

Friday, January 9, 2009 - 9:30 a.m.

Minutes

Los Angeles County
Metropolitan Transportation Authority

SOUTH BAY SERVICE SECTOR COUNCIL REGULAR MEETING

Congresswoman Juanita Millender-
McDonald Community Center
(Carson Community Center)
801 E. Carson Street
Carson, CA 90746

Service Sector Representatives Present were:

Ralph Franklin, Chair
John McTaggart, Vice Chair
John Addleman
Devon Deming
Rena Kambara
Robert Pullen-Miles
Lou Mitchell
Kim Turner
Don Szerlip

Officers:

Dana M. Coffey, General Manager
Raynard Price, Assistant Board Secretary



Metropolitan Transportation Authority

Metro

1. **PLEDGE ALLEGIANCE** was led by Chair Franklin.
2. **RECEIVED Safety 1st Contact.** Lynda Reed, Metro South Bay Executive Secretary, suggested patrons should stand away from the curb when waiting for a bus to prevent accidents.
3. **APPROVED** Minutes of the December 12, 2008 Governance Council Meeting with a change on page 7. “...effective January 2, 2009 up to 8 dollars” should read “...effective January 2, 2009 up to 6 dollars.”
4. **CONDUCTED SWEARING IN** OF New Governance Council Members: Kim Turner, Transit Director for the City of Torrance and Rena Kambara, Los Angeles County Planner and active transit rider by Council Secretary Raynard V. Price.
5. **RECEIVED** update on AIG Issue by Terry Matsumoto, Chief Financial Services Officer and Treasurer. Mr. Matsumoto noted that AIG (American International Group) has been a dominant story in the financial news since last fall. Currently, AIG is 80% owned by the government.

Mr. Matsumoto gave the Council a brief overview of AIG’s involvement with Metro and other transit agencies in the country. He said that Transportation agencies cannot deduct the depreciation value on assets since they do not pay taxes, because of this; the assets were sold to raise unrestricted capital. The assets are leased back. He explained that the federal government required leasing transactions be insured to ensure the private sector (investors) would be paid the leasing payments. This is called a Guarantee.

Most transportation agencies entered into agreements with AIG – the largest insurer. As AIG experienced problems they were downgraded to A minus (A-) well below their prior AA rating by credit rating agencies. This created a problem for Metro and other transportation agencies. The agreements required transportation agencies to find a

suitable credit replacement. Mr. Matsumoto informed the Council that there are no suitable credit replacements in the marketplace particularly since firms like Lehman Brothers, Bears Stern, Wachovia Bank and Washington Mutual are now defunct and making credit difficult to get.

Failure to replace AIG puts Metro and other agencies in default. As an aside, he said Transit agencies were no longer able to construct these kinds of deals after 2004.

Mr. Matsumoto presented a diagram to the Council to show how involved AIG is in a typical transaction and guarantees. He also advised the Council how the Washington, D.C. Metro was able to agree on a settlement after being in default in similar deals involving AIG but that other transit agencies in the country are continuing to face difficulties - “default terminations” in the amount of \$2 - \$4B.

Transit agencies around the country formed a coalition. The coalition of agencies are attempting to talk to the incoming Administration and new Congress and have made some in-roads in communicating a need for resolution recommending a government backed “Guarantee” without the actual drawing of government funds since the lease agreements are functioning as expected. It would be a no cost, no risk solution.

Mr. Matsumoto said there are meetings scheduled with the Department of Transportation transition team. Legal analysis suggests there is no need for new legislations because the authority exists both in the “Reserve Act” and “Troubled Asset Plan” (the \$700B Bailout). In the meantime, members of the coalition are receiving extensions from investors who now want compensation for time extensions.

In response to a question from Representative McTaggart, Mr. Matsumoto advised if the government were to “Guarantee” the Lease Agreements there will be no monetary exchange. Therefore, the paying of income tax by the investors will not be an issue. Representative Addleman asked if any of the investors are suing Metro

to which Mr. Matsumoto replied in the negative. Representative Szerlip asked if Metro has the budget to make the payments and if the real problem is simply the lack of a Guarantee and the rating of the Guarantor, to which Mr. Matsumoto replied in the affirmative. Representative Szerlip called the problem a “technical default” and not a “monetary default.”

Chair Franklin stated that AIG should be re-evaluated since they are 80% government owned. He invited Mr. Matsumoto to return in 30 to 60 days to give an update. Chair Franklin asked how the lack of a Guarantee would affect Metro. Mr. Matsumoto said that without the Guarantee Metro will have to pay out a legal exposure of \$165M which will result in reduced services, reduced transit products or an increase in fares. Mr. Matsumoto concluded his report.

