

MINUTES

San Gabriel Valley Service Sector Governance Council

Regular Meeting

Metro San Gabriel Valley Sector Office
3449 Santa Anita Avenue
El Monte, CA 91731
3rd Floor, Council Chambers Room

Called to Order at 4:02 p.m.

Sector Representatives Present:

Rosie Vasquez, Chair
Roger Chandler, Vice Chair
Harry Baldwin
Ernest Gutierrez
Bruce Heard
Henry Lopez
Sharon Martinez
Joseph Mosca
Dave Spence

Officers:

Jack Gabig, General Manager
Michele Chau, Council Secretary



Metropolitan Transportation Authority

Metro

1. Introductions.

APPROVED **Minutes** of Regular Governance Council Meeting held February 11, 2008.

2. RECEIVED **Public Comment**.

- Please refer to Item #5 for public comments received regarding proposed service changes.

3. RECEIVED **Chair's Remarks**.

- March 3 marks the 50th anniversary of the formation of Metro's predecessor, the Los Angeles Metropolitan Transit Authority (LAMTA). LAMTA became the owner and operator of the Los Angeles transit system in 1958. With LAMTA's formation, fares and routes could now be set locally. LAMTA was financed with revenue bonds and had a base fare of only 17 cents. In 1964 LAMTA became the Southern California Rapid Transit District and in 1993 became today's Los Angeles County Metropolitan Transportation Authority, with an annual budget of \$3.1 billion.

4. RECEIVED oral presentation on **Natural Gas Hedging Program** by Mike Smith, Assistant Treasurer.

Mr. Smith provided an overview of the Natural Gas Hedging Program. He mentioned that the agency converted its bus fleet to operate on Compressed Natural Gas (CNG) in 2001 and since then, CNG has become a significant cost item in the operating budget. The agency is currently using more than 50 million therms per year at a budgeted cost of over \$45 million. Significant fluctuations in gas prices over the past several years encouraged management to consider the need for a gas hedging program, which allows the agency to lock in the rates paid for CNG by using a counterbalancing transaction.

The program was implemented in June 2007. Mr. Smith pointed out that the purpose of the program is not to reduce costs, but to improve budget certainty for CNG fuel. The program locks in fixed rates using commodity swaps, which are purely financial transactions that result in payments being exchanged between Metro and the provider.

Mr. Smith stated that hedging benefits the budget process by locking in 95% of CNG costs prior to development of the budget. He reviewed the hedging performance for the first and second quarter of FY08, and noted that in the second quarter, there was a \$1 million favorable variance.

Mr. Smith stated that staff has completed all of the hedging for FY08 and FY09, as well as the first hedge for FY10. He presented a table showing the delivered costs per therm for FY08 – FY10.

The agency has negotiated terms and executed contracts with six pre-qualified providers, and is currently soliciting a hedge consultant.

Representative Gutierrez asked if it is possible to lock in prices for more than one year.

Mr. Smith responded affirmatively. He added that the agency is locking in prices through 2010.

5. **APPROVED findings of Public Hearing and ADOPTED REVISED Service Change Program** effective June 29, 2008.

FAILED – Representative Mosca motion to pull Line 177 and Line 256 proposals from the Revised Service Change Program.

RECEIVED public comment regarding proposed service changes:

- Ken Ruben, Southern California Transit Advocates, expressed his interest in hearing the Council's vote on the proposed service changes. He stated that the Westside/Central and San Fernando Valley Service Sector Governance Councils did not approve all of the proposed staff recommendations. He mentioned that he spoke with Mr. Hillmer about five months ago regarding an issue he had with a particular bus operator, but has not yet received a follow-up response.
- Catherine Cole, City of Pasadena Transit Manager, expressed appreciation for staff's efforts in evaluating the lines proposed for changes. She recommended that staff consider keeping service intact on Line 177 and Line 256 until outstanding issues between the City of Pasadena and the San Gabriel Valley Sector are resolved in September.

