



## **CITIZENS ADVISORY COMMITTEE**

Wednesday, August 9, 2006

### **MINUTES**

#### **1. CALL TO ORDER**

The Regular Meeting of the Citizens Advisory Committee (CAC) was called to order at 4:36 p.m. by Chairperson Schulter in Conference Room B-104, Valley Transportation Authority (VTA), 3331 North First Street, San Jose, California.

#### **ROLL CALL**

##### **Members Present**

Don Burnett  
Chris Elias  
Ellen Fletcher  
Ray Hashimoto  
Roberta Hughan  
Robert Jacobvitz

##### **Members Present**

Luiz Mendez  
Margaret Okuzumi  
Charlotte Powers  
Sally Probst  
Martin Schulter, Chairperson  
Noel Tebo

##### **Members Absent**

Stephen Blaylock, Vice Chairperson  
Irene Hsu  
Gaye Morando

##### **Members Absent**

Jennifer Paedon  
Connie Rogers

**A quorum was present.**

#### **2. PUBLIC PRESENTATIONS**

There were no Public Presentations.

#### **3. Committee Staff Report**

Stephen Flynn, Senior Management Analyst, reported that the highly anticipated I-880/Coleman Avenue Interchange recently opened and noted the benefits of the project to commuters and airport travelers. Mr. Flynn added that the construction of Airport Boulevard direct connector ramp to southbound I-880 is ongoing and is expected to be completed by September 2006.

Mr. Flynn reported that through the partnership efforts between VTA, members of Downtown San Jose community, City of San Jose, and Downtown Association, the Paseo de San Antonio Light Rail Station was re-opened in late July, three months ahead of schedule. This platform retrofit project was opened before the opening of the San Jose Grand Prix and the San Jose State University Fall Semester. Additional minor work is still needed in the station, such as the shelter canopies. The retrofit enables level boarding for passengers, thus making it easier to board and deboard light rail vehicles.

Upon inquiry of Member Tebo, Jack Collins, Chief Construction Officer, responded that under the existing contract, Paseo de San Antonio and St. James Stations are retrofitted. The following stations to be closed for retrofitting include Convention Center Station in mid October 2006 and Santa Clara Station by January 2007. The next phase will be to raise the platforms at the south stations.

Chairperson Schulter commented that the retrofitted platforms are major improvements and truly provide quick and easy boarding. Member Tebo commented that VTA did a nice job on the retrofitting project.

Mr. Flynn further reported that the VTA Board of Directors awarded the Hay Group a \$511,830 contract to perform the Organizational and Financial Assessment last August 3, 2006. Mr. Flynn stated that 2006 VTA Chairperson Cindy Chavez initiated the effort to analyze VTA's business practices and the Advisory Committees provided input to the scope of work when it was presented to them in April 2006. VTA received proposals from five firms, which were reviewed and ranked by an evaluation panel that consisted of chairpersons of the five Advisory Committees. The evaluation panel determined that the Hay Group is the best-qualified and best-suited team for this project.

VTA expects to issue a Notice to Proceed (NTP) to the Hay Group in August 2006. The consultant will be required to provide four technical memoranda approximately 60 days after the NTP, a draft report approximately 45 days after technical memoranda are submitted, and a final report approximately 60 days after the draft report, but no later than March 2007. Appropriate key VTA stakeholders will review and make necessary changes to the technical memoranda and draft report prior to producing a final report. As requested, the consultants will provide oral reports regarding the results of the assessment to the VTA Board of Directors, Advisory Committees, and other stakeholders.

Mr. Flynn distributed a copy of the August 3, 2006 Board of Directors Meeting Agenda Item #25 – Organizational and Financial Assessment.

#### **4. Chairperson's Report**

Chairperson Schulter noted that the effort for the Organizational and Financial Assessment commenced in March 2006. Chairperson Schulter gave credit to Tom Smith, VTA Purchasing and Materials Manager, for organizing a very thorough selection process. Each of the written proposals and presentations were evaluated and scored and the Hay Group emerged as the selected team.

