

**CITIZENS ADVISORY COMMITTEE
and
2000 MEASURE A WATCHDOG COMMITTEE**

Wednesday, October 11, 2006

MINUTES

1. CALL TO ORDER

The Regular Meeting of the Citizens Advisory Committee (CAC) was called to order at 4:35 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

Stephen Blaylock, Vice Chairperson
Don Burnett
Ellen Fletcher
Ray Hashimoto
Roberta Hughan
Luis Mendez

Members Present

Gaye Morando
Charlotte Powers
Connie Rogers
Martin Schulter, Chairperson
Laura Stuchinsky
Noel Tebo

Members Absent

Chris Elias
Robert Jacobvitz
Margaret Okuzumi

Members Absent

Irene Hsu
Sally Probst

A quorum was present.

2. PUBLIC PRESENTATIONS

There were no Public Presentations.

3. Committee Staff Report

Jim Lawson, Government Affairs Manager and Staff Liaison, reported the following:

- Year-end system-wide ridership is up 12 percent. Bus ridership increased 2.1 percent while light rail ridership is up 53.6 percent. A portion of the increase in light rail ridership can be attributed to the opening of the Vasona Light Rail Line. Without Vasona, the light rail ridership increased approximately 40 percent.

- Board of Directors Vice Chairperson Chu testified at the Senate Transportation Housing Sub committee hearing last September 27, 2006 regarding the impact of Proposition 1B on VTA. At the last VTA Board of Directors Regular Meeting, the Board adopted a support position for Propositions 1A and 1B.
- The additional auxiliary lane at northbound Highway 17 between Camden and Hamilton is nearing completion. There were issues earlier last week due to equipment failures that caused considerable traffic congestion.
- The Route 152 Phase II completion date is two months ahead of schedule and expected completion date is early 2007.
- VTA will not operate the Sharks Shuttle this season as the Sharks Management made a business decision not to pay for 50 percent of the operating cost. There is still good VTA service to the Arena, even without the Sharks Shuttle.
- Last weekend, the Cities of Santa Clara and San Jose hosted the successful Rock and Roll Marathon. There were significant impacts to VTA routes but VTA was able to mitigate those service disruptions.
- VTA hosted the American Public Transportation Association's (APTA) Annual Conference. There were more than 2000 participants and their comments about VTA were very positive.
- Mr. Lawson introduced Evelyn Tran, Senior Counsel, and noted that Ms. Tran will provide a briefing on the required Ethics Training.

Ms. Tran noted that the Board Secretary's Office e-mailed and sent a letter to VTA Advisory Committees concerning the requirement to receive two hours of Ethics Training by December 31, 2006 and biennially thereafter. This is required under the new Government Code Section 53235. The training sessions will be held on October 25, 2006 at 1:30 p.m. and October 26, 2006 at 5:30 p.m. at the County Government Center, Council Chambers, 70 W. Hedding Street, San Jose. Ms. Tran distributed a sign-up sheet for CAC Members to register for either date. Ms. Tran also stated that VTA is looking at the option of taking the training online and advised the Members that she will send a follow-up e-mail as soon as details are available. Ms. Tran thanked the Members for their prompt response to the e-mail and letter sent by the Board Secretary regarding Ethics Training.

On order of Chairperson Schulter, there being no objection, the Committee Staff Report was received.

4. Chairperson's Report

Chairperson Schulter distributed a handout containing his observations and suggestions on how to improve the process and communication between CAC and VTA. He referred to the important topics such as the Transit Sustainability Policy (TSP) and Comprehensive Operational Analysis (COA) Core Principles, and expressed concern that the timing did not provide CAC the opportunity to fully discuss the item before it went to the Board of Directors for approval. He stated that items with great importance to the organization should be given to Committees in "draft" form and earlier in the process to provide the opportunity for Committees to provide serious input, discuss the topic with staff, and be able to better advise the Board of Directors. He noted some of his suggestions that may help improve the communication and process that the CAC could

discuss such as putting more items on the Consent Agenda to provide sufficient discussion time for more important items, build the Committee work plan together, and determine if there is value in having quarterly meetings between Advisory Committee Chairs and VTA staff.

Members Burnett and Rogers concurred with Chairperson Schulter's comments and noted that it will be a good idea for the Committee to be more involved earlier in the process for items that are very important to the organization, such as the Core Principles.