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- Edel Vizcarra, representing City of Los Angeles Councilmember Jose Huizar, expressed opposition to the revised staff recommendation to cancel weekend service on Line 256. He indicated that no other line duplicates Line 256, and that it serves isolated sections of the Monterey Hills area.
- Catherine Bator, Silver Lake resident, stated that Silver Lake residents' transportation needs are underserved. Because the area is hilly, it may present challenges in terms of planning routes. She stated that staff has not conducted a sufficient number of analyses to justify the proposal to cancel weekend service on Line 201. She stated that lines should not be ranked by ridership levels. Instead of cutting lines, staff should examine why ridership is low in the first place. She indicated that ridership on Line 201 may be low due to infrequent weekend service. In addition, there is no viable alternative service. She stated that if weekend service were cancelled, she would need to walk 12 uphill blocks to another bus stop. She observed that there is a great deal of duplication in the Glendale area. She stated that she did not see any service change notices posted in any of the Line 201 or 175 buses.
- Jim Cowell, representing Caltech, stated that the campus employs approximately 8,600 people. He opposed cancellation of Line 177 and emphasized the need to provide more sustainable choices for commuters. He observed that 25% of all opposing comments received by San Gabriel Sector staff relate to Line 177. He presented a slide showing a Line 177 bus with no empty seats, and read a letter from a legally blind Caltech employee concerned about staff's proposals.

Mr. Hillmer reviewed the revised San Gabriel Valley Sector Service Change Program. Goals and objectives of proposed service changes include completing the Consent Decree, generating service savings to fund new service, continuation of Metro Connections principles, and improving overall system performance. He mentioned that staff received a significant amount of public comments regarding the proposed changes. In addition, Sector staff has met with representatives from the City of Pasadena, City of Los Angeles, City of Montebello, Los Angeles Unified School District (LAUSD), Los Angeles Department of Transportation (LADOT), Southern California Transit Advocates, Los Angeles County Board of Supervisors, and other entities to discuss the proposed changes.

Mr. Hillmer provided a summary of system-wide proposals. He indicated that the agency is facing a \$71 million operating shortfall for FY09, which includes the reduction of 215,000 service hours. Six new Rapid lines are proposed to be implemented (including Line 762). In addition, service levels will be improved on two lines, one of which operates in the San Gabriel Valley Sector (Line 770). Staff has been instructed by the Metro Board to cancel or change low-performing lines, and reduce trips on lines with excess capacity. Staff proposed to cancel five low-performing lines in the San Gabriel Valley Sector, including Line 175, Line 177, Line 256, Line 620 and Line 361. Staff also proposed to cancel low-performing weekend service on Line 201 and cancel a route segment of Line 201 and Line 258.

Mr. Hillmer presented the revised San Gabriel Valley Sector Service Change Program, including maps, line performance, and estimated passenger impacts.

The following is a summary of the revised/updated proposals:

Line 175 – Operate the line at reduced service levels until December 13, 2008. Staff will continue to work with LADOT and LAUSD to develop a more appropriate transit service to and from Marshall High School.

Line 177 – San Gabriel Valley Sector staff will work with City of Pasadena staff to develop alternative service from Memorial Park Gold Line Station to Jet Propulsion Laboratory (JPL) during peak hours only. Staff is working on generating a joint funding option for alternative service.

Line 201 – Cancel weekend service and shorten weekday route as originally proposed.

Line 256 – Cancel weekend service and continue weekday service but shorten the line and reduce service levels. Staff will continue to work with the City of Montebello and City of Pasadena to develop alternative services.

Line 258 – Retain the existing route for one year, and review service performance next year.

Line 620 – Cancel as originally proposed.

Line 762 – Implement new Rapid bus line between Fair Oaks/Washington to the Artesia Metro Blue Line Station.

Line 770 – Implement as originally proposed.