Chairperson Schulter informed the Committee that Mr. Burns did not participate in the scoring and ranking of proposals. Instead, Mr. Burns acted as a resource person for the evaluation panel. Chairperson Schulter noted that this demonstrates that the process for selecting the consultant was truly independent and ethical.

Member Elias took his seat at 4:45 p.m.

Chairperson Schulter advised the Committee that staff is working on a plaque of appreciation for almost six years of service to be given next month to former CAC Member Diane Tripousis. Chairperson Schulter noted that there will also be an appreciation letter, and a card will be passed around for Members to sign. This is part of an informal policy wherein any Member who has been in service for five years or more will be recognized.

Chairperson Schulter reported that CAC's recommendation of a "No Smoking Policy" at bus and light rail stations is undergoing the ordinance process. Mr. Flynn added that CAC will be given a status update regarding the "No Smoking" recommendation in the October-November 2006 timeframe.

Chairperson Schulter noted that in the future, the Committee would select an independent auditor as part of their role as the 2000 Measure A Oversight Committee. He advised the Members that staff will provide the Committee with a report on the advantages and disadvantages of hiring the current VTA auditing firm or choosing a different one. He added that the agenda and work plan formats may change to address CAC's duty as the Oversight Committee. He noted the importance of clearly differentiating CAC and the Oversight Committee's business in the agenda. He noted that the new format may be used at the September 2006 meeting.

## **BUSINESS REFERRED TO COMMITTEE BY THE BOARD OF DIRECTORS/GENERAL MANAGER**

### **CONSENT AGENDA**

**5. Minutes of May 10, 2006**

M/S/C (Probst/Burnett) to approve the Minutes of May 10, 2006.

**6. CAC Quarterly Attendance Report**

M/S/C (Probst/Burnett) to review the CAC Quarterly Attendance Report.

**NOTE:** M/S/C MEANS MOTION SECONDED AND CARRIED AND, UNLESS OTHERWISE INDICATED, THE MOTION PASSED UNANIMOUSLY.

7. **Programmed Projects Quarterly Monitoring Report for April to June 2006**

M/S/C (Probst/Burnett) to review the Programmed Projects Quarterly Monitoring Report for April to June 2006.

8. **Proactive CMP Reviewed and Approved Projects Quarterly Status Report April through June 2006**

M/S/C (Probst/Burnett) to review the Proactive CMP Reviewed and Approved Projects Quarterly Status Report April through June 2006.

## **REGULAR AGENDA**

9. **Transit Sustainability Policy**

Pamela Vasudeva, Transportation Planner, noted that VTA is currently developing a Transit Sustainability Policy (TSP) to help improve ridership and support and guide the implementation of new services. Ms. Vasudeva noted that the Board of Directors initiated this effort through the work of the Ad Hoc Financial Stability Committee that developed a VTA long-term Financial Stability Strategy, which was adopted by the Board of Directors in 2004. Subsequently, this strategy was included in Valley Transportation Plan (VTP) 2030.

Ms. Vasudeva noted that the overarching goal of the TSP is to provide VTA users with a transit service that is well used, cost-efficient, operationally efficient, supported by local jurisdictions, and better meets market needs. The TSP will build on several existing VTA efforts, including the Service Management Plan, Community Design & Transportation Program, VTP 2030, and VTA's Financial Stability Strategies. The TSP will also include the framework necessary to implement existing and future transit services including Community Bus, Local Bus, Bus Rapid Transit (BRT), and light rail. The TSP is intended to help guide the development and implementation of projects and services that are underway such as the Comprehensive Operations Analysis (COA), new corridor studies, and bus/rail integration plans.

Ms. Vasudeva noted that the project is a work in progress, and staff will present more information to all committees in the upcoming months. She noted that the current schedule for Board adoption of the TSP is in the December 2006 to January 2007 timeframe. She noted that staff is looking forward to working with all the VTA Committees to provide transit services that are sustainable and enjoyable to ride.

Member Probst inquired about the interaction between VTA and local jurisdictions to coordinate services. Chris Augenstein, Transportation Planning Manager, responded that the analyses from the COA will begin in the January to February 2007 timeframe and added that there will be an outreach process.