Member Hashimoto stated that having worked for a public entity himself, the problem could be the fact that it is a challenge for staff to publish packets, as deadlines are really tight.

Mr. Lawson noted that VTA and other Advisory Committees like CAC recognizes that the current process is not perfect. However, staff is continuously trying to improve the communication process and added that there is progress. Mr. Lawson stated that Michael Burns, General Manager, is steadfast in ensuring that VTA shares the information and to be as open as possible to all Committees. Mr. Lawson assured that staff would diligently work with Committees to make improvements. He stated that the CAC could choose to either hold a workshop on this issue or create a sub-committee as the other Advisory Committees have done.

Member Stuchinsky expressed interest in finding out the results of the discussions of other Advisory Committees regarding the issue. Member Burnett stated that the more that could be done in conjunction with other Advisory Committees, the better.

Chairperson Schulter noted that he could discuss the issue with the Chairpersons from the other Advisory Committees and perhaps put it in the agenda for Committee discussion.

Member Powers took her seat at 5:00 p.m.

CITIZENS ADVISORY COMMITTEE

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

CONSENT AGENDA

5. Minutes of September 13, 2006

Member Burnett noted correction that Ms. Ying be changed to Ms. Smith for consistency. He also noted that the last three items should reflect "On order of Vice Chairperson Blaylock" as Chairperson Schulter left the meeting and Vice Chairperson Blaylock presided over the remainder of the meeting.

M/S/C (Burnett/Fletcher) to approve the Minutes of September 13, 2006.

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

6. Programmed Projects Quarterly Monitoring Report for July to September 2006

M/S/C (**Burnett/Fletcher**) to review the Programmed Projects Quarterly Monitoring Report for July to September 2006.

REGULAR AGENDA

7. Draft Transit Sustainability Policy Evaluation and Recommendation Process

Chris Augenstein, Transportation Planning Manager, advised the Members that a handout entitled “Draft Transit Sustainability Process – Committee Meeting Handout” is placed on the table. He provided a PowerPoint Presentation entitled COA/TSP Evaluation and Recommendation Process. He provided a sample project with three different scenarios and briefly discussed the flowchart of the proposed process, which includes a four-step process that will move a project or service from concept to implementation. The Steps include:

- Step 1: Project or Study Area Definition
- Step 2: Ridership and Operations Analysis that will include the application of service guidelines
- Step 3: Recommendations and Approvals. This is where the funding for the project will be evaluated. This may result in one of the following staff recommendations:
 - Meets – move project to implementation
 - Doesn’t meet – Defer or drop project
 - Doesn’t meet – modify initial project implementation and move project or service into implementation
 - Doesn’t meet – develop an improvement plan to increase ridership or operating environment, which may include a phased implementation.
- Step 4: Service Improvements and Monitoring

Mr. Augenstein encouraged Members to read through the steps carefully, as staff will return next month to review the Service Design Guidelines. He noted that he welcomes comments now or either by e-mail or through the Chairperson.

Member Burnett referred to the title and commented that the Transit Service Development Policy is a better description compared to Transit Sustainability Policy.

Mr. Augenstein stated that staff thought about that but came up with the term “sustainability” to tie-in to the Board objective to come up with a more sustainable transit system.

Member Stuchinsky commented that this proposed policy seems to also apply to existing services as well as new projects/services.

Mr. Augenstein briefly discussed how the proposed TSP would apply to existing services and upon inquiry of Vice Chairperson Blaylock, he stated that prior to the TSP, VTA utilizes the Service Management Plan to evaluate services. However, the Service Management Plan is not policy based and only applies to bus service. The Service Design Guidelines in the TSP is more comprehensive.

On order of Chairperson Schulter, there being no objection, the Committee reviewed the Draft Transit Sustainability Policy Evaluation and Recommendation Process.

8. Market Segmentation Analysis

Kevin Connolly, Transportation Planning Manager, provided a brief presentation entitled “Comprehensive Operations Analysis (COA), Market Segmentation Phase I.” Mr. Connolly explained that Market Segmentation is a new way of looking at market research and analysis. He emphasized the importance of matching the VTA service to market needs. He noted that he will be discussing “segment market, locate market segments, and competitive positioning.” Staff will come back next month to discuss travel markets and how all these components tie into the service planning.

