



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

Wednesday, May 9, 2007

MINUTES

1. CALL TO ORDER

The Regular Meeting of the Citizens Advisory Committee (CAC) was called to order at 4:34 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
Don Burnett
Ellen Fletcher
Roberta Hughan
Gaye Morando

Margaret Okuzumi
Charlotte Powers
Sally Probst
Connie Rogers
Martin Schulter, Chairperson
Laura Stuchinsky
Noel Tebo

Members Absent

Chris Elias
Ray Hashimoto
Irene Hsu
Robert Jacobvitz, Vice Chairperson

Luis Mendez

Representing

Mass Transit Users
West Valley Cities
Bicyclists
Santa Clara County
Santa Clara County Chamber of Commerce
Coalition
North County Cities
City of San Jose
Senior Citizens
South County Cities
Disabled Persons
Silicon Valley Leadership Group
City of San Jose

Representing

Environmentalists
Building Industry Association
South Bay AFL-CIO Labor Council
Building Owners and Managers Association
(BOMA) –Silicon Valley
Pedestrians

The Committee met as a Committee of the Whole.

2. **ORDERS OF THE DAY**

There were no Orders of the Day.

3. **PUBLIC PRESENTATIONS**

There were no Public Presentations.

4. **Committee Staff Report**

Jim Lawson, Government Affairs Manager and Staff Liaison, informed the Committee about the recommendation of Member Okuzumi to change the “Announcement” item on the agenda to “Items of Concern.” He stated that staff has not acted on the recommendation due to the following reasons: 1) All Advisory committees have the “Announcement” item on their agendas; and 2) Committee members should forward their items of concern to staff or the committee chairperson for placement on the agenda.

Mr. Lawson reported that Senate Bill 1492 was passed by the Revenue and Taxation Committee and will now go before the full Senate.

Mr. Lawson announced that the groundbreaking ceremony for the 152/156 interchange is scheduled for May 10, 2007 at 10:00 a.m.

Member Stuchinsky took her seat at 4:37 p.m.

- **General Manager’s Quarterly Report**

Michael Burns, General Manager, reported on the Recommended Biennial Budget for Fiscal Years 2008 and 2009. His report highlighted the following: 1) No service cuts are recommended; 2) Reinvestment in areas affected by past funding cuts; 3) Resurrection of deferred projects; 4) Reduction in monthly fares for the youth, elderly, and disabled; and 5) Reduction in day pass fares for all categories. He concluded that the budget is stable.

Mr. Burns reported that public presentations on the Comprehensive Operations Analysis (COA) will take place to receive public input and feedback. He added that Community Bus service will start in the Gilroy and Morgan Hill communities in July. He noted that fares for Community Bus service are \$1 for adults, and 50 cents for youth, elderly and disabled. He stated that the adoption of the COA is scheduled for the August 30, 2007 Board of Directors meeting, and implementation is scheduled for January 2008. Member Rogers stated that her community is looking forward to the implementation of the community bus and hopes that it would provide better service.

Mr. Burns reported that the Board of Directors will receive a work plan for the Organizational and Financial Assessment of the Santa Clara Valley Transportation Authority at the June 7, 2007 Board of Directors meeting.

Mr. Burns announced that the northbound Santa Clara station platform is now open. It was completed at the end of April 2007, five weeks ahead of schedule. The southbound platform will open at the end of May 2007.

Mr. Burns gave a brief update on the implementation of the No Smoking Policy. He stated that installation of no smoking signs at stations, buses and light rail coaches will take place by end of summer 2007.

Member Tebo and Member Powers took their seats at 4:41 p.m.

A quorum was declared.

Mr. Burns reported on the May 17, 2007 Bike to Work Day. He stated that VTA is sponsoring three energizer stations, and a small reception will take place in the VTA Auditorium at 10:00 a.m. Member Fletcher thanked Mr. Burns and referenced the Bike to Work Day event in the "Take One" flyer.

Member Fletcher queried about public comment for the Dumbarton rail project. Mr. Lawson responded that the Dumbarton Rail Committee met and the CAC will receive an update report.

