



Board Report

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3rd REVISION
PLANNING AND PROGRAMMING COMMITTEE
MARCH 15, 2017
EXECUTIVE MANAGEMENT COMMITTEE
MARCH 16, 2017

SUBJECT: DRAFT MEASURE M MASTER GUIDELINES

ACTION: APPROVE THE RELEASE OF THE DRAFT MEASURE M MASTER GUIDELINES FOR PUBLIC REVIEW

RECOMMENDATION

APPROVE the release of the **draft Measure M Master Guidelines for public review.**

ISSUE

On June 23, 2016, the Metro Board of Directors approved the Los Angeles County Traffic Improvement Plan Ordinance (#16-01, titled Measure M), which was subsequently approved by more than 71% of voters at the November 8, 2016 general election.

At the December 1, 2016 Metro Board Meeting, Chief Executive Officer Phillip Washington presented an overview on development of the Measure M Ordinance Guidelines, where he indicated that draft Master Guidelines would be developed internally by Metro staff, for subsequent review and comment by the public. The target date for Board adoption of final Measure M Guidelines is the June 2017 Board meeting, in advance of the initiation of the additional sales tax revenue collection on July 1, 2017.

DISCUSSION

The Guidelines must address all aspects of administering and overseeing Measure M. For a comprehensive and balanced approach, staff prepared a Master guidance document that will provide direction for all elements of Measure M. Primary elements include: Administration and Oversight; Audits; Assessments and Amendments; Cashflow; Transit Operations and Other Designated Operational Funding; Multi-year Subregional Programs; Local Return; and State of Good Repair. (Attachment A).

Please note the following three major themes integrated throughout, that deserve special attention.

- **Timely Use of Funds/Project Readiness:** It is imperative that Metro exercise fiduciary

responsibility at the outset of implementing Measure M. Our core objective is to allocate funds that will be put to use to benefit the people of Los Angeles County as soon as possible.

- Cashflow: In line with the timely use of funds is the recognition that needs must be optimally aligned with revenue availability. Therefore, a cashflow approach is the foundation of Measure M resource management. Included within the cashflow area are the following topics -
 - Acceleration
 - Debt Policy
 - Contingency
 - 3% Local Contribution
- Multi-Year Subregional Programs and the Related Toolbox: There will be significant attention directed to the role and contribution of our local partners. We seek to balance flexibility with the overarching timely use of funds and cashflow provisions as they apply to the Multi-Year Subregional Programs.

PROCESS

To gather countywide input, OMB staff convened two Measure M Working Groups in January. The Transit Operations Working Group included representatives from transit operators countywide, while the Local Return Working Group included representatives from small and large Los Angeles County jurisdictions across the region. Other sections of the draft were created by Metro staff and circulated through the internal review process within Metro, and key funding recipients as appropriate. A summary of the guideline development process for the indicated Guidelines sections is also attached as follows:

Attachment B - 20% Transit Operations Process & Working Group; and

Attachment C - 17% Local Return Process & Working Group.

DETERMINATION OF SAFETY IMPACT

The proposed approval will not have any adverse safety impacts on employees and patrons.

FINANCIAL IMPACT

Impact to Budget

Approving the staff recommendations will have no impact on the FY 2017 Budget.

ALTERNATIVES CONSIDERED

The Measure M ordinance requests specific guidelines, as indicated in this report. Staff believes that a master guidance document will streamline and expedite delivery of Measure M projects and programs, especially if implemented prior to the effective date of the Measure M Ordinance, which will begin collection on July 1, 2017. The alternative considered was to create guidelines only for

elements specifically mandated in the Ordinance. Staff selected the master guidance framework in order to provide a more comprehensive approach.

NEXT STEPS

If approved by the Board, the Draft Measure M Guidelines will be released for public review. The Guidelines will be posted on the Metro website on April 1, 2017, and there will be a place at the same location for people to submit comments. During April-May 2017, the Measure M Master Guidelines document will be discussed by the Policy Advisory Council, and staff will conduct additional outreach. Following public input and comment, a final guidelines document will be present to the Board in June 2017 for adoption.

ATTACHMENTS


Attachment A - Draft Measure M Master Guidelines

Attachment B - 20% Transit Operations Process & Working Group

Attachment C - 17% Local Return Process & Working Group

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