Member Elias commented that as the policy comes forward, it is important to delineate it from the previous policy. He also noted the importance of knowing the previous policy

assumptions and the current assumptions so that uncertainties will be addressed. He noted that the price of gasoline is escalating and added that this has a great impact on VTA's planning efforts.

Mr. Augenstein clarified that there is no previous TSP. The TSP is currently being developed and the discussion about the issues that Member Elias raised will be discussed in the Fall 2006, as staff provides more information about the TSP.

Member Powers commented that during the analysis, it is important to take a comprehensive look at the entire transportation system and services provided by VTA. She stated as staff conducts its analysis of different modes of transportation, schedules should be synchronized. She added that transfers should be minimized as it is critical for ridership.

Ms. Vasudeva responded that the TSP will look at making the transportation system most effective on the policy level. She noted that the COA will work on the actual routes.

Member Tebo inquired about TSP's from other transit systems and requested that staff provide examples to the Committee.

Mr. Augenstein responded that San Diego has a TSP and noted that many transit properties are moving in this direction because of the desire to serve more customers, have a more cost-effective and productive system, and have a better Return on Investment (ROI). Mr. Augenstein added that the TSP is part of the overall strategy that VTA is embarking on to improve its transit services.

Ms. Vasudeva stated that the TSP will be supported by guidelines that will give recommendations based on VTA's existing infrastructure as well as other industry practices around the country.

At the request of Member Elias, Mr. Augenstein explained the difference between the TSP and other VTA plans such as the VTP 2030. VTP 2030 is a long-range transit plan that indicated that VTA will be well served by a policy that would guide the expansion of transit services. Mr. Augenstein added that the Board of Directors directed staff to pursue this strategic direction to help provide the framework for guiding future transit development.

**On order of Chairperson Schulter**, there being no objection, the Committee reviewed the Transit Sustainability Policy.

#### **10. 2005-2006 VTA Passenger Survey**

Kevin Connolly, Transportation Planning Manager, presented the results from the 2005-2006 On-Board Passenger Survey, which is part of the overall COA efforts. Mr. Connolly informed the Committee that there is also a Telephone Survey currently being conducted and the results of that survey will be provided in the future.

Mr. Connolly explained that the survey period commenced in October 2005 and concluded in March 2006. VTA collected 13,718 completed surveys, representing a

29 percent response rate, with a margin of error of +/- .08 percent. Mr. Connolly distributed copies of the survey and noted that it contains 29 questions in the following categories: rider demographics, travel characteristics, and service evaluation. The survey was offered in English, Spanish, Chinese, and Vietnamese.

The findings of the survey showed that VTA's rider profile is as follows: 59 percent of riders are 34 years of age or under; 37 percent of riders are Hispanic/Latino; 38 percent are employed full time but 56 percent of that earns less than \$25,000 a year; 65 percent did not have an automobile for their trip; 75 percent rides VTA four days a week or more; and 71 percent walks to the stop.

Mr. Connolly presented various slides showing the rider demographics. The first two slides showed the age distribution of VTA Passengers and its comparison to Santa Clara County Residents. The following slides showed results relating to ethnic background, household income of VTA passengers and its comparison to Santa Clara County Residents, employment status of VTA passengers, and transit dependency. Mr. Connolly stated that the current results are consistent with the 2000 survey, highlighting that 65 percent did not have an automobile for their trip and 62 percent stated they do not have any other choice as the main reason for using VTA Transit.

Mr. Connolly presented slides regarding the travel characteristics of VTA passengers including frequency of using VTA Transit, wherein 45 percent of passengers ride six to seven days a week while 30 percent rides four to five days a week. The 2006 survey also showed that 49.7 percent of passengers have been using VTA transit for more than three years. Mr. Connolly noted that these results are almost similar to the results in the 2000 survey.

Mr. Connolly presented and discussed the trip purpose of passengers, access and egress modes, fare category, mode of payment for their trip, comparison of bus and light rail, and comparison of specific routes. Mr. Connolly highlighted that there was positive growth in the fare category of senior and disabled while there was a decline in youth. Compared to the 2000 survey, there were fewer passengers who used the monthly and day passes while there was an increase in the usage of Eco Pass and cash fare.