Mr. Connolly noted that an Attitude-Based Market Research Survey was conducted and was comprised of three parts: Recruit Survey, Choice Experiments, and Attitudinal Questions. The results indicated that there are 34 attitudinal statements that were grouped into Seven Key Transportation Factors (price sensitivity, transit tolerance, time sensitivity, travel flexibility, stress sensitivity, and pro-environment). The results indicated that the most important factors for VTA riders are price sensitivity, transit tolerance and time sensitivity. There were also six Santa Clara County Customer Segments (Transit Trippers, Mellow Movers, LINKs & MINKs, Boomers & Blazers, Young & Restless, and Movers & Shakers). Mr. Connolly described the different customer segments attitudes and what they are most likely to be.

Member Stuchinsky commented that based on the presentation, it seems that VTA could change the structure of services in two ways: to provide a more affordable transit or provide transit that is faster and more convenient. Mr. Connolly concurred but noted that there are geography and priorities that should also be considered. That will be a part of the Core Principles and the goal will be to present a product that will provide the best service for everyone.

Upon inquiry of Member Tebo, Mr. Connolly responded that the shelf life of the survey results will only be between five to eight years, as the environment, economy, and other considerations will change in the future. For now, VTA would like to get the broad range and base the planning on the results. Mr. Connolly further explained that the results showed that the “big market” is not uniform and there are different needs for each of the customer segments.

Member Stuchinsky left the meeting at 5:37 p.m.

On order of Chairperson Schulter, there being no objection, the Committee reviewed the Market Segmentation Analysis.

9. Comprehensive Operations Analysis: Service Performance Analysis Element

Ying Smith, Senior Transportation Planner, provided a PowerPoint Presentation entitled “COA – Service Performance Analysis – Summary of Findings, October 2006.” She discussed the assessment of demographics and employment, service effectiveness analysis, and summary of key findings.

The Travel Demand Assessment looks at population and employment densities, special demographic groups, and demographic profile. Ms. Smith provided a map of Santa Clara County that depicts the population and employment densities. The key findings indicated that: 1) the County is characterized by low and low-to-medium population densities; 2) demographic characteristics that support transit use tend to exist in East San Jose and Caltrain/El Camino Real corridor; 3) higher job densities are located in Downtown San Jose and in the Golden Triangle area and pockets of high job densities exist in Milpitas, Palo Alto, north Santa Clara, Cupertino, and Campbell; and 4) scarcity of areas with employment densities exceeding 30 jobs per acre effectively results in there being no strong destinations throughout much of the VTA network.

Ms. Smith discussed the Service Effectiveness Analysis and highlighted that VTA has a few corridors that have frequent service (i.e. Monterey Highway and Downtown San Jose Santa Clara Street). She presented a map that illustrates the frequency of transit services. She also reviewed the ridership contribution by route and the route performance (boardings per revenue hour). The findings of the Route Productivity indicators include: 1) Alum Rock – Santa Teresa light rail line has the highest weekday ridership and boardings per revenue hour; 2) Route 22 is the flagship route; 3) Routes 23, 25, 66, and 70 have above average weekday performance; 4) Routes 13, 17, 19, and 65 are low performing; and 5) There are a few high performing routes in each category.

Ms. Smith discussed the Financial Performance – Subsidy per Boarding and farebox recovery ratio of each of the VTA routes and noted the following findings: 1) current systemwide farebox recovery ratio is 14 percent; 2) light rail have below average farebox recovery ratio due to higher operating costs; 3) primary grid routes generally perform better than other categories; 4) feeder routes have higher subsidy per boarding; and 5) all service days have similar financial performance.

Ms. Smith summarized the service effectiveness findings noting that: 1) current service frequencies do not support spontaneous transit use, with the exception of East San Jose and few key corridors; 2) existing network appears to be providing coverage rather than productivity; 3) small number of routes contribute the majority of network boardings; and 5) systemwide farebox recovery is 14 percent, but Line 22’s farebox recovery ratio is 22 percent.

The next steps include the utilizing the analysis as a benchmark for recommending service restructuring alternatives, incorporating of strategies from the Market Segmentation Analysis; looking for opportunities to improve efficiencies and reinvest resources in productive services, and developing a restructuring plan in accordance with the Board adopted Core Principles.

Member Powers inquired about the elements considered in computing for cost recovery and the percentage of administrative costs. Ms. Smith stated that the cost recovery accounts for all costs directly related to operations and does not include capital costs.

