

AGENDA

L.A.C.T.C.
1988 JUL -7 11:30



LOS ANGELES COUNTY TRANSPORTATION COMMISSION 403 West 8th St., Suite 500, Los Angeles, CA 90014 (213) 626-0370

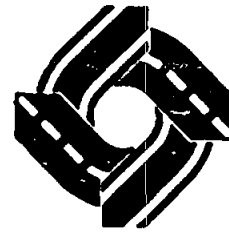
BUS OPERATIONS SUBCOMMITTEE

Thursday, July 7, 1988 - 9:30 a.m.
LACTC Conference Room, 7th Floor
403 West Eighth Street
Los Angeles, CA 90014

		SUGGESTED DISPOSITION
1.	Call to Order	
2.	Approval of Minutes for Meeting of (Item #2) June 9, 1988	Action
2.	Revised Proposition A Discretionary (Item #3) Guidelines - Follow-up	Review/Comments
3.	Bus Transit Capital Plan (Item #4)	Presentation
4.	LACTC Funding During Operator Work Stoppage - Status	Oral Report
5.	Legislative Update	Information
6.	New Business	

NOTE: MEETING WILL BE IN THE 7TH FLOOR CONFERENCE ROOM

MINUTES



LACTC

LOS ANGELES COUNTY TRANSPORTATION COMMISSION 403 West 8th St., Suite 500, Los Angeles, CA 90014 (213) 626-0370

BUS OPERATIONS SUBCOMMITTEE

June 9, 1988

MEMBERS PRESENT

<u>Name</u>	<u>Agency</u>
Earl Docimo	Montebello
Betty Rose-Shelton	Claremont
Tom Bachman	Commerce
Susan Cauldwell	Culver City
Jim Parker	Gardena
Karen King	Long Beach Transit
Stephanie Griffin	Santa Monica
Dana Woodbury	SCRID
Bob Zagorski	Torrance

OTHERS PRESENT

Danny Gomez	Commerce
Larry Torres	Montebello

LACTC STAFF PRESENT

Nalini Ahuja
MariKo Yamagami

CALL TO ORDER

REVISED PROPOSITION A DISCRETIONARY GUIDELINES

BOS reviewed and made comments on the revised Proposition A Discretionary Guidelines.

FY 1989-91 LOS ANGELES COUNTY TRANSIT TIP

Staff distributed FY 1989-91 Los Angeles County Transit TIP for BOS review.

ITEMS TO BE REVIEWED BY ADVISORY COMMITTEES/COUNCILS

The following items were listed as items to be reviewed by the BOS:

- Transportation planning and policy-making with impacts on transit
- Prop A Discretionary program and Guidelines
- Prop A Local Assistance programs and Guidelines
- Short Range Transit Plan (SRTP) issues
- TDA and STA issues
- Legislative issues - federal, state, and local
- Issues related to Prop A Discretionary Grant MOU approvals



Los Angeles County
Transportation
Commission
403 West Eighth Street
Suite 500
Los Angeles
California 90014-3096
(213) 626-0370

June 30, 1988

MEMO TO: BUS OPERATIONS SUBCOMMITTEE - 7/7 MEETING
FROM: MANAGER, TRANSIT PROGRAMS
SUBJECT: REVISED PROPOSITION A DISCRETIONARY GUIDELINES
FOLLOW-UP

On June 13, 1988, the Transit Committee identified two follow-up issues related to Sections 1.1B and 8.4 of the revised Proposition A Discretionary Guidelines.

On June 22, 1988, the LACTC added a third follow-up issue concerning labor contracts with automatic (non-COLA) pay increases.

Staff has summarized these issues on the attachments for BOS review and comment at the next meeting. The attachment on the labor contracts will be distributed at the meeting.

for Mary Sue O'Melia
SHARON NEELY
Manager
Transit Programs

Attachments

SN:MY:db
L&M 1
BOSPRPA.MYM

CLARIFICATION OF SECTION 1.1.B OF THE PROPOSITION A DISCRETIONARY GUIDELINES

The BOS requested further clarification of how the following policy would be implemented and monitored by LACTC. Staff is recommending Tables I and II be added to the Guidelines as an Appendix and referenced in the Guidelines.

Section 1.1 B states as follows:

- B. Operators who fail to meet the Transit Performance Measurement (TPM) farebox recovery standard (farebox and local subsidies over operating costs for system-wide weekday) which is 33% for FY 1989 and 38% for FY 1990 are ineligible for Discretionary Grant formula funds if special fare user group discounts are greater than 50% of the base fare; unless when rounding up to the nearest \$0.05 is necessary in order to remain consistent with UMTA half-fare requirements.

Special fare user groups include the elderly and disabled, students K-12, and pass discounts. College discounts would be prohibited altogether if this condition (the TPM farebox recovery standard) is not met. Operators who fail to comply with this condition would be ineligible to receive Discretionary Grant formula funds in FY 1991 and 1992. Exhibit I shows a formula for determining maximum discounts allowed for those operators who fail to meet the TPM farebox recovery standard.

Clarification

Operators who fail to meet the TPM farebox recovery standard of 33% in FY 1989 are ineligible to receive Discretionary Grant formula funds in FY 1991 if they offer special fare user group discounts of more than 50% of the base fare for the elderly and disabled and students K-12 or any college discounts in FY 1989.

Operators who fail to meet the TPM farebox recovery standard of 38% in FY 1990 are ineligible to receive Discretionary Grant formula funds in FY 1992 if they offer special fare user group discounts of more than 50% of the base fare for the elderly and disabled and students K-12 or any college discounts in FY 1989. It is intended that this policy be permanent and reflect changes to the TPM farebox recovery standard. For example, when the standard increases to 42% in FY 1992, this policy would continue to apply.

