

METROLINK.



Governance Options Report

**December 12, 2014
Board of Directors Meeting**

METROLINK.



Issue and Recommendation

- At the July 11, 2014 Board Strategic Plan Workshop, a Governance Ad Hoc Committee was appointed to consider options for improving the governance of the SCRRA and report back to the Board regarding those options.
- Recommend that the Board discuss and give direction regarding the governance options presented by the Governance Ad Hoc Committee.



Governance Ad Hoc Committee Members

Keith Millhouse	Ventura County Transportation Commission (VCTC)	Board member
Carolyn Cavecche	Orange County Transportation Authority (OCTA)	Board member
Don Sepulveda	Los Angeles County Metropolitan Transportation Authority (Metro)	Technical Advisory Committee (TAC) member
Justin Fornelli	San Bernardino Associated Governments (SANBAG)	TAC member
Sheldon Peterson	Riverside County Transportation Commission (RCTC)	TAC member
Roderick Diaz	Southern California Regional Rail Authority (SCRRA)	Authority staff member
Linda Bohlinger	Parsons Brinckerhoff	Facilitator



Options Summary

- **Institutional Issues**
 1. Governance Options
 2. Board Member Requirements
 3. Technical Advisory Committee (TAC) Role
 4. Board Reports Improvements

- **Long Term Operating and Capital Commitments**
 5. Long Term Operating And Capital Commitments

- **Funding Issues**
 6. New Funding / Grants Reporting
 7. SCRRA Funding Formula Update / Change



1. Governance Options – Issue

Based on the analysis done for the Authority's Workshop on July 11, 2014, the current JPA Board and Metrolink staff organization has had difficulties in operating, maintaining and administering the Metrolink service and coordinating with member agencies, in part due to governance and management issues.



1. Governance Options – Solutions

The highest ranked options to potentially increase the effectiveness of Metrolink include contracting out portions of Metrolink administration, such as finance or procurement; or contract with a member agency to be a managing agency of the Metrolink organization. The JPA would continue to exist.

- a. Contract portions of management of Metrolink to member agency(ies).
- b. Create a Managing Agency within an existing Member Agency. Retain a Metrolink JPA Board.
- c. Create a Transit District or Authority.
- d. Contract out the management of Metrolink. The management firm would provide the CEO and senior staff. All other staff would be transferred to the management firm. (P3 management firm model).



1. Governance Options – Implementation

For contracting out options, requires Board to take action and implement a contract with the host member agency(ies).

- Would require a separate contract with details, depending on option, on operations, administration, funding and budget, liability provisions and performance measurements.
- Although the JPA would not need to be amended, it may also be advisable to amend the JPA to make it consistent with an approach to contract out, in whole or in part, the Metrolink function and update some of the JPA provisions.
- Recipient member agency board would have to approve taking on the Metrolink service responsibility.
- State legislation would be required to form a transit authority/district.



2. Board Member Requirements – Issue

The Board deals with highly technical issues spread over a large track of land (500 miles); 22 board members casting the 11 votes results in an exponentially large combination of voting variations; and there are Board member attendance issues.



2. Board Member Requirements – Solutions

The goal is to have an engaged board that understands the Metrolink issues before them and expects excellence from staff. Solutions include changing the voting requirements and/or number of alternates and requiring Board member training regarding the Metrolink system.

- a. Ensure that the appointing authority policies of each Member Agency board are consistent with option chosen
- b. Board Member appointments and voting
- c. Alternate appointments and voting
- d. Board Member orientation training, including riding the train, self-assessment test, other safety peer review requirements.



2. Board Member Requirements – Implementation

- Most options would require a change in JPA, by unanimous agreement of the voting member agencies
- Board member training would be Board directed and staff implemented



3. Technical Advisory Committee Role – Issue

Board members are not fully briefed on issues. Issues not fully vetted through a technical review prior to Board action.