Representative Mosca stated that he was impressed by the public comments regarding the proposed changes. He mentioned that the San Gabriel Valley foothill communities are encouraging transit use, and that many residents are looking at mass transit as an alternative to driving alone. He suggested making bus lines more accessible to riders, particularly Line 177 and Line 256. He supported Ms. Cole's comments to retain service on these two lines until outstanding issues are resolved. He stated that deferring the decision for a short period will not be financially detrimental to the agency.

Representative Gutierrez asked if staff has tracked ridership since the increase in gas prices.

Mr. Hillmer stated that staff monitors ridership by line level, particularly service that is operated directly by Metro. Since the fare increase was implemented in July 2007, ridership has generally declined, but increased slightly on rail. Ridership has recently increased slowly, but has not yet reached last year's levels. He added that ridership on the El Monte busway has improved, and that staff is attempting to add trips on the busway.

Representative Spence expressed support for Representative Mosca's suggestion to temporarily retain service on Line 177 and Line 256. He stated that it would be a good idea to allow three months to come up with alternative solutions.

Representative Heard stated that he supported the comments made by Representatives Spence and Mosca, but was uncertain about when service on Line 177 and Line 256 would be discontinued.

Mr. Hillmer stated that service will be continued on Line 175 for a short period while staff negotiates with LADOT and LAUSD. Regarding Line 177, staff's updated proposal involves reducing service to a single bus through December, provided a joint funding plan can be developed. He noted that two-thirds of ridership on the line occurs between Old Town Pasadena and JPL.

Mr. Hillmer stated that staff is attempting to meet its budgetary goals. Continuing to operate Line 175 and Line 177 through December would result in the addition of 3,500 service hours. Service would then need to be cut elsewhere.

Representative Chandler noted that over the next ten years, Metro faces a \$1 billion deficit. Although comments received are well-intended, delaying the decision is not going to meet the agency's goals, and will result in the need to find other ways to reduce costs.

Chair Vasquez inquired about the number of times Line 177 has been examined during previous service change processes.

Mr. Hillmer responded that Line 177 has a long history, and at one point provided service to the Glendale Galleria. The line was shortened several years ago and the City of Glendale assumed service from the Galleria to JPL. Service frequencies on the line improved.

Representative Baldwin asked how long Line 177 will continue to operate.

Mr. Hillmer responded that staff will commit to operating the line through the end of the year at reduced, peak hour only service levels.

6. **RECEIVED report of the General Manager.**

Mr. Gabig stated that Metro recently released the draft 2008 Long Range Transportation Plan (LRTP) for a 45-day public comment period. The 2008 LRTP is an update to the 2001 LRTP. Seven community-based meetings will be held to obtain public input. Mr. Gabig stated that one of these meetings will take place on April 8 at Potrero Heights Elementary School in Rosemead. The draft LRTP forecasts mobility needs for the next 20 years, and includes projects that will be implemented if funding becomes available. The deadline for the public to submit a response to the draft LRTP is April 25.

Representative Mosca asked if this will be a future agenda item.

Mr. Gabig responded that if the public provides testimony regarding the draft LRTP during a Council meeting, staff can forward the comments to the Planning Department.

January 2008 Performance Report

- OSHA Recordable Incidents – There were 7 incidents in January. This is slightly above the monthly target.
- New Worker's Compensation Indemnity Claims increased to 8.2 for the month, but still remain below both the monthly and year-to-date targets.
- Bus Traffic Accidents increased to 3.3 for the month. The monthly target is 2.9. Most accidents fall in the categories of bus standing in zone or collision with other vehicle parked in zone. The bus accident severity index was .92 for the month, suggesting that the accidents were not severe.

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- Miles Between Total Road Calls remains below target. There have been some in-service failures on the new articulated buses, and staff has been struggling with warranty issues. The 45-foot compo buses have also posed maintenance challenges.
- On-time Performance remains static at 67%.
- Complaints increased to 2.9 for the month. This may be due to greater rainfall during January, which may have resulted in bus delays.
- Ridership continues to trend in much the same way as previous months. Fare revenue is above target year-to-date. The average fare per boarding has increased substantially.

