

MINUTES

**Independent
Citizens'
Advisory and
Oversight
Committee**

**INDEPENDENT CITIZENS' ADVISORY
AND OVERSIGHT COMMITTEE MEETING**

**Metro Headquarters
3rd Floor - Board Room
One Gateway Plaza
Los Angeles**

One Gateway
Plaza
Los Angeles, CA
90012

213-922-4600

Friday, February 1, 2008

Called to order at 10:00 A.M. with four members present. Chair Lesser mentioned that a fifth seat, appointed by the Mayor of Los Angeles, continues to be vacant.

Members Present:

Russ Lesser, Chair
Brian Russell, Vice Chair
Emina Darakjy
Dwight Ham

1. **APPROVED minutes** of Regular Committee meeting held **January 23, 2007**.
2. **RECEIVED AND FILED FY 2007 Audit of Propositions A & C Revenues and Expenditures.**

Chief Financial Services Officer Terry Matsumoto gave a brief overview of the purpose of the ICAOC. Mr. Matsumoto said that Propositions A and C were approved in 1998, the same year as the inception of the ICAOC. Since its inception the ICAOC has not submitted any findings or comments on any weaknesses of any kind, and has always found the spending of Proposition A and C revenue in compliance with the expenditure guidelines.

Mr. Matsumoto said sales tax revenue for the current fiscal year is reflective of economic activity throughout Los Angeles County. The

forecast for tax revenue in FY 2009 has exceeded the growth estimate as determined by the University of California, Los Angeles, which predicts slowing of the economy, which translates into bad news for Metro.

Mr. Matsumoto reported that state gas tax revenue that is allocated toward transportation spending has gone up and down over the past year. Other segments of the economy, such as department stores, grocery stores, big box retail and construction materials are all constant or falling below projected growth estimates, which will have an impact on the amount of revenue generated by Propositions A and C for the upcoming fiscal year.

Representative Russell asked if reserves from last year are being kept for this lean time. Mr. Matsumoto said that transfers from Proposition A to Proposition C, as of June 2007, have not been recorded but when the funds are transferred that will be available for offset. We try to consume Proposition A first and keep all reserves in Proposition C.

Representative Darakjy asked how Proposition A funds could be spent. Mr. Matsumoto said that 25% goes to local cities and 35% goes to rail. Those funds are used to repay the debt on monies borrowed to build rail lines. Excess over that is used for rail operations. The remaining 40% goes to regional bus service, municipal operators and subregional paratransit operations.

Representative Ham asked whether Proposition A and C revenue was sufficient or if tax revenue sources needed to grow in order to take care of future needs. Mr. Matsumoto responded that the Metro Long Range Transportation Plan is currently on the Metro Board agenda. The plan ends at 5, 10, 15 and 20-year intervals to coincide with SCAG's. Through 2030 we have \$152 billion available to us from different sources, including sales taxes. After applying that funding to our known program in the 2001 plan, there is no excess. We have demands for new projects including Subway to the Sea, Downtown Regional Connector, Gold Line to the county line, numerous HOV programs, I-710 North, I-710 South (goods movement and truck traffic). It is estimated that there is an additional \$30 to 60 billion of need beyond the \$152 billion identified; so projected revenues are definitely not enough.

Mr. Matsumoto said that state and federal funding sources for transportation are tapped. The federal funding situation is based upon a gas tax rate that has not changed since the mid-1990s. The funding situation, coupled with an aging transportation infrastructure, witnessed by the bridge collapse in Minnesota, makes for trying times ahead, which is why another half-cent sales tax is under consideration.

Chair Lesser said there should be a “sinking fund.”

Representative Ham opined only in tragedy is there action. He asked if there are any plans to combat a continued amount of graffiti throughout Los Angeles County on freeways and around Los Angeles International Airport. Mr. Matsumoto said a great amount of graffiti is on California Department of Transportation (Caltrans) property and that Metro Director Doug Failing, District 4 Director for Caltrans, is aware of the situation, has spent a great deal on eradicating graffiti including the use of Adopt-A-Highway programs, and that many agencies throughout Los Angeles County are working hard to combat graffiti and are aware that it is an eyesore. He added that Metro spends \$2 to \$3 million per month on graffiti abatement and related expenditures, which includes handling window etching on Metro revenue service vehicles.

Representative Darakjy said the laws need to be changed.

Representative Russell said many graffiti offenders are known by their signature. He said that Long Beach is experimenting with a humiliation approach – having graffiti offenders paint over the graffiti of a tagger in another area. He said the incarceration approach is not working.

Representative Russell said Long Beach Transit used its Proposition A allocation to purchase 12-cylinder electric hybrid buses, one of which just made the one million mile mark, passing with flying colors. He said the hybrid bus program in Long Beach is doing really well and asked if some Proposition A dollars could be used to research something like that. Mr. Matsumoto noted that there is a state requirement for all public transit vehicles to be zero emissions by the year 2012. He added that Metro did not conclude that the Long Beach experiment with diesel hybrid equipment was as “rosy” as Long Beach transit officials might have. Mr. Matsumoto said that Metro has a fleet of buses that is 95 percent compressed natural gas and said Metro was

informed by the Southern California Air Quality Management District that CNG cannot be used to power the compressors that compress the gas.

Representative Russell said that there is not a perfect solution, but it seems that hybrid buses are a very viable solution. He added that the 710 corridor, with its dirty diesel trucks, is the worst corridor in the nation.

Mr. Matsumoto said hybrid vehicles would not hold up with heavier usage on high demand Metro routes. He said the system speed in much of the City of Los Angeles on average is 2 to 3 miles per hour, a very different environment than much of Long Beach Transit's service area. He added that Metro operates in a more hostile environment where buses often have standing room only in downtown Los Angeles.

Representative Darakjy asked if Metro ever refused funding for Caltrans projects. Mr. Matsumoto responded that Caltrans is a limited resource for project funds. For any county to move up on the Caltrans list requires some funding from Metro. So Metro goes to Caltrans with projects we want them to do.

Representative Darakjy asked what agency had responsibility over soundwall construction. Mr. Matsumoto responded that the ultimate decision lies with Metro, but Caltrans has to design and construct them. Ms. Darakjy asked who heads up the soundwall program. Terry Matsumoto explained that projects are separated geographically. The person handling Pasadena might be Shahrzad Amiri. Representative Darakjy asked about Project No. 27230K, which is an auxiliary lane on the 210 Freeway west at La Canada. She also requested the name of the relevant person at Caltrans.

Representative Darakjy asked what agency was responsible for freeway design flaws and signage problems. Mr. Matsumoto said Caltrans was responsible.

Representative Ham requested a breakdown of Proposition A and C expenditures before the April meeting.

Representative Darakjy asked for meeting materials to be provided earlier.

3. APPROVED:

- A. scheduling a **Public Hearing** for Monday, April 14, 2008 at 11:00 a.m. to receive input on FY 2007 Audit of Propositions A & C Revenues and Expenditures; and
- B. the **Notice of Intent to Hold a Public Hearing**.

4. Public Comment – None.

ADJOURNED at 10:37 A.M.

Prepared by: William Walker
Board Specialist