Vice Chairperson Blaylock and Member Tebo inquired about the analysis of the light rail shuttles. Ms. Smith responded that staff did not get into details of the light rail shuttles. Mr. Lawson added that it will be difficult to compare the shuttles to the regular buses as its operation is funded differently.

On order of Chairperson Schulter, there being no objection, the Committee reviewed the Comprehensive Operations Analysis: Service Performance Analysis Element

10. RIDE Task Force Final Report

Nancy Coss-Fitzwater, Policy & Administrative Manager, provided a brief background of the RIDE Task Force and noted that it was initiated in June 2005 by a coalition of labor, environmental, and community based groups that were concerned about the decline in ridership on VTA transit services. On September 2005 the Board authorized its formation with the goal to explore new, innovative, and cost efficient methods of increasing ridership.

Ms. Coss-Fitzwater noted the accomplishments and recommendations of the Task Force, which were divided into four areas: Fare Affordability and Convenience, Better Information for Riders, Better Access to the System, and Service Improvements. The Task Force recommends that VTA continue to consider the ridership recommendations as VTA develops and implements transit service improvements, marketing, promotion, and community outreach plans. It also recommends that as programs are developed, staff should identify costs, benefits, and specific measurable goals to be achieved so that the success of the program can be determined and go back to the Board annually to provide progress reports on the implementation of recommendations.

Ms. Coss-Fitzwater highlighted the recommendations under each of the four categories highlighting that the Task Force was very concerned about the low-income transit riders. She briefly discussed the schedule noting that the final report will go to Advisory Committees and Standing Committees this month for Board approval in November 2006.

Member Powers referred to the recommendation of reducing fares and inquired how will that recommendation impact the fiscal needs of the organization. She noted that it has always been a challenge to provide social services while keeping the organization financially sound. Ms. Coss-Fitzwater noted that the Task Force requested more resources to be available to provide more service.

Member Mendez stated that if the fares were less expensive and more accessible, it could potentially increase transit usage. He expressed his support for the Task Force recommendations and noted that some of the recommended improvements are consistent with the survey results that have been presented previously. Member Mendez stated that it is important to improve bike paths and access to bus stops, stations, and transit centers

as most people who use transit arrive by foot. He noted that it is important to tie this into the budget process to ensure that there will be a greater amount of funds allocated to implement the improvements. He added that there should be better coordination for local jurisdictions to ensure that the recommendations are implemented properly. He stated that this is where members of the VTA Advisory Committees could help as some of them also serve at committees at their own cities.

Mr. Lawson stated that VTA is currently in the process of preparing for the two year budget. However, he noted that there is scarcity of funds. He noted that the CAC and the Task Force's comments will hopefully shape the Board's thinking on how the resources will be allocated.

Member Powers recommended that VTA should look for methods such as Outreach or Voucher system to get people home from the Hospital.

Member Tebo inquired about the next steps. Ms. Coss-Fitzwater and Mr. Lawson explained the process of forwarding the recommendations to the Board. Ms. Coss-Fitzwater noted that the recommendations from the RIDE Task Force should not violate any of the policies that have already been set by the Board.

M/S/C (Mendez/Fletcher) to receive the Ridership Initiative to Develop Energy-efficiency (RIDE) Task Force's Final Report and recommend the Board to direct staff to continue to review and consider the report's recommendations as it develops and implements fare, service, marketing, promotional, and community outreach proposals and plans with the addition that this information also be considered in the budget development process and the CAC comments.

COMBINED CAC AND 2000 MEASURE A WATCHDOG COMMITTEE ITEMS

10.X. Status Report on the Dumbarton Corridor Rail Project

On order of Chairperson Schulter, there being no objection, the Status Report on the Dumbarton Corridor Rail Project was deferred.

11. CAC Work Plan and 2000 Measure A Watchdog Committee Work Plans

Mr. Lawson stated that the updated work plan is provided on the table and noted that based on the comments received earlier, it might be worthwhile to attempt to schedule a meeting between the Chairpersons of the Advisory Committees and report back to CAC the status on the methodology of choice to improve communication.

On order of Chairperson Schulter, there being no objection, the Committee reviewed the CAC and 2000 Measure A Watchdog Committee Work Plans.

12. Announcements

There were no Announcements.

13. ADJOURNMENT

On order of Chairperson Schuler, there being no objection, the Meeting was adjourned at 6:25 p.m.

Respectfully submitted,

Elaine F. Baltao, Board Assistant
VTA Board of Directors