5. Chairperson's Report

Chairperson Schulter stated that discussion of the joint meeting between CAC and the Policy Advisory Committee (PAC) will take place under the work plan item.

Chairperson Schulter reported that VTA staff will have a workshop regarding accessibility issues on May 10, 2007 at San Jose State University in response to Member Okuzumi's concern regarding inaccessible memorandums posted on the VTA website.

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

COMBINED CAC AND 2000 MEASURE A CITIZENS WATCHDOG COMMITTEE CONSENT AGENDAS

6. Minutes of April 11, 2007

M/S/C (Powers/Burnett) to approve the Minutes of April 11, 2007.

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

7. **2007 Quarterly Attendance Report for the Citizen Advisory Committee (CAC) and 2000 Measure A Watchdog Committee (CWC)**

M/S/C (Powers/Burnett) to review the 2007 Quarterly Attendance Report for the Citizen Advisory Committee (CAC) and 2000 Measure A Watchdog Committee (CWC).

8. **Proactive CMP Reviewed and Approved Projects Quarterly Status Report for January through March 2007**

M/S/C (Powers/Burnett) to review the Proactive CMP Reviewed and Approved Projects Quarterly Status Report for January through March 2007.

CITIZENS ADVISORY COMMITTEE REGULAR AGENDA

9. **Project priorities for the FY 2008 Countywide Transportation Development Act Article 3 Program**

Bill Hough, Transportation Planner, provided a brief background on the Transportation Development Act (TDA) Article 3 Program that highlighted the following: 1) Guarantee Fund; 2) Bicycle expenditure program projects; and 3) Rescind/Reallocate requests.

Mr. Hough reported that the total TDA Article 3 funding available for programming is \$1,628,695. \$1,088,668 of that is available for the Guarantee Fund, and \$547,989 is available for the Bicycle Expenditure Program (BEP). He added that both the Guarantee fund and the BEP fund may be carried over to the next cycle if they are not used.

Mr. Hough referenced Attachment A of the memo that lists the various jurisdictions, projects, and funds totaling of \$1,643,798.

M/S/C (Fletcher/Rogers) to review and recommend that the VTA Board of Directors approve project priorities for the FY 2008 Countywide Transportation Development Act Article 3 program.

Member Okuzumi took her seat at 4:50 p.m.

10. **Recommended Biennial Budget for Fiscal Years 2008 and 2009**

Carol Lawson, Fiscal Resources Manager, reported on the major sections of the Biennial Budget for Fiscal Years 2008 and 2009. The first section titled, "VTA Transit" highlighted the following topics: 1) Sources and uses of funds FY08-FY12; 2) Sources and uses of funds FY07; 3) Outstanding debt; 4) Operations; and 5) Capital.

Member Probst took her seat at 4:55 p.m.

Ms. Lawson provided a brief background on the second section titled, "Congestion Management Program (CMP)/Highway," and highlighted the following: 1) Introduction;

2) Sources and uses of funds; 3) Comparison of revenues and expenses; 4) Contribution to capital; 5) Member assessments; 6) VTP 2030 highway program introduction; and 7) Schedule of total VTP 2030 highway program appropriation.

Ms. Lawson reported on the third section titled, "2000 Measure A" and highlighted the following: 1) Introduction; 2) Sources and uses of funds and outstanding debt; 3) Comparison of revenues and expenses; 4) Schedule of recommended projects; 5) Description of recommended projects; and 6) Schedule of total highway program appropriation.

Member Okuzumi expressed concern regarding the impact on VTA of the revised State budget submitted by California Governor Arnold Schwarzenegger. Ms. Lawson responded that the initial budget submitted by the Governor in January indicated a decrease in the State Transit Assistance (STA) fund. She stated that the decrease in the STA fund is reflected in the Recommended Biennial Budget for Fiscal Years 2008 and 2009.

Member Okuzumi referenced page 73 of the recommended budget and expressed concern that the operating revenues over (under) expenses of the CMP. Stephen Flynn, Senior Management Analyst, responded that the expenditure trend of the CMP is not linear. He cited the Countywide Transportation Plan that the CMP will update as an example. He explained that for the next two years the Countywide Transportation Plan will need a significant amount of resources. Mr. Flynn added that in the third year, the expenses will go down. He noted that an expenditure trend that goes up and down is normal for CMP.