Mr. Connolly discussed the 11 service ratings characteristics. The positive ratings include access to VTA information, personal security/safety, accessibility for disabled persons, drivers, and overall service quality. The characteristics with fair and poor ratings include fares, ease of transfers, frequency, and on-time/reliability.

Mr. Connolly noted that the survey had an area where people can make suggestions as to how VTA Transit could be improved. The categories include: more frequent service, real-time transit information, more weekend service, later service, offer round-trip ticket, and earlier service. Mr. Connolly stated that the "real-time information" is a new category for the 2006 survey.

In closing, Mr. Connolly explained that survey results will be incorporated in a variety of efforts in VTA such as the COA, Marketing and Customer Relations, VTA Model, Service Operations Planning, and Planning and Policy Development.

Member Probst inquired if survey reports are available for Committee review. Mr. Connolly responded that the report would be available in September 2006; it will be distributed to the Committees.

Member Mendez referred to the decrease in use of monthly passes and commented that buying monthly passes may be a little inconvenient for some passengers for a variety of reasons.

Mr. Connolly stated that the 2006 survey was unique because respondents can be further contacted, to find out the underlying reasons for some issues such as the one mentioned by Member Mendez.

Member Elias suggested that it may be helpful if VTA could provide passengers options to renew or buy their passes from home or other more convenient ways rather than restricting purchase through authorized stores or VTA.

Mr. Connolly stated that the transportation community in the Bay Area is working on an effort to use smart card for fares within the Bay Area.

Member Powers suggested breaking up the demographics such as the age group of 34 and under to be able to obtain a true picture of ridership such as reasons why passengers choose cash fares over monthly passes.

**On order of Chairperson Schulter**, there being no objection, the Committee reviewed the 2005-2006 VTA Passenger Survey.

#### **11. 2000 Measure A Transit Improvement Program Cost Reports**

Mr. Collins introduced Derek Carrier, Project Controls Manager. He noted that as the collection of the 2000 Measure A Sales Tax began on April 1, 2006, CAC has a vital role of providing an independent review of all the expenditures.

Member Okuzumi took her seat at 5:30 p.m.

Mr. Collins stated that the Board of Directors has approved the Expenditure Plan at its June 15, 2006 Special Meeting. He pointed out that the Expenditure Plan is only 80 percent funded and 20 percent of the funding gap has to be closed with other funding sources during the 30-year life of the Program. A potential source of revenue to close the funding gap would be the State Infrastructure Bond that will be on the November 2006 Ballot or another sales tax initiative, if the Board decides to do so in the future. Mr. Collins noted that VTA needs to look for additional revenues in order to complete all the projects in the 2000 Measure A Program.

Mr. Collins stated that the Agenda Item #11 in the packet represents a mock-up of cost reports. Mr. Collins noted that the report would be one of the tools to help CAC fulfill its role as the Oversight Committee for the 2000 Measure A Program. Mr. Collins and

Mr. Carrier distributed a handout entitled, "Measure A Cost Reports," and stated that the numbers in the handout are not mock-up numbers but instead actual figures.

Mr. Collins stated that over the next few months, staff will provide a summary report that shows revenues, expenses, and other important information about the Program such as bonding. He referred to the first part of the handout, the 2000 Measure A Program Reporting Structure, Current VTA Scenario, and stated that this is how the cost report will be organized. The Report has seven elements and each of the elements have sub-reports. The seven elements include: 2000 Measure A Programwide Costs, Silicon Valley Rapid Transit (SVRT) Program, Light Rail Program, Commuter Rail Program, San Jose Mineta Airport People Mover, Bus Program, and Non-Measure A Programs/Projects. Mr. Collins clarified that the last item, the Non-Measure A Programs/Projects are programs that are currently not funded and VTA needs to find additional funding sources to be able to complete these projects.

