

CITY OF LOS ANGELES

CALIFORNIA



ANTONIO R. VILLARAIGOSA  
MAYOR

JUNE LAGMAY  
City Clerk

HOLLY L. WOLCOTT  
Executive Officer

Office of the  
CITY CLERK

Council and Public Services  
Room 395, City Hall  
Los Angeles, CA 90012  
General Information - (213) 978-1133  
Fax: (213) 978-1040

[www.cityclerk.lacity.org](http://www.cityclerk.lacity.org)

June 23, 2010

To All Interested Parties:

**City Attorney (w/ blue slip)**

The City Council adopted the action(s), as attached, under Council file

No. 10-0082, at its meeting held June 4, 2010.

City Clerk  
OS

OFFICE OF THE MAYOR  
RECEIVED  
Mayor's Time Stamp  
2010 JUN 17 AM 8:19  
CITY OF LOS ANGELES

City Clerk's Time Stamp  
RECEIVED  
CITY CLERK'S OFFICE  
2010 JUN 17 AM 8:19  
CITY CLERK  
BY \_\_\_\_\_  
DEPUTY

SUBJECT TO THE MAYOR'S APPROVAL

COUNCIL FILE NO. 10-0082

COUNCIL DISTRICT \_\_\_\_\_

COUNCIL APPROVAL DATE JUNE 4, 2010

RE: THE LOS ANGELES DEPARTMENT OF TRANSPORTATION'S FINAL RECOMMENDATIONS FOR CITY TRANSIT SERVICE REDUCTIONS AND FARE INCREASES

LAST DAY FOR MAYOR TO ACT JUN 28 2010  
(10 Day Charter requirement as per Charter Section 341)

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DO NOT WRITE BELOW THIS LINE - FOR MAYOR USE ONLY

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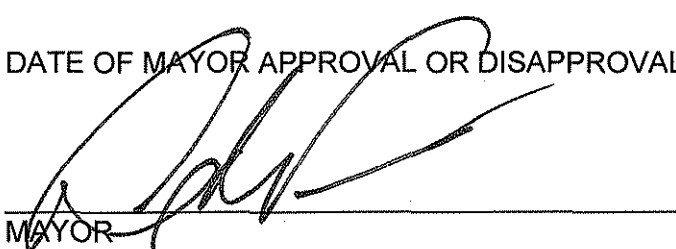
APPROVED

✓

\*DISAPPROVED

\_\_\_\_\_  
\*Transmit objections in writing  
pursuant to Charter Section 341

DATE OF MAYOR APPROVAL OR DISAPPROVAL JUN 21 2010

  
MAYOR

BY \_\_\_\_\_  
DEPUTY

CITY CLERK

2010 JUN 21 PM 4:48

RECEIVED  
CITY CLERK'S OFFICE

TO THE COUNCIL OF THE  
CITY OF LOS ANGELES

Your

**BUDGET AND FINANCE  
and  
TRANSPORTATION Committees**

**reports as follows:**

BUDGET AND FINANCE and TRANSPORTATION COMMITTEES' MINORITY REPORT relative to the Los Angeles Department of Transportation's (LADOT) final recommendations for City Transit Service reductions and fare increases.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. APPROVE the recommended transit service changes and fare increases to be implemented as described in Attachment 1 of the LADOT report attached to the Council file.
2. APPROVE the revised Fiscal Year (FY) 2010-11 Proposition A Budget line item appropriations for City transit services as contained in Attachment 2 of the LADOT report.
3. REQUEST the City Attorney to prepare ordinances establishing fare increases for the DASH and Commuter Express services.
4. AUTHORIZE the General Manager, LADOT, to amend existing DASH, Commuter Express and Cityride dial-a-ride contracts to reflect modified service levels and adjust hourly cost rates, as necessary, subject to the approval of the City Attorney as to form and legality.

Fiscal Impact Statement: The LADOT reports that the recommendations in this report would generate cost savings and revenue increases to help reduce a projected shortfall in the City's Proposition A local return transit fund. The City is facing a projected Proposition A shortfall of \$23 million in FY 2010-11; the cumulative projected shortfall is expected to grow to approximately \$350 million over the next ten years. LADOT's recommendations would eliminate the projected shortfalls in FY 2010-11 and FY 2011-12 and would result in a small surplus. Projected ongoing annual shortfalls are expected to return starting in FY 2012-13. There is no impact on the City's General Fund.

