the Service Sector Council. Attachment B is the Service Sector Council Nomination Responsibility Matrix, which outlines the general roles, and responsibilities of staff, the Coalition, the Board

Selection Committee and the MTA Board of Directors. Attachment C is a sample Gantt chart that displays the nomination process graphically by showing a schedule and timing of tasks required to nominate an individual to the Service Sector Council. This chart can also be used as a project-planning tool for the coalitions and the MTA Board of Directors to assess the timing of tasks required to complete a nomination process. Attachment D illustrates a sample timeline of a nomination process, from start to end, beginning in the month of September.

### **OPTIONS CONSIDERED**

An alternative to adopting the policy would be for the MTA Board to retain all responsibilities for each of the five geographically based Metro Bus Operations business units. This alternative is not recommended, as it does not offer sufficient and timely responsiveness to local community needs and desires.

### **FINANCIAL IMPACT**

The recommendation does not require any financial commitments at this time. The FY03 Annual Budget adopted by the MTA Board contemplated the realignment of MTA staff into service sectors and their support areas.

### **BACKGROUND**

The first year of the Services Sector's implementation will be the transition year for management to gain knowledge from the sector experience and take into consideration the "lessons-learned" from our community, customers and staff. Management will be looking for opportunities to improve the initial sector design concept and incorporate the changes as appropriate to better meet the needs of the community and our customers.

Although staff has attempted to incorporate all contingencies, there are uncertainties that can occur during the start-up phase that may not have been considered or have been overlooked in the initial analysis. The preliminary design was based on the current bus service delivery and the approved FY03 budget and staffing levels with the understanding that the first year's experience would provide us with the infrastructure to make future improvements. There are administrative and operational procedures that also need to be modified to reflect the service sector structure. These procedural changes continue to be made under the purview of the Chief Executive Officer.

As MTA implements the Sectors and the Councils, management will be reviewing the various aspects of the Service Sector roll out to determine if changes in bus service improved service quality, ridership and operational efficiencies. A number of areas impacting policy decisions will also be a focus of attention. Key areas include adopting sector bylaws, developing scheduling and service quality performance goals. Any changes in policy will be brought forward to the Board for approval. Staff will also apprise the Board with any new updates throughout this process.

## NEXT STEPS

The Chief Executive Officer will convert this policy to an action plan, budget for appropriately and have staff implement the plan.

## ATTACHMENTS

- A. Proposed Service Sector Governance Policy
- B. Service Sector Nomination Responsibility Matrix
- C. Sample Gantt Chart of the Service Sector Nomination Process
- D. Sample Timeline of the Service Sector Nomination Process



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Maria A. Guerra  
Chief of Staff



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Roger Snoblé  
Chief Executive Officer

## SERVICE SECTOR GOVERNANCE POLICY

### PURPOSE:

The purpose of the Service Sector is to improve bus service; increase agency accessibility and responsiveness; promote greater coordination; maintain an employee supportive work environment and create a more efficient and customer focused management structure for the delivery of bus service. Key principles are to localize control; maintain a single point of contact for route level service issues; balance responsibility with authority; streamline the decision making process; and support agency policies, plans and safety initiatives.

### POLICY STATEMENT:

Under this policy, the MTA Board of Directors shall retain all mandated responsibilities in accordance with MTA enabling legislation under Public Utilities Code 130051 et seq. For example, the Board will retain hiring of the Chief Executive Officer and other Board appointees; approval of the agency budget and capital plan; negotiation of collective bargaining agreements; setting fare and service policies; establishing and monitoring agency programs; conducting public hearings for fare changes and service changes to corporate bus lines, Rapid Bus and rail service; conducting major procurements; managing construction projects, setting regional policies and having ultimate responsibility for resolving disputes regarding agency matters. Lastly, MTA Finance will be responsible for administering all banking, investing and debt issuance.

The Sector Governance Councils shall oversee the planning and implementation of service within their area. Their responsibilities include: approval of the sector General Manager's budget proposal for the Chief Executive Officer's consideration and recommendation to the MTA Board; calling and conducting public hearings for sector bus lines; approval and evaluation of sector programs; implementing service changes; reviewing and developing policy recommendations for MTA Board approval; ensuring compliance with all MTA policies and procedures and legal agreements (e.g. collective bargaining agreements, Consent Decree); providing input into the Sector General Manager's performance review; and participating in annual meetings with the MTA Chief Executive Officer, Deputy Chief Executive Officer, the other Sector Governance Councils and General Managers.

The Chief Executive Officer is responsible for ensuring that the policy is converted to an action plan, budgeted for appropriately and implemented by staff.

