



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

Wednesday, January 10, 2007

MINUTES

1. CALL TO ORDER

The Regular Meeting of the Citizens Advisory Committee (CAC) was called to order at 4:38 p.m. by Stephen Flynn, Senior Management Analyst, 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
Gaye Morando

Members Present

Margaret Okuzumi
Charlotte Powers
Sally Probst
Connie Rogers
Laura Stuchinsky
Noel Tebo

Members Absent

Stephen Blaylock, Vice Chairperson
Luis Mendez

Members Absent

Irene Hsu
Martin Schulter, Chairperson

A quorum was present.

Mr. Flynn advised the Committee that both Chairperson Schulter and Vice Chairperson Blaylock will not attend the meeting. Mr. Flynn requested for a volunteer to be Chairperson Pro Tem and preside over the meeting until the election of the Chairperson and Vice Chairperson.

M/S/C (Fletcher/Probst) to nominate Member Powers as Chairperson Pro Tem.

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

2. ORDERS OF THE DAY

There were no Orders of the Day.

Mr. Flynn commented that this was added on the agenda to provide the Committee an opportunity to change the order of the agenda for substantive reasons.

3. PUBLIC PRESENTATIONS

There were no Public Presentations.

4. Committee Staff Report

Mr. Flynn reported that Jim Lawson, Government Affairs Manager and CAC Staff Liaison, is unable to attend today's meeting due to a family emergency. Vice Chairperson Blaylock has excused himself from today's meeting due to a family emergency as well. Mr. Flynn stated that Chairperson Schulter is unable to attend the meeting due to a schedule conflict.

Member Hashimoto took his seat at 4:41 p.m.

5. Chairperson's Report

There was no Chairperson's Report.

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

**COMBINED CAC AND 2000 MEASURE A WATCHDOG COMMITTEE CONSENT
AGENDAS**

6. Minutes of December 13, 2006

(Removed from the Consent Agenda and Placed on the Regular Agenda)

Member Tebo took his seat at 4:43 p.m.

7. Programmed Projects Quarterly Monitoring Report for October to December 2006

M/S/C (Hashimoto/Fletcher) to review the Programmed Projects Quarterly Monitoring Report for October to December 2006.

CITIZENS ADVISORY COMMITTEE REGULAR AGENDA

6. Minutes of December 13, 2006

Member Probst referred to Page 10 of 10, Announcements, first paragraph, and requested that the statement “Member Probst talked about the 41 ...” be replaced with “Member Probst talked about a report about the 41...”

Member Jacobvitz referred to Agenda Item #7., CAC Attendance Subcommittee Report and Recommendation, Page 4 of 10, last line, and requested that the word “discussed” be replaced with the word “presented.”

Mr. Flynn advised the Committee that the CAC Attendance Subcommittee recommendation is scheduled to be on the February 2007 CAC agenda for adoption.

M/S/C (Probst/Hashimoto) to approve the Minutes of December 13, 2006, as amended.

8. Election Process for Advisory Committee Chairperson and Vice Chairperson

Mr. Flynn noted that this is the last step in the election of Committee Chairperson and Vice Chairperson. He noted that the elections are held separately. Prior to the election, the Chairperson Pro Tem will ask for further nominations, and then close the nominations for each of the position. Mr. Flynn added that the results are effective immediately.

M/S/C (Elias/Hashimoto) to close the nominations and elect Martin Schuler as Citizens Advisory Committee Chairperson for calendar year 2007.

M/S/C (Tebo/Fletcher) to close the nominations and elect Robert Jacobvitz as Citizens Advisory Committee Vice Chairperson for calendar year 2007.

Chairperson Pro Tem Powers congratulated 2007 Chairperson Schuler and Vice Chairperson Schuler and relinquished her seat as Chairperson Pro Tem to newly-elected Vice Chairperson Jacobvitz.

9. Evaluation Criteria for Community Design and Transportation Program Capital Grants

John Sighamony, Transportation Planner, provided a brief background noting that the Metropolitan Transportation Commission (MTC) provided \$8.8 million for the first cycle of funding. VTA issued a Call for Projects for the CDT Capital Grant projects that resulted in 15 project applications. Five of the 15 project applications will receive funding with a combined total of \$5.84 million.

Mr. Sighamony stated that the VTA Board of Directors directed staff to revisit the scoring criteria and release another Call for Projects for the remaining \$2.9 million within 60 days. VTA Staff and the Capital Improvement Program (CIP) Working Group met and reviewed the CDT criteria (originally adopted in April 2006).

Mr. Sighamony noted that upon the Board's approval of the revisions, VTA intends to release another Call for Projects in February 2007. He directed attention to Page 3 of 3, Table 1 – CDT Second Round Schedule and briefly discussed the schedule.