Member Okuzumi referenced page 91 of the recommended budget and expressed concern about the significant amount of reserves in the 2000 Measure A transit improvement program comparison of revenues and expenses. Ms. Lawson explained that there is a significant amount of reserves because VTA may receive more interest revenue than pay interest expense. She added that the reserves resulted from the bonding that was done followed by the collection of the sales tax revenue. She explained that the expenditures will eventually catch up with the collected revenue. She referenced page 89 of the recommended budget that reflects a projected decrease in the operating reserves.

Chairperson Schulter referenced page 7 of the recommended budget and queried about the cost of paratransit in the VTA transit comparison of revenues and expenses FY 2006 to FY 2009. Ms. Lawson explained that paratransit is 59% of the total contracted services and is less than 10% of VTA's total operating budget. Jack Collins, Chief Construction Officer, responded that VTA's cost saving measures for Outreach are the following: 1) Purchase of vehicles under the state contract; and 2) Relocation of Outreach into VTA property. Jim Lawson, Government Affairs Manager and Staff Liaison, stated that VTA also went into a fuel purchasing agreement with Santa Clara County where fuel purchases are exempted from the federal excise tax. He clarified that the cost reduction did not affect the paratransit service. Jim Unites, Operations Planning Program Manager, stated that the increase in the cost in paratransit is due to the 4.9% increase in the number of trips.

Member Powers queried about the sales tax projection in the recommended budget. Ms. Lawson explained that VTA adjusted well to the decline of the sales tax revenue. She added that for the past three years, the sales tax revenue was higher than the original adopted budget.

Member Powers queried about the effect of the Federal budget to VTA. Ms. Lawson responded that VTA is effected by the uncertainty of the grant appropriations. She stated that VTA's projection was close to the actual grant appropriations.

Ms. Lawson stated that the Committee could email their questions and concerns regarding the budget to budgetcomments@vta.org. She added that VTA customer service also accepts comments regarding the budget. She noted that five public workshops about the budget were held throughout the county.

Member Rogers expressed concern about some of the projects in the recommended budget. Ms. Lawson explained that the Board of Directors will receive concerns raised by the public and committee members.

Member Stuchinsky recommended having a workshop to review the next recommended budget. Mr. Lawson stated that staff will look into integrating a workshop into the work plan.

M/S/C (Powers/Rogers) to review and recommend on the Recommended Biennial Budget for Fiscal Years 2008 and 2009.

11. Fare changes proposed for implementation in July 2007 and September 2007

Ali Hudda, Fiscal Resources Manager, gave a brief background on the proposed fare modifications. His report highlighted the following: 1) Youth summer blast pass; 2) 8-hour light rail excursion pass; 3) Day passes; 4) Monthly passes; 5) Community bus fares; 6) Effective dates for changes; 7) VTA fare policy considerations; 8) Title VI impact analysis; and 9) Farebox recovery.

Mr. Hudda reported on the paratransit service area surcharge and the paratransit door-to-door surcharge. He stated that the Board of Directors approved and deferred the surcharge until June 2007. He stated that staff will recommend to continue the deferral of the surcharge until a final ruling is made by the Department of Transportation.

Member Okuzumi queried about the pending ruling of the Department of Transportation. Mr. Hudda responded that the Department of Transportation issued a Notice of Proposed Rule Making because of disagreements between transit agencies whether the door-to-door surcharge is covered by the ADA or not. He added that regarding the service area surcharge, the CTA recommended that VTA should give one year notice to impacted individuals.

Member Probst queried about purchasing monthly passes. Mr. Hudda explained that monthly passes are available at participating stores, VTA downtown San Jose service

center, and can also be acquired through subscription. He added that the only place where you cannot purchase monthly passes are at bus and light rail stations.

Member Rogers queried about the service area surcharge. Mr. Hudda explained that the service area surcharge is service to and from the Santa Clara County outside the ADA paratransit service area. Jim Unites, Operations Planning Program Manager, explained that VTA is required under the ADA to provide paratransit service within a ¾ mile boundary around the fixed bus service. He added that people living outside that area would still receive paratransit service but would need to pay the service area surcharge. He stated that the surcharge is two times the amount of a one way trip or \$7.