1. The MTA Board of Directors shall confirm and appoint members of the Service Sector Councils based on nominations submitted through a locally adopted process by a coalition comprised of Council of Governments, Interim Joint Powers Authority, and any cities and unincorporated county areas. As much as possible, members of the Councils shall be selected to reflect a broad spectrum of interests and geographic areas of the

Sector. Members of the Councils may be elected officials and/or private citizens and shall include consumers of the service. MTA Board members may not serve as a member of the Council. Members of the Councils must reside or work within the Service Sector boundaries. Membership on the Council is not transferable or assignable. Council vacancies will be filled in the same manner as appointments are made.

2. The MTA Board of Directors shall establish parameters of the overall administrative functions for the Service Sector governing body consistent with MTA enabling legislation, mandated federal, state and local laws, rules and regulations, and MTA Board adopted policies and procedures. These include, but are not limited to:
  - Adopt bylaws governing the Service Sector councils,
  - Establish funding for implementing Councils to cover costs associated with holding public meetings, stipends and travel. Examples include:
    - Public Meetings - Mailing, printing and translation
    - Stipends - Attend up to two meetings per month
    - Travel - Attend one APTA trip per member, which includes airfare, lodging, meals and registration
3. The MTA Board of Directors shall adopt funding levels and the annual capital plan for Service Sectors during the annual budget process of each fiscal year, as well as short and long-range transit plans covering all Sectors proposed by the MTA Chief Executive Officer. The Service Sectors shall administer operating budgets within Board approved funding levels. Responsibilities shall include, but are not limited to:
  - Provide input on key operating parameters such as service hours, miles and schedules by tier of service and priorities for capital investments in Sector facilities and rolling stock.
  - Review the Sector's financial performance with their General Manager on a regular basis, at least quarterly
  - Utilize MTA Finance, who keeps the official books and records as the sole source of financial and budgetary data
  - Coordinate with MTA Finance who will make all disbursements for Sector goods, services, salaries, wages and employee benefits in accordance with MTA's established system of internal controls.
4. The Councils will hold regularly scheduled meetings. Scheduled meetings should not conflict with regularly scheduled MTA Committee and Board meetings. Council meetings are limited to no more than two meetings a month and shall be conducted pursuant to Robert's Rules of Order. All meetings of the Council shall be called, noticed and conducted in the manner prescribed by the Ralph M. Brown Act as amended from time to time. Members of the Service Sector Councils shall adhere to the MTA Code of Conduct and all other relevant State and Federal laws.
5. The Councils will meet and confer with the MTA Chief Executive Officer, Deputy Chief Executive Officer and other Sector Governance Councils on an annual basis to discuss the overall effectiveness of the Sectors and other related matters including the Sector General Manager's performance.

6. Members of the Service Sector Councils will be paid a stipend in the amount of \$100 per meeting, up to a maximum of \$200 per month.
7. Service Sector business units are charged with the delivery, monitoring, and improvement of the safety and performance of all bus service operated by the divisions assigned to each sector. Responsibilities will include:
  - Develop and administer an annual operating budget for the sector.
  - Ensure budgeted service and projects are delivered as planned.
  - Prepare monthly performance reports using MTA operational goals.
  - Ensure that services are operated in compliance with applicable statutory and regulatory requirements.
  - Manage the maintenance and transportation functions at the divisions assigned to the sector.
  - Comply with the provisions of MTA collective bargaining agreements.
  - Procure goods and services, in accordance with agency procurement guidelines.
  - Develop and implement programs to improve service performance, operating efficiency and service quality, including but not limited to: field supervision and maintenance campaigns, service demonstrations, fleet and employee safety programs and contracting for service.
  - Develop route planning studies to better route and schedule Tier 2 and 3 services operated within the sector and those Tier 1 routes that are so designated.
  - Develop efficiency studies to identify ways to decrease the unit cost of services provided in the sectors.
  - Call public hearings pertaining to bus route changes within the sectors.
  - Make changes to bus service within MTA Board adopted performance standards and make efficiency changes to changes to operations as appropriate.
  - Contract with planning, business, consultants and other transit operators and any other contracting needs unique to the Sector.
  - Recommend a Sector budget proposal to the Chief Executive Officer for review and recommendation for final approval by the MTA Board.
  - Work with MTA planning staff and local transit operators to ensure coordination of services.
8. Service Sector business units are responsible for the development of efficient coach operator work assignments, and service schedules that are responsive to customer needs and existing service resource allocations. Responsibilities will include:
  - Monitor and manage coach operator staffing and service levels in accordance with the sector budget.
  - Update and revise schedules, coach operator work assignments and scheduling documents as part of the service change process.
  - Develop and maintain all schedule documents and records necessary to manage the operation and support the public notification process.
  - Conduct coach operator bids in June and December and anytime there are major changes to operating schedules, as outlined in the current coach operator agreement.