6. **CARRIED OVER** on New Performance Indicators by Steve Fox, Transportation Planning Manager IV, Service Planning & Development.
7. **RECEIVED UPDATE** on Adopt-A-Line Program by Service Sector Representatives.

Representative Pullen-Miles reported on Line 40 riding down Hawthorne Blvd., which he said was uneventful. The bus stop was clean and the platform at the Galleria was clean. The bus came on time. However, the windows on bus # 6434 were very dirty with etchings. It was an older bus. He implied that older buses do not get as much care as the newer buses.

Representative Deming reported on Line 625. She had not heard recent complaints and said that is good. She noted that one of the solar lights on the northeast corner of World Way West and Administration Way is out. She said this is a concern now that it gets dark earlier.

Representative Mitchell said it was too cold with unusual temperatures lately to ride the bus.

Representative Kambara said she rode the bus to the meeting. She enjoyed the Artesia Transit Center where she boarded bus Line 446, bus #6381, with Operator 25085 who was courteous. She said the bus was clean but the windows were dirty with etching but unsure if the windows should be replaced because of the expense involved in doing so.

Chair Franklin shared his experience in riding several buses. He said his ride on Line 210, bus #6414, Operator 28798 was impressive. The Operator was cordial, the bus clean, and noted that the Operator assisted a wheel chair passenger while another passenger moved to accommodate the wheel chair passenger.

Chair Franklin then connected with Line 115 stating that Operator 25593 deserves special acknowledgement for picking up the wheel chair for a passenger to take off the bus. The wheel chair passenger had been sitting in a regular seat. He helped the passenger get down the steps of the bus. His return trip on Line 115 was without plastic bags. He said Operator 73753 drove a full bus, with plenty of schedules, the bus was clean but the Operator did not accept fares. The Operator placed his hand over the fare box and flagged passengers through. In riding Line 210, bus #6406, Operator 1052, he said it was clean with full bus schedules and plastic bags. This Operator also did not accept fares. He asked that someone look into this issue.

8. **RECEIVED** Chair's Comments. The Chair said he met with Representative Mark Ridley-Thomas and Councilman Harold Williams (Carson) who experienced a challenge at the Blue Line Station. The councilman shared with Chair Franklin that the Del Amo Station was poorly maintained, parking was horrendous with over grown weeds and corrosive metals. He said trains at the 7th Street Station should be synchronized so that the Blue Line and Red Line trains are better timed.

The Chair thanked everyone for being in attendance and is attempting to workout a system to ensure a quorum. He will try to email members a week before the meeting.

Chair Franklin said he will make an effort to attend the South Bay COG “Harbor Sub-division Off-Corridor Central Alignment Options Workshop,” on Thursday, January 22, 9:00 a.m. to Noon, at the Torrance Conference room at the Torrance Airport. He asked staff to provide a similar presentation to the Sector at the February meeting.

9. **RECEIVED** General Manager’s Comments. The General Manager asked Conan Cheung, Deputy Executive Officer Operations, to provide a follow-up to a public comment regarding Line 444 ridership from a previous meeting. Mr. Cheung reiterated that there were concerns regarding the survey results as to how many people are arriving at the Artesia Transit Center and of those how many are riding through.

Mr. Cheung said in running the numbers for Lines 444 and 446 and 447 there are approximately 1900 (25% of total ridership) that ride to the transit center, of those 64% ride through. He said the important point from the survey is that 72% think the Dual Hub BRT concept is a good idea and only 12% were not in favor. Mr. Cheung said the survey was printed in both English and Spanish. Representative McTaggart expressed a concern that patrons would be required to transfer to get to Union Station. General Manager Coffey stated there will be a Public Hearing with the opportunity for further input. Representative Szerlip requested that the survey be brought to the Sector meeting as well as the Public Hearing. The Council thanked Mr. Cheung for his hard work.

General Manager Coffey asked Madeline Van Leuvan, Metro Service Development Manager, to respond to an inquiry from a previous meeting regarding Line 444. Ms. Van Leuvan presented a graph of Line 444 demonstrating weekday ridership. She reported on a local portion of Line 444. She said the local section northbound from Palos Verdes at Sea Cove to the Artesia Transit Center shows a large spike at 200 per day at Hawthorne and Artesia during the weekday.