Mr. Collins directed attention to the Summary by Program Report and encouraged the Committee to watch the Contract Commitment, shown on Column F and Incurred to Date, Shown on Column I. He explained the importance of each column and stated that Column I should not be more than the amount stated in Column F. Mr. Collins stated that the Program is approximately \$18.7 billion (80 percent funded) and to date, the Board of Directors authorized \$704 million for expenditures. Mr. Collins introduced Susan Stark, Controller, and stated that her team will keep track of the revenue data. Mr. Collins encouraged the Committee to provide staff feedback on how to make the report more useful to them such as how to sort the data or how to format the report.

Mr. Carrier reiterated that Agenda Item #11 in the packet is a mock-up report completed in January 2006, and the handout distributed today contains up-to-date Measure A numbers as of the end of July 2006, which was taken out of SAP, VTA's financial accounting system. Mr. Carrier reviewed the reports, stating that a summary of the whole Program is provided as well as the details of each element of the program. Mr. Carrier assured the Committee that if they wanted certain details that are not in the current format of the report, staff could try to accommodate those types of requests. He added that staff has the ability to create necessary categories (i.e. financial costs, operating assistance, etc.) and could track those categories in the report. Mr. Carrier explained in detail the SVRT Program Estimate/Cost Summary Report and stated that there are contingencies within the project and monies could be transferred within the project.

Upon inquiry of Member Mendez, Mr. Carrier clarified that the handout does not deal with revenues but instead projects how much money will be spent. He noted that the revenue and expenditure plan will be reviewed on a regular basis. Mr. Collins stated that as the Board of Directors review the revenue and expenditure plan, they would incrementally decide how much more money will be invested in specific projects. Staff will monitor the costs of the projects as soon as the Board of Directors authorizes projects to move forward.

Upon inquiry of Member Elias, Mr. Carrier explained that the budget variance merely means projecting more money and does not mean changing the scope.

Ms. Stark pointed out the VTA's authority to spend money solely comes from the Board of Directors. The Board of Directors authorizes how much money could be spent on a particular project and the General Manager and Executive Management has the authority to transfer dollars within the project but does not have the authority to spend more than what the Board of Directors authorized.

Mr. Collins stated that staff wanted the Committee to have a preview of the reports and added that the reports are still being developed. Mr. Collins reiterated that staff is willing to take suggestions and recommendations from the Committee on the report format. He stated that staff needs approximately two to three months to prepare a mock-up quarterly report that would illustrate what is being done, along with revenues and expenditures. At that time, the Committee can provide feedback about which reports will be helpful to their role as the Oversight Committee.

Member Okuzumi inquired how financing costs will be reflected in the reports.

Mr. Carrier responded that there is a category in the report that lays out the financing costs for the entire program.

Member Okuzumi suggested that the results be presented in the graphical format. Mr. Carrier responded that graphics will be included in the quarterly report.

Upon inquiry of Member Burnett, Mr. Collins stated that staff is developing a quarterly report for the Committee and the public that will provide updates on revenues, expenditures and Measure A projects.

Ms. Stark stated that in September 2006 staff will provide the inception to date audited report so that the Committee can fully understand the bonding and the costs associated with bonding.

Chairperson Schulter thanked staff for the report.

**On order of Chairperson Schulter**, there being no objection, the Committee reviewed the 2000 Measure A Transit Improvement Program Cost Reports.

## **12. CAC Work Plan**

Mr. Flynn stated that CAC would have the modified version of the work plan at the September 2006 meeting, which shows the work program for CAC and the 2000 Measure A Oversight Committee. The main activity for the 2000 Measure A Oversight Committee in September 2006 is the potential selection of an independent auditor. Mr. Flynn clarified that the High Occupancy Toll (HOT) Lane item in the work plan would go to CAC as an informational item.

**On order of Chairperson Schulter**, there being no objection, the Committee reviewed the CAC Work Plan.

## **OTHER**

### **13. Announcements**

There were no Announcements.

### **14. ADJOURNMENT**

**On order of Chairperson Schuler**, there being no objection, the Meeting was adjourned at 6:15 p.m.

Respectfully submitted,

Elaine F. Baltao, Board Assistant  
VTA Board of Directors