Community Impact Statement: None submitted

SUMMARY

At a joint meeting of the Budget and Finance and Transportation Committees on May 24, 2010, the Committees considered LADOT's final recommendations for City Transit Service reductions and fare increases. The LADOT report, dated April 30, 2010, contains the final recommendations from the comprehensive analysis of City transit services conducted by the LADOT. The LADOT states that those recommendations, which affect all LADOT transit services and include a combination of service cuts and fare increases, are necessary to address

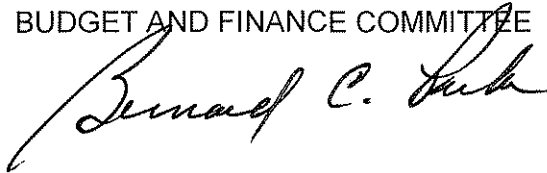
a significant projected shortfall in the City's Proposition A transit fund starting in FY 2010-11. The Department recommends that the City Council and Mayor adopt these final transit recommendations in lieu of LADOT's preliminary recommendations that were included in the Mayor's proposed FY 2010-11 Proposition A Budget. The Department's final transit recommendations are contained in Attachment 1 of the report, attached to the Council file. The Department's recommended changes to impacted line item appropriations in the Mayor's proposed FY 2010-11 Proposition A Budget are included as Attachment 2 of the report.

The LADOT reports that, along with many transit operators across the region and country, it is facing a substantial deficit in its transit programs due to the economic downturn and the resulting loss of state and local funding. The City's Proposition A local return fund, currently the sole source of City funding for LADOT's transit services, is projected to show a deficit of \$23 million in the next fiscal year (FY 2010-11). The cumulative deficit is expected to grow to \$350 million over the next decade. The LADOT is, therefore, recommending that the City take immediate action to address this projected shortfall. A consultant's study found that LADOT is managing its transit programs in line with industry cost-effectiveness practices, including the use of competitive contracting as a means to reduce operating costs. This result indicates that addressing the projected deficit will require a reduction in service and an increase in user fees.

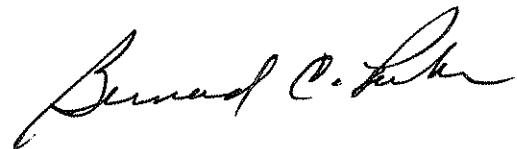
During the Committees discussion, representatives of LADOT, CAO, and the Mayor's Office provided an overview and additional clarification on the LADOT's final recommendations for City Transit Service reductions and fare increases and responded to related questions from Committee members. After an opportunity for public comment and further consideration, the Committee members voted on the request to restore Commuter Express Line 430 with only one evening return trip to be offset with a July 1, 2010 increase in the DASH fare to 50 cents. The vote resulted in Majority and Minority Joint Budget and Finance and Transportation Committee reports. The recommendations contained in the Minority report are reflected above. This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

BUDGET AND FINANCE COMMITTEE



TRANSPORTATION COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
PARKS:	YES
SMITH:	YES
ROSENDAHL:	NO
HUIZAR:	ABSENT
KORETZ:	NO

<u>MEMBER</u>	<u>VOTE</u>
ROSENDAHL:	NO
LABONGE:	NO
ALARCÓN:	ABSENT
KORETZ:	NO
PARKS:	YES

ep  
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**-NOT OFFICIAL UNTIL COUNCIL ACTS-**

**ADOPTED  
AS AMENDED  
JUN 04 2010  
SEE ATTACHED MOTIONS  
LOS ANGELES CITY COUNCIL**

MOTION

I MOVE that the Transportation Committee report relative to the Los Angeles Department of Transportation's final recommendations for City Transit Service reductions and fare increases, Item #17 on today's Council Agenda (C.F. 10-0082), BE AMENDED, to direct the Office of the Chief Legislative Analyst and City Administrative Officer to identify \$1.5M to continue the Council Office's portion of the Charter Bus Program.

I FURTHER MOVE that the Chief Legislative Analyst report back with a policy to limit Charter Bus trips to those most critically needed by the City's residents.

PRESENTED BY: Ed P. Reyes  
ED P. REYES  
Councilmember, 1st District

SECONDED BY: E. G. [Signature]

**ADOPTED**  
**AS AMENDED**  
JUN 04 2010  
**SEE ADDITIONAL MOTION**  
**LOS ANGELES CITY COUNCIL**

mrf

**VERBAL MOTION**

I HEREBY MOVE that Council INSTRUCT the Department of Transportation to report back to the Transportation and Budget and Finance Committees within 30 days after consulting with each Council office regarding the potential for volunteering additional resources relative to the Charter Bus Program.