9. Service Sector business units are responsible for the development and implementation of changes in bus service that improve service quality, ridership, and operational efficiency. Responsibilities will include:
- Modify, cancel or initiate services assigned to their sector, in accordance with agency service policies, the sector budget and fleet availability.
  - Participate in regularly scheduled Sector General Manager and Sector Council coordination meetings with corporate staff and representatives from the other sectors.
  - Make temporary or interim changes in service by implementing detours or temporary schedule changes at the staff level, in an annual cumulative amount not to exceed the Chief Executive Officers authority for all sectors combined.
  - Maintain, add, delete or relocate bus stops.
  - Support the planning and implementation of key corporate initiatives, including: Rapid Bus Expansion, Consent Decree Service Improvements, and the MTA and Regional Short Range Transit Plans.
  - Coordinate with other local transit operators serving the sector.
10. Service Sector business units are responsible for the development and implementation of a planning and public communication process that elicits and responds to the community and the customer. Responsibilities will include:
- Call and conduct public hearings in accordance with Board adopted guidelines
  - Conduct community outreach and stakeholder meetings to elicit input to proposed changes and to identify service needs.
  - Track, monitor and respond to customer comments and complaints.
  - Conduct monthly public meetings of the council.
  - Provide customers and stakeholders with advance public notification of changes in service.

SERVICE SECTOR GOVERNANCE  
 NOMINATION RESPONSIBILITY MATRIX

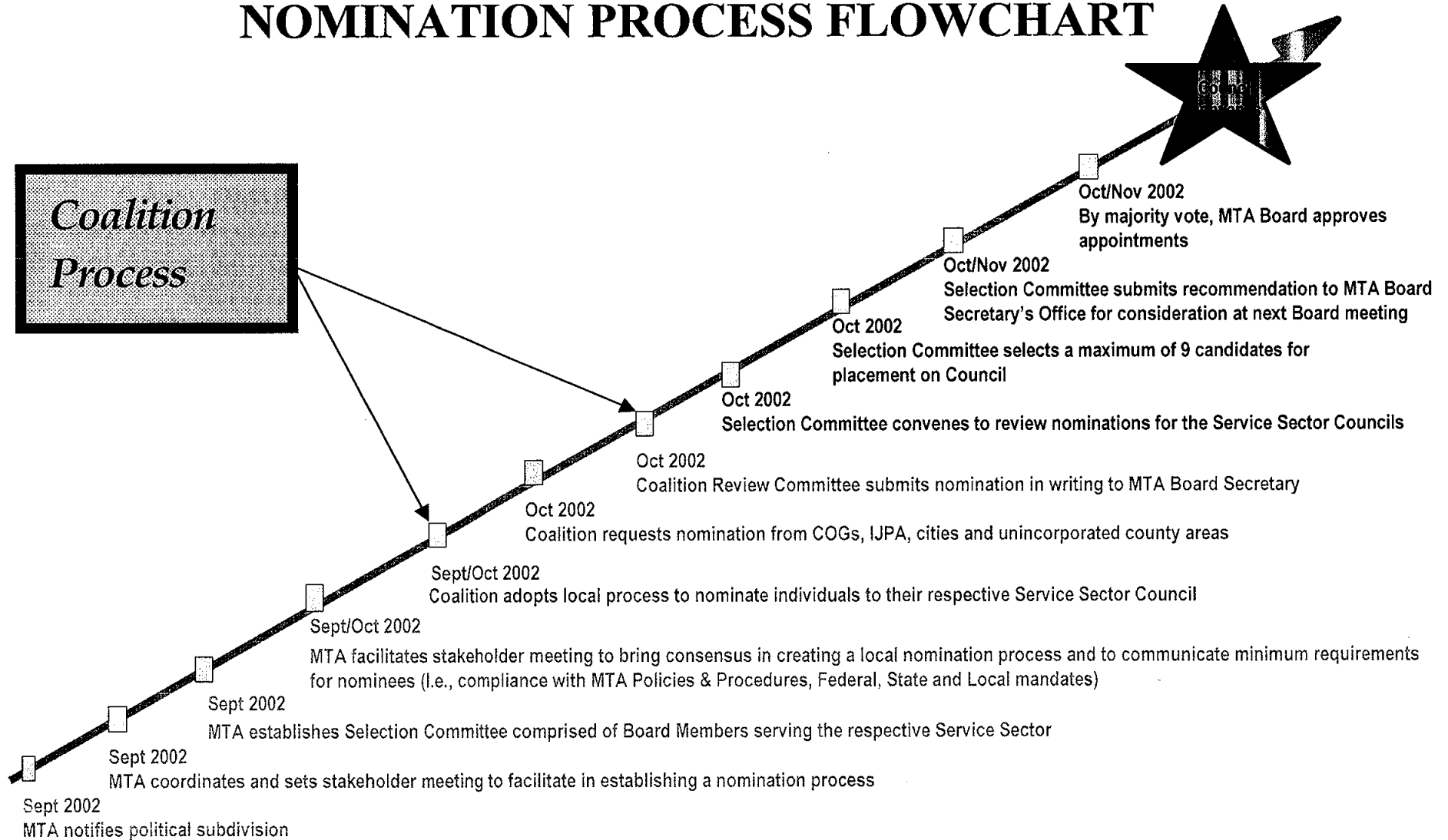
MTA STAFF	COALITION	BOARD SELECTION COMMITTEE	MTA BOARD OF DIRECTORS
<ul style="list-style-type: none"> <li>• MTA staff will notify political subdivisions for five Bus Service Sectors that a coalition be formed for their area</li> <li>• MTA staff will facilitate stakeholder meeting to bring consensus in creating a local process that nominates individuals to the Service Sector Councils</li> <li>• MTA staff will communicate minimum requirements for prospective nominees (i.e., compliance with MTA Policies &amp; Procedures, Federal, State and Local mandates</li> <li>• MTA staff will establish Board Selection Committees comprised of Board Members serving that respective Service Sector area</li> </ul>	<ul style="list-style-type: none"> <li>• Coalition will adopt local process to nominate individuals to their respective Service Sector Council</li> <li>• Coalition will establish a Review Committee</li> <li>• Review Committee will request nomination from the Coalition</li> <li>• Review Committee will submit nominations in writing to the MTA Board Secretary for their Board Selection Committee's review and approval</li> </ul>	<ul style="list-style-type: none"> <li>• Board Selection Committee shall comprise of Board Members for the respective Service Sector</li> <li>• The Committee will meet and review the nominations and select a maximum of nine candidates to be placed on the Service Sector Council</li> <li>• The Committee will submit recommendations in writing to the MTA Board Secretary for Board consideration and approval at the next regularly scheduled meeting</li> <li>• Once the Committee has made its recommendation, all potential nominees will attend an orientation prior to final approval by the Board of Directors</li> </ul>	<ul style="list-style-type: none"> <li>• The MTA Board of Directors shall approve the appointment of members to the respective Service Sector Councils by majority vote</li> <li>• A Service Sector Council may convene following the month after Board approval, as long as a minimum of five members have been approved by the MTA Board of Directors for that sector</li> </ul>