3. Technical Advisory Committee Role – Solutions

- Issues would be vetted through the Technical Advisory Committee (TAC), which is composed of members who understand Metrolink technical and policy issues. TAC will inform the Board of their comments/concerns
- All Board items would be required to go through TAC for review before going to the Board



3. Technical Advisory Committee Role – Implementation

- Requires Board direction and Metrolink CEO Implementation



4. Board Reports Improvements – Issue

The current Board reports often lack the appropriate amount of detail and financial information to make an informed decision.



4. Board Reports Improvements – Solutions

- The recommended format should allow the Board to be aware of TAC's review and comments, consistency with Strategic Plan and Short Range Transit Plan (SRTP) and the specific financial implications of each item.
- All Board presentations shall have a Board report associated with that item.
- Authority staff shall prepare a 90-day look ahead regarding upcoming issues/board items.



4. Board Reports Improvements – Implementation

- Metrolink CEO direction



5. Long Term Operating and Capital Commitments – Issue

The Authority does not have multi-year commitments to plan their service improvements.

The Authority does not provide enough information on operating, maintenance and rehabilitation and capital needs.



5. Long Term Operating and Capital Commitments – Solutions

- Options would stabilize funding and create a multi-year program of specific operation, maintenance and rehabilitation and capital expenses.
- Develop a set of principles for project and cost sharing commitments
- Define five year operating and capital needs through the Short Range Transit Plan (SRTP) and 20 year needs through the Strategic Plan.
- Develop Memorandums of Understanding (MOUs) that have long term commitments (year one budget commitment and out year programming commitments).



5. Long Term Operating and Capital Commitments – Implementation

- Board direction
- Member agency and TAC participation
- Metrolink CEO implementation



6. New Funding / Grants Reporting – Issue

Metrolink lacks a long term, dedicated funding source and therefore has difficulty in making long-term commitments.



6. New Funding / Grants Reporting – Solutions

- Develop/join a state-wide coalition with other commuter rail agencies in California with the goal of securing stable state funding for commuter rail systems.
- Develop a strategy with the Member Agencies on seeking federal dollars and use of federal dollars that keeps projects going.
- The funding options would provide either a dedicated funding source at the state and/or regional level or provide added funds each year through discretionary grants. See matrix for federal, state, regional and local funding opportunities. Each option is ranked.
- Report to the Board on a quarterly basis regarding the status of Authority grants and member agency commuter rail programs and initiatives.



6. New Funding / Grants Reporting – Implementation

- Board Policy
- Member agency collaboration
- Authority staff development of grants and reporting



7. SCRRA Funding Formula Update/ Change – Issue

There is a lack of knowledge of how the formula works and it is too complicated. In addition, the current formula does not reflect the current metrics of the system so some counties may not be paying their fair share.



7. SCRRA Funding Formula Update/ Change – Solutions

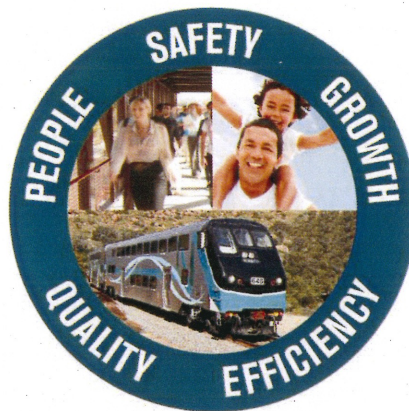
The formula changes would simplify the formula and bring all the metrics up-to-date, thereby ensuring that all member agencies were paying their fair share. Because of the formulaic nature of the budget it is difficult for the Authority to move funds around and that consolidating some of the items helps with that.

- Remove lag-train miles; just use current train miles
- Consolidate categories
- Remove residual tiers from past formulas



7. SCRRA Funding Formula Update/ Change – Implementation

- Refer to TAC for analysis and recommendations to Board for action
- Metrolink CEO Implementation



The Metrolink Mission Statement

To provide an outstanding passenger experience on every ride
with safe, clean, dependable and on-time operations.