Operators who meet the LACTC farebox recovery standard are eligible for Discretionary Grant funds even with special fare user group discounts of more than 50% of the base fare for the elderly and disabled and students K-12 or any college discounts.

TABLE I

LACTC IMPLEMENTATION OF THE PROPOSITION A DISCRETIONARY CONDITION FOR SPECIAL FARE USER GROUPS

<u>YEAR OF AUDITED DATA</u>	<u>YEAR OF DISCRETIONARY ALLOCATION IMPACTED</u>	<u>FAREBOX RECOVERY STANDARD</u>	<u>WILL POLICY ON SPECIAL FARE USER GROUP DISCOUNTS OR COLLEGE DISCOUNTS BE ACTIVATED</u>	<u>LACTC REVIEW - ELIGIBILITY FOR DISCRETIONARY GRANT</u>
FY 1989 FY 1989	FY 1991 FY 1991	33% or higher Under 33%	No Yes; unless other action(s) taken	Approve Not approve until operator takes action (see Table II for further details)
FY 1990 FY 1990	FY 1992 FY 1992	38% or higher Under 38%	No Yes; unless other action(s) taken	Approve Not approve until operator takes action (see Table II for further details)
FY 1991 FY 1991	FY 1993 FY 1993	38% or higher Under 38%	No Yes; unless other action(s) taken	Approve Not approve until operator takes action (see Table II for further details)

TABLE II

LACTC IMPLEMENTATION OF DIFFERENT SITUATIONS FOR THE DISCRETIONARY CONDITION ON SPECIAL FARE USER GROUPS

CASE A

Operator has special fare user group discounts greater than 50% but meets the TPM farebox recovery standard.

LACTC RESPONSE

Operator is eligible for funds and LACTC negotiates Prop A Discretionary MOU for that fiscal year.

CASE B

Operator does not meet the LACTC TPM farebox standard and has special fare user group discounts greater than 50% of the base fare or college discounts.

Operator is not eligible for Prop A Discretionary funds. LACTC will not negotiate the Prop A Discretionary MOU until specific action has been taken by the operator's policy board which will change the farebox recovery ratio which brings the operator into compliance with the standard.

If the operator takes appropriate action by November 1 of the fiscal year, the operator is eligible for the full formula grant annual allocation. If the action occurs after November 1, the operator is eligible only for the pro rata share.

Actions the operator can take include, but are not limited to: reducing operating costs; increasing Prop A Local Return contribution; raising fares of other fare type user categories; and eliminating discounts greater than 50% for elderly and disabled or college discounts.

CASE C

Operator does not meet the TPM farebox recovery standard but has no special discounts or does not exceed the 50% of base fare policy.

Operator is eligible for Prop A Discretionary funds. However, it should be noted that an operator in this category would be penalized under the Prop A Discretionary Transit Performance Measurement program bonus fund allocations.

SPECIAL NOTE:

It is the operator's responsibility to amend the Prop A Discretionary Worksheet to reflect changes in the budget and take appropriate actions which mitigate extraordinary cost increases that may impact meeting the farebox recovery standard.

PROPOSITION A DISCRETIONARY GUIDELINES
SECTION 8.4CURRENT LANGUAGE

Operators with current year uncommitted Proposition A Local Return fund balances exceeding one-half the annual Local Return allocation would be required to program these uncommitted funds prior to claiming Discretionary Grant formula funds. Operators who fail to comply with this condition would be ineligible to receive Discretionary Grant formula funds.

ISSUES

1. Clarify whether the cities or the transit operators are the subject of the provision.
2. Clarify whether current year fund allocations or cumulative year fund balances are being referenced.

RECOMMENDED LANGUAGE
CHANGE BY STAFF

Any municipal operator whose sponsoring city has an uncommitted Prop A Local Return balance (as of June 30) greater than 50% of the prior year's allocation, will have their Prop A Discretionary fund grant reduced by the amount of the uncommitted balance which exceeds 50% of the prior year's allocation.



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June 30, 1988

MEMO TO: BUS OPERATIONS SUBCOMMITTEE - 7/7 MEETING

FROM: DIRECTOR, PROGRAMMING AND FISCAL ANALYSIS

SUBJECT: BUS TRANSIT CAPITAL PLAN

ISSUE

LACTC policy direction regarding future capital investments to maintain the existing bus transit system.

BACKGROUND

At the BOS meeting of July 7, 1988, LACTC staff will distribute the Bus Transit Capital Plan and make a presentation regarding its contents. A special BOS meeting has been scheduled for July 14, 1988, to discuss this plan.

The plan is a policy document which outlines a series of strategies that the LACTC can implement to avoid a potential cumulative funding shortfall of several million dollars by the year 2000 for bus transit capital replacement needs. Actions required to implement these strategies are also summarized in the Plan.

Because the cumulative funding shortfall is significant, the LACTC must begin to implement many of these strategies immediately. By the August, 1988 Commission meeting, the LACTC will be asked to approve the plan and implementing actions related to:

- o A revised capital programming and funding process;
- o A study of bus replacement standards, costs, and spares required for maintenance; and
- o A study of current facility use and the costs to extend the useful life of facilities indefinitely.

MEMO TO: BOS - 7/7 Meeting
June 30 1988
Page 2

The problems, issues, and proposed solutions discussed in the plan are of vital importance to the future of bus transit in Los Angeles County. The LACTC staff looks forward to working cooperatively with the BOS to reach a consensus on a plan of action to deal with these important issues.

PREPARED BY: MARY SUE O'MELIA
Senior Analyst
Transit Programs



JIM SIMS
Director
Programming & Fiscal Analysis

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