Mr. Sighamony directed attention to Attachment A – VTA CDT Capital Grant Program – Evaluation Criteria and Procedures and briefly discussed the program description, eligibility requirements, amount of funding available, and types of eligible projects. Mr. Sighamony discussed the project evaluation process noting the recommendation that a project must obtain an overall minimum score of 70 points to qualify for funding but receipt of 70 points does not guarantee funding. Projects submitted will be evaluated based on the following recommended criteria: 1) CDT Program Goals - 50 points; 2) Project Context and Setting - 10 points; 3) Project Readiness - 20 points; and 4) Project Benefits - 20 points. Mr. Sighamony also discussed the 7-step application and scoring process outlined in detail in Page A-5 of the staff report.

Vice Chairperson Jacobvitz commented that the staff report should indicate what projects (including location) were funded during the first round of programming to ensure that everyone is informed.

Member Okuzumi suggested that the VTA Board considers incorporating to the scoring criteria whether the project is located in community of concern. She expressed concern that the revised criteria do not address the social equity issue/component.

Member Elias supported Member Okuzumi's suggestion and noted that it is a critical criterion to add. He referred to Vice Chairperson Jacobvitz' comments and suggested adding geographic diversity in the criteria.

Member Burnett expressed support of Member Okuzumi's comments. He noted that rather than adding a new category, the Project Context and Setting should expand to more than 10 points to address Member Okuzumi's concern.

Upon inquiry of Member Elias, Mr. Sighamony responded that the Capital Improvement Subcommittee is a subcommittee of the Technical Advisory Committee.

Member Elias referred to Page A-4, first bullet, and commented that the "collaborative planning process" statement should be defined. He referred to Page A-4, Project Readiness, second bullet, and commented that the statement should read, "The project has secured any necessary rights-of-way and/or developer contributions."

Member Stuchinsky referred to Member Elias' comments about adding "geographic diversity" as part of the criteria and expressed concern that the criteria should focus on project quality. To address the geographic diversity concern, she suggested conducting appropriate outreach to ensure that representatives of various areas are aware of VTA workshops and the process for this grant.

Member Hashimoto commented that Project Readiness should be given more weight than 20 points as project readiness is critical for construction/implementation.

Member Rogers stated that on Page A3, Principles, bullet #6 addresses the community of concern issue raised by Member Okuzumi. Member Okuzumi responded that she believes the location of a project in a community of concern should be more explicit in the criteria.

Upon inquiry of Member Stuchinsky, Member Okuzumi explained that in her observation, affluent areas are more aggressive in their efforts for transit projects. She further explained that adding the community of concern criteria would make it more explicit and could encourage other areas to submit grant applications.

Member Burnett commented that some communities with great needs that do not get their share. Member Rogers added that low-income residents often do not verbalize their transit needs.

Member Powers commented that the Cities should address and identify the transit needs of its residents. She stressed that the cities are the responsible body to bring these types of transit projects. She noted that VTA's responsibility is to provide appropriate outreach efforts to ensure that the cities are aware of this grant program.

Member Tebo concurred with Member Powers' statements.

M/S/F (Okuzumi/Rogers) to recommend to the VTA Board of Directors to consider incorporating explicitly into the criteria whether a project is located in a community of concern. The Board can decide how to incorporate and how much weight should be given.

Members Fletcher commented that bike parking facility be included in the criteria, as it is not explicitly referred to in the criteria.

M/S/C (Powers/Morando) to review and recommend that the VTA Board of Directors approve the revised evaluation criteria and procedure clarification for selecting projects and awarding Community Design and Transportation Program Capital Grants. Member Okuzumi opposed.

NOTE: M/S/F MEANS MOTION SECONDED AND FAILED.

10. & 11. Presentation on the State Transportation Improvement Program (STIP) Process and 2006 State Transportation Improvement Program (STIP) Augmentation

John Ristow, Programming and Project Development Deputy Director, provided a PowerPoint presentation entitled "STIP - State Transportation Improvement Program." Mr. Ristow noted that prior to the individual counties' adoption of sales tax for transportation purposes, the STIP was the primary source for California's Transportation Capacity Expansion. It comes in five-year duration and two year cycles. Mr. Ristow noted that from 2000 to 2006, there was no money from the STIP.

Mr. Ristow explained that STIP is funded from federal and state fuel taxes, state sales tax on Fuel Proposition 42 revenue, and 2006 Proposition 1B Transportation Bond. The passage of Proposition 1B will add approximately \$2 Billion into the STIP. The State will use a formula to divide the funds and the VTA – Santa Clara County Target is \$57.54 million. Proposition 1B Statewide Transportation Bond has six different categories of funding.

Member Stuchinsky left the meeting at 5:23 p.m.

Upon inquiry of Member Rogers, Mr. Ristow explained that VTA hopes to receive funding from the Corridor Mobility Improvement Account (CMIA). VTA submitted six projects to MTC and as of today, MTC will submit four of the six projects.

Mr. Ristow explained VTA's role in the STIP process, noting that as the Congestion Management Agency for Santa Clara County, VTA submits the local priorities to MTC, the MTC then submits the regional priorities to the California Transportation Commission (CTC).