**SERVICE SECTOR COUNCIL  
SAMPLE NOMINATION PROCESS GANTT CHART**

MTA notifies political subdivisions to form coalition for their Service Sector area	<b>1 day</b>					
MTA coordinates and sets stakeholder meeting to assist in establishing a nomination process	<b>14 days</b>					
MTA facilitates stakeholder meeting to bring consensus in creating a local process that nominates individuals to Sector Council and communicates minimum requirements for nominees		<b>1 day</b>				
MTA establishes Selection Committee comprised of Board members serving that respective Service Sector		<b>14 days</b>				
Coalition adopts local process to nominate individuals to their respective Service Sector Council		<b>30 days</b>				
Coalition requests nomination from Council of Governments, Interim Joint Powers Authority, cities and unincorporated county areas			<b>14 days</b>			
Coalition's review committee submits nomination in writing to MTA Board Secretary				<b>14 days</b>		
Selection Committee convenes to review nominations from their Service Sector					<b>7 days</b>	
Selection Committee selects a maximum of nine candidates for placement on the Service Sector Council					<b>1 day</b>	
Selection Committee submits recommendation in writing to MTA Board Secretary's Office, with a copy to the political subdivisions, for Board consideration/approval at next regularly scheduled meeting					<b>3 days</b>	
Potential candidates attends orientation program prior to final approval by the Board of Directors					<b>1 day</b>	
By majority vote, MTA Board approves the appointment of the respective Service Sector Council						<b>1 day</b>
Service Sector Council can begin to convene meetings the following month as long as there is a minimum of five members selected						

**Please note that the nomination process could take as little as 45 days for some sectors and longer for others.**

# SERVICE SECTOR COUNCIL NOMINATION PROCESS FLOWCHART



*Note: Months may change depending on where each Coalition is at in the process*