Chair Vasquez asked if staff is still experiencing battery problems.

Mr. Gabig responded that staff has canceled the contract with the battery supplier. An emergency supplier is currently being used.

- “How You Doin’?” Results:
 - Division 9 Transportation placed 1st.
 - Division 3 Transportation placed 6th.
 - Division 9 Maintenance placed 1st.
 - Division 3 Maintenance placed 2nd.

January Financial Report (Paula Faust)

- The financial report this month remains much the same as the December report.
- There is a savings of approximately \$6 million year-to-date in the Total San Gabriel Valley (SGV) Sector budget.
 - The bulk of the savings is on the Transportation side, particularly in the areas of Labor, Worker’s Compensation, and Public Liability/Property Damage.
 - Total Maintenance is under budget year-to-date, due to savings in regular wages, Worker’s Compensation, and fuel.

Representative Gutierrez asked why the Worker’s Compensation figures are so low.

Ms. Faust responded that last year, the Division 9 Transportation Key Performance Indicator for Worker’s Compensation Indemnity Claims was as high as 22 claims. This year, the figure has been as low as zero. The transitional duty program has also been successful.

Representative Baldwin asked if the figures shown in the table include any outstanding claims.

Ms. Faust responded that the total balance of all claims is reflected in the year-to-date figures.

Representative Mosca commented that it appears the Sector is doing well fiscally. He questioned whether cutting a line would result in dire financial consequences for the Sector. He asked where the savings are being allocated.

Mr. Gabig responded that any surplus the Sector generates does not go to another Sector; rather, it is used to fund the structural deficit. By decreasing the number of bus service hours, costs are reduced. He added that the Consent Decree requires implementation of several Rapid bus lines by June 2008. Any increase in service must be counterbalanced by decreased service in other areas.

7. RECEIVED oral presentation on **Ridership Data Collection** by Shannon Anderson, Transportation Contract Services Manager.

Mr. Anderson provided an overview of ridership data collection for contracted bus services. There are 22 Metro bus lines that are operated by contracted services. These lines operate a total of 550,000 annual revenue service hours. Contracted bus service is provided in 3 regions. Transportation Concepts operates contract lines in the north region, Southland Transit operates contract lines in the east region, and First Transit operates contract lines in the south region. Contracted bus lines in the San Gabriel Valley Sector include Lines 177, 254, 256, 266, 270, 577X, and 605.

Mr. Anderson provided an overview of the 2007 farebox upgrade project. In June 2007, the contracted bus fleet farebox system was converted to the standard Metro Universal Fare System farebox. Following the conversion, farebox revenue increased by 30%, or approximately \$1.8 million annually. He stated that ridership data is obtained through an annual ride check process, not from the farebox. A third party consultant is used to conduct the ride checks.

Representative Gutierrez asked if measures are in place to ensure that problems with the old fareboxes will not occur with the new fareboxes.

Mr. Anderson responded that farebox technology has changed significantly over the years. The new fareboxes feature state-of-the-art technology, and are connected wirelessly to a network. Ms. Faust added that she served as co-chair of the Transit Access Pass (TAP) program when she was employed by Montebello Bus Lines. She stated that the GFI Odyssey fareboxes are used throughout the country and are extremely reliable. These fareboxes are capable of reading bills and coins, and are compatible with the TAP system.

Representative Gutierrez asked how long the fareboxes have been on the market.

Ms. Faust responded that the fareboxes were beta-tested in 1998, and were put into production in 1999. Montebello Bus Lines began using the first generation of these fareboxes in 1999. She added that all of the municipal operators and Metro use the same farebox.

8. Consideration of Items not on the Posted Agenda – None.

ADJOURNED at 5:35 P.M.

Michele Chau

Michele Chau, Council Secretary