Mr. Ristow explained the staff recommendation and noted that the simultaneous exchange of funds will involve 1) programming of \$57.54 million of STIP to Capitol LRT Construction and 2) Reallocate \$57.54 million of Measure A Funds to Local Program Reserve (LPR) for Funding to Existing STIP, CMIA Projects, and Valley Transportation Plan (VTP) 2030 Programs. Mr. Ristow presented a table that shows the categories of the LPR Program, the project name, and recommended amount.

Mr. Ristow explained that doing the simultaneous exchange will: 1) accelerate project delivery and reduce administrative cost; 2) provide cash flow management, interest income and savings of Measure A funds; 3) enable VTA Board to manage the VTP 2030 expenditures; and 4) enables VTA to comply with VTA resolution and 2002 Measure B.

Lastly, Mr. Ristow discussed the STIP Programming schedule. He noted that the 2008 STIP programming will come to the Committee in August 2007.

Member Okuzumi inquired about the method of reporting to MTC when there are swapping of funds. Mr. Ristow responded that the recommended project is an eligible project. Mr. Ristow assured that all VTA managed projects will have monitoring reports.

M/S/C (Powers/Tebo) to review and recommend that the VTA Board of Directors approve projects for the 2006 State Transportation Improvement Program (STIP) Augmentation and adopt sponsoring agency resolutions of commitment for those projects.

12. Comprehensive Operational Analysis Service Restructuring Alternative

On order of Vice Chairperson Jacobvitz, there being no objection, the Comprehensive Operational Analysis Service Restructuring Alternative was deferred.

2000 MEASURE A WATCHDOG COMMITTEE REGULAR ITEMS

13. Status Report from Independent Auditor

Susan Stark, Controller, reported that the Measure A audit for FY 2006 has been completed. Ms. Stark noted that Leonard Danna, Auditor from Vavrinek, Trine, Day & Co., LLP (VTD), is present to explain the audit report. Ms. Stark encouraged the Committee to ask questions during the presentation. Ms. Stark stated that if the Committee has further audit questions, they can forward them to the liaison and staff will respond appropriately.

Ms. Stark stated that the 2000 Measure A Watchdog Committee is required to publish the audit report. Ms. Stark noted that if the Committee prefers, staff could prepare a draft and present it to the February 2007 meeting for Committee review and approval. Upon approval of the audit report, it will be published in the paper. Ms. Stark assured that staff will inform the Committee of any public inquiries or comments about the 2000 Measure A audit results publication.

Upon inquiry of Member Powers, Ms. Stark responded that VTA has not yet received the Management Letter from the Auditors.

On order of Vice Chairperson Jacobvitz, there being no objections, the Independent Auditor Status Report was received.

14. 2000 Measure A Independent Auditor's Report and Financial Statements June 30, 2006 and 2005

Mr. Danna, VTD Auditor, referred to the audit report and noted it contains Measure A Financial Statements. Mr. Danna explained that the auditors' responsibility is to certify the fairness of the Measure A Financial Statements, thus, the only document that comes from the auditor is the Independent Auditor's Report.

Mr. Danna referred to the report and stated that VTD only audited FY 2006 and another audit firm reviewed the financial statements in FY 2005. In the report, it stated that VTD expressed an unqualified opinion for FY 2006. Mr. Danna stated that an "unqualified opinion" implies that the financial statements were presented fairly. Mr. Dana reviewed each page of the report and provided a brief explanation for each statement and note.

Upon inquiry of Member Elias, Mr. Danna explained that the second to the last paragraph of the auditor report means that the Audit report is for the Measure A Program only and not the entire VTA organization.

Member Okuzumi referred to Page 7, Reclassifications, and inquired as to what those represented. Mr. Danna responded that there were reclassifications from the prior years but they were insignificant. Mr. Danna stated that he will report back with a more specific answer.

Member Burnett commented that the Committee must closely study and monitor VTA's expenses, as noted in Page 11, Note 5 – Contributions to VTA's Enterprise Fund.

Mr. Flynn referred to Member Burnett's comments about VTA expenditures and noted that on February 2007, the Committee will review the revenue and expenditure reports.

Ms. Stark noted that the revenue and expenditure report will provide in detail the project progress, budget, actual expenditures, etc.

On order of Vice Chairperson Jacobvitz, there being no objection, the Committee received the Audit Report.

COMBINED CAC AND 2000 MEASURE A WATCHDOG COMMITTEE ITEMS

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

Mr. Flynn stated that aside from the revenue and expenditure reports, the Committee will also receive information about the requirements for the public hearing process at its February 2007 meeting.

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

16. Announcements

There were no announcements.

17. ADJOURNMENT

On order of Vice Chairperson Jacobvitz, there being no objection, the Meeting was adjourned at 6:20 p.m.

Respectfully submitted,

Elaine F. Baltao, Board Assistant
VTA Board of Directors