PRESENTED BY \_\_\_\_\_  
RICHARD ALARCON  
Councilmember, 7th District

SECONDED BY \_\_\_\_\_  
BILL ROSENDAHL  
Councilmember, 11th District

**ADOPTED**

JUN 0 4 2010

**LOS ANGELES CITY COUNCIL**

June 4, 2010

CF 10-0082

TO THE COUNCIL OF THE  
CITY OF LOS ANGELES

Your

**BUDGET AND FINANCE  
and  
TRANSPORTATION Committees**

reports as follows:

BUDGET AND FINANCE and TRANSPORTATION COMMITTEES' MAJORITY REPORT relative to the Los Angeles Department of Transportation's (LADOT) final recommendations for City Transit Service reductions and fare increases.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. APPROVE the LADOT's final recommendations for City Transit Service reductions and fare increases as contained in the LADOT's report dated April 30, 2010, attached to the Council file, with the following change:
  - a. RESTORE Commuter Express Line 430 with only one evening return trip to be offset with a July 1, 2010 increase in the DASH fare to 50 cents.
2. REQUEST the City Attorney to prepare ordinances establishing fare increases for the DASH and Commuter Express services reflecting the above change.

Fiscal Impact Statement: The LADOT reports that the recommendations in this report would generate cost savings and revenue increases to help reduce a projected shortfall in the City's Proposition A local return transit fund. The City is facing a projected Proposition A shortfall of \$23 million in FY 2010-11; the cumulative projected shortfall is expected to grow to approximately \$350 million over the next ten years. LADOT's recommendations would eliminate the projected shortfalls in FY 2010-11 and FY 2011-12 and would result in a small surplus. Projected ongoing annual shortfalls are expected to return starting in FY 2012-13. There is no impact on the City's General Fund.

Community Impact Statement: None submitted

SUMMARY

At a joint meeting of the Budget and Finance and Transportation Committees on May 24, 2010, the Committees considered LADOT's final recommendations for City Transit Service reductions and fare increases. The LADOT report, dated April 30, 2010, contains the final recommendations from the comprehensive analysis of City transit services conducted by the LADOT. The LADOT states that those recommendations, which affect all LADOT transit services and include a combination of service cuts and fare increases, are necessary to address a significant projected shortfall in the City's Proposition A transit fund starting in FY 2010-11. The Department recommends that the City Council and Mayor adopt these final transit recommendations in lieu of LADOT's preliminary recommendations that were included in the Mayor's proposed FY 2010-11 Proposition A Budget. The Department's final transit recommendations are contained in Attachment 1 of the report,

attached to the Council file. The Department's recommended changes to impacted line item appropriations in the Mayor's proposed FY 2010-11 Proposition A Budget are included as Attachment 2 of the report.

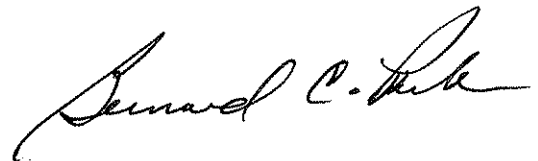
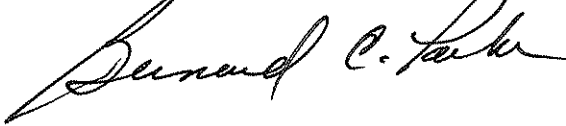
The LADOT reports that, along with many transit operators across the region and country, it is facing a substantial deficit in its transit programs due to the economic downturn and the resulting loss of state and local funding. The City's Proposition A local return fund, currently the sole source of City funding for LADOT's transit services, is projected to show a deficit of \$23 million in the next fiscal year (FY 2010-11). The cumulative deficit is expected to grow to \$350 million over the next decade. The LADOT is, therefore, recommending that the City take immediate action to address this projected shortfall. A consultant's study found that LADOT is managing its transit programs in line with industry cost-effectiveness practices, including the use of competitive contracting as a means to reduce operating costs. This result indicates that addressing the projected deficit will require a reduction in service and an increase in user fees.

During the Committees discussion, representatives of LADOT, CAO, and the Mayor's Office provided an overview and additional clarification on the LADOT's final recommendations for City Transit Service reductions and fare increases and responded to related questions from Committee members. After an opportunity for public comment and further consideration, the Committee members voted on the request to restore Commuter Express Line 430 with only one evening return trip to be offset with a July 1, 2010 increase in the DASH fare to 50 cents. The vote resulted in Majority and Minority Joint Budget and Finance and Transportation Committee reports. The recommendations contained in the Majority report are reflected above. This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

BUDGET AND FINANCE COMMITTEE

TRANSPORTATION COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
PARKS:	NO
SMITH:	NO
ROSENDAHL:	YES
HUIZAR:	ABSENT
KORETZ:	YES

<u>MEMBER</u>	<u>VOTE</u>
ROSENDAHL:	YES
LABONGE:	YES
ALARCÓN:	ABSENT
KORETZ:	YES
PARKS:	NO

ep  
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**-NOT OFFICIAL UNTIL COUNCIL ACTS-**

JUN 04 2010 Received and Filed  
MINORITY REPORT ADOPTED, AS AMENDED,  
in lieu of MAJORITY REPORT, see Rept.