Member Blaylock queried about future adjustments to the proposed fare changes. Mr. Hudda responded that no future changes are anticipated. He added that the impact on ridership will be monitored, and the result will be presented to the Board of Directors in one to two years. He added that the recommended biennial budget has no other proposed fare modifications.

Member Blaylock queried about the cost of community bus and if the Community Bus program will be used on a long-term basis. Mr. Hudda responded that the community bus is less expensive because its operators were given a different labor rate structure. He added that VTA will revisit the Community Bus program in two years to determine its effectiveness as instructed in the Fare Policy. Jim Lawson, Government Affairs Manager and Staff Liaison, stated that the community bus program is viewed as a circulator route for smaller communities and a different fare structure is utilized.

Member Tebo expressed concern about the youth ridership numbers and the promotion of the youth summer blast pass. Mr. Hudda explained that the marketing department aggressively promotes the youth summer blast pass. He noted that there are tie-ins with merchants and attractions served by VTA bus and light rail. He hopes that the decrease in fares and promotions would improve youth ridership.

Member Okuzumi expressed concern that the discounts offered do not cater to low income people paying cash per trip. Mr. Hudda responded that the analysis of the proposed fare changes adhere to the Title VI requirements.

M/S/C (Rogers/Powers) to review and recommend on fare changes proposed for implementation in July 2007 and September 2007.

Member Stuchinsky suggested that the committee consider moving the meeting time of the CAC to 5:30 p.m. so Member Mendez could attend. Mr. Lawson responded that staff will contact each committee member to determine the consensus and the Committee will receive a report on the results.

12. Draft 2006 Monitoring and Conformance Report and Conformance Findings

Adam Burger, Transportation Planner II, gave a brief background about the 2006 Monitoring and Conformance Report and Conformance Findings. His report highlighted

the following: 1) Land use; 2) CMP intersections; 3) Freeways; 4) Expressways; 5) Rural highways; 6) Origin destination survey; 7) Bicycle and pedestrians; and 8) Conformance Findings.

M/S/C (Powers/Probst) to review and recommend that the VTA Board of Directors approve the Draft 2006 Monitoring and Conformance Report and Conformance Findings.

Member Burnett expressed concern regarding the bicycle and pedestrian portion of the Conformance report. Mr. Lawson stated that staff will report back to the Committee.

13. VTA Board of Directors approve the City of San José North San José Deficiency Plan

Chris Augenstein, Transportation Planning Manager, reported on the City of San José North San José Deficiency Plan. His report highlighted the following: 1) Background; 2) North San José Deficiency Plan; 3) Deficiency plan funding sources; 4) Roadway improvements; 5) Transit improvements; 6) Bicycle and pedestrian improvements; 7) Updating and Monitoring; and 8) Alternatives.

Member Stuchinsky left the meeting at 6:05 p.m.

Member Okuzumi referenced page three of the North San José Deficiency Plan and queried about the number of trips that the San José project area will generate. Mr. Augenstein responded that the number of trips is not generated by one specific area, but generated in other parts of the region as well. He noted that the trips are produced to and from the area due to the new jobs that San José is expected to create.

Member Probst queried about the Traffic Impact Fee that will be imposed on the community. Mr. Augenstein responded that the fee will be in the mid point, compared to rural and urban areas.

Member Probst queried about the connection between the Traffic Impact Fee and funding for shuttles included in the \$30 million allotted for transit improvements. Mr. Augenstein responded that there is no connection between the traffic impact fee and the shuttles. He added that the goal of the City of San José is to have developers contribute funds to include the shuttles in the projects.

Member Powers expressed concern about loss of jobs resulting from the North San José Deficiency Plan. Mr. Augenstein responded that instead of a net loss, there would be a net gain in jobs.

Member Blaylock queried if other cities have a plan similar to the North San José Deficiency Plan. Mr. Augenstein responded that the City of Sunnyvale has an approved deficiency plan.