Southbound shows 300 average passengers per day. Data is not available for Saturday and Sunday service but suggested the numbers are as great or greater. Representative McTaggart asked for a follow-up report on Sea Cove boardings.

Ms. Coffey gave the Council an update on Measure R projects that included the Westside subway segment (Subway to the Sea) to be completed in phases in 2019, 2026 and 2032. She said there is a delay on the Crenshaw Corridor and the LAX Extension projects due to funding although these projects remain high on the list. She said that the city of Chicago missed huge funding because of a missed deadline for Congestion Reduction in the amount of \$135M. The city was denied a two week extension. However, Metro received approval to continue its Congestion projects at \$210M which is the largest grant awarded to any transportation entity.

Ms. Coffey said there will be sub-committees that will work with Measure R funding: 1) local returns; 2) Bus Operations and; 3) Clean Fuel Bus Capital Programs. These sub committees will discuss and prepare guidelines to Measure R. Representative Szerlip asked for clarification of “local returns” if this meant the 20% in dollars that communities will get as discretionary funds. The General Manager agreed. Representative Turner said she is Chair of a General Managers Group that will create a special task force to address how funding will be allocated.

The General Manager announced that CEO Roger Snoble will be retiring but has agreed to remain until his position is filled. Ms. Coffey reviewed Mr. Snoble’s 43 year stellar history in transportation and his positive impact and leadership at Metro in the last seven years.

Ms. Coffey gave calendar dates of the five Sector public hearings. She encouraged the public to attend.

In addressing the comments by Sector Representative Ms. Coffey said she will have the Maintenance Managers provide a detailed report of the cost to maintain the cleanliness of bus windows, seat replacements,

etchings, and post-its placed on the windows. She said graffiti and vandalism is on the rise although Metro and the Sherriff Department have taken an aggressive approach in catching suspects.

Ms. Coffey will be making a presentation on the Adopt-A-Line program to the Operations Committee of the MTA Board. She reminded the Council of an existing form to be used for the Adopt A Line rides and indicated that the form will be updated.

10. **RECEIVED** Council Member's Remarks

Representative McTaggart noted an article in the "Daily Breeze" regarding the former Sector Chair. He said he reminded that city councils must be vigilant in protecting Prop A funding to be used for such things as sheltered and clean bus stops. He suggested that any misuse of funds should be reported to Metro.

Representative Szerlip shared his disappointment in government entities taking money meant for transportation, particularly for use in the South Bay.

Representative Kambara announced that Los Angeles County will be participating in the 2009 Greater Los Angeles Homeless count which will involve 3,000 volunteers to preserve \$72M in federal funds for local homeless programs and to raise awareness on homelessness to target housing and services to meet their needs. She will be signing up to count the homeless in the South Bay which will take place January 27 - 29. She advocated that in addition to census tracts the homeless on buses and trains should also be counted.

Representative Turner said that Torrance Transit raised its fare without complaints. There was a smooth transition without problems with fare boxes.

Representative Pullen-Miles said that Senator Oropeza added a staff person to work specifically on transportation issues particularly in the South Bay.

11. RECEIVED Public Comments

Dorothea Jaster said that Line 205 was on time allowing her to get to the Sector meeting on time. She thanked Madeline Van Leuvan for assisting her on a transportation issue. Ms. Jaster gave “Kudos” to Ms. Coffey for finding the right people to getting the job done. She said this is the test and sign of a good executive. Ms. Jaster requested that more time be given for public comment. In reading the minutes of the previous meeting Ms. Jaster was surprised that a customer would request louder music on the buses. She would like for someone to address the parking issue at Artesia Transit Center for buses. She suggested that Metro do a better job in addressing the senior TAP fare.

J.K. Drummond suggested there be a South Bay pocket map. He noted that Line 460 was omitted from the Harbor Transitway schedule. He would like to see Line 460 put back on the schedule for Weekdays, Saturdays and Sundays. He shared that AC Transit uses a different folder for weekdays and weekends and holidays. He informed the Council that Line 550 short lines the destination is listed as San Pedro but should be Harbor General hospital. He suggested that these items be corrected. He also said that sometimes the rear door does not open.

Susan Meekins. Ms. Meekins said that Metro has had three projects in Watts since 1989. She said the projects are not being utilized. She said the Park ‘n Ride is too far from the Station and fencing is blocking another project. She said these projects were wasted money. She would like to know why the park is still closed at 103rd between Graham and Grandee. (The General Manager will have someone from Rail contact Ms. Meekins).

Adjourned: 11:00

Prepared by:



Raynard V. Price