M/S/C (Probst/Morando) to review and recommend that the VTA Board of Directors approve the City of San José North San José Deficiency Plan

The agenda was taken out of order.

COMBINED CAC AND 2000 MEASURE A CITIZENS WATCHDOG COMMITTEE ITEMS

18. CAC and the 2000 Measure A Citizens Watchdog Work Plan

Chairperson Schulter initiated discussion on the joint meeting between the Policy Advisory Committee (PAC) and CAC.

Member Okuzumi stated that a good topic of discussion are the recommendations in the Hay report.

Member Powers commented that she supports the joint meeting. She stated that developing better communication among committees and identifying the roles of each committee should be the topics of discussion.

Member Rogers suggested having a budget workshop with other advisory committees.

Chairperson Schulter suggested a joint workshop with PAC in August.

Jim Lawson, Government Affairs Manager and Staff Liaison, stated that staff will communicate with both committees to develop an agenda and schedule a workshop in August.

On order of Chairperson Schulter, there being no objection, the CAC and the 2000 Measure A Citizens Watchdog work plan was reviewed.

14. Comprehensive Operations Analysis: Draft Proposed Service Operating Plan

Jim Unites, Operations Planning Program Manager, gave a brief update on the Comprehensive Operations Analysis (COA). His update highlighted the following: 1) Proposed route changes; 2) 10 community meetings throughout the county; and 3) Presentations to city councils.

The Committee deferred the Comprehensive Operations Analysis: Draft Proposed Service Operating Plan to the June 13, 2007 meeting.

2000 MEASURE A CITIZENS WATCHDOG COMMITTEE REGULAR AGENDA

17. Draft Citizens Watchdog Committee (CWC) Annual Report for Fiscal Year 2006 (FY06)

Stephen Flynn, Senior Management Analyst, distributed the draft Citizens Watchdog Committee (CWC) Annual Report for FY06. He stated that staff requests the Committee's input on what they want to appear in the annual report.

Member Okuzumi commented that the draft annual report should contain actual figures describing the status of the 2000 Measure A Program. Chairperson Schulter commented on adding a link in the annual report that would provide more detail on the 2000 Measure A Program. Mr. Flynn stated that staff will add a link that would show details regarding the 2000 Measure A Program.

Member Probst suggested adding a description of significant progress made after FY06.

Member Blaylock suggested adding the schedule of the committee meetings in the annual report.

On order of Chairperson Schulter, there being no objection, the draft CWC Annual Report for FY06 was reviewed.

15. The 2000 Measure A Transit Improvement Program Quarterly Progress Report – March 2007

Jack Collins, Chief Construction Officer, reported on the 2000 Measure A Transit Improvement Program Quarterly Progress Report – March 2007. His report highlighted the following: 1) Actual and projected Measure A sales tax revenue; 2) Measure A sales tax receipts; 3) Program revenue to date; 4) Bond proceeds; 5) Swap funds; 6) Program expenditures; and 7) Measure A project summary reports.

Member Probst queried about the repayment of the enterprise fund that was used to pay for bonds. Mr. Collins stated that VTA has not paid back all of the bond proceeds. He explained that there are different bonds with different payment terms. Jim Lawson, Government Affairs Manager and Staff Liaison, responded that some of the bonds were re-issued. Kim Koenig, Debt Administration & Business Analysis Manager, responded that VTA refinanced the bonds. She referenced page 1-5 of the Quarterly Progress report and noted that the outstanding bonds are the following: 1) 2001 sales tax revenue bonds - \$19.2 million; 2) 2005 sales tax revenue refunding bonds - \$172.5 million; and 3) 2006 Measure A sales tax revenue bonds - \$428.4 million. Mr. Collins noted that VTA secured low interest rates on the bonds.

Member Okuzumi queried about the dollar values in page 3-3 and 3-4 of the Quarterly Progress report. Mr. Collins responded that the estimated cost is in year of expenditure (YOE) dollars while the approved budget is in current dollars.

Member Okuzumi queried about Jerry Mikolajczyk's, Chief Financial Officer (CFO), role in tracking construction costs. Mr. Collins stated that the CFO is focusing on cash management. He stated that the CFO set up a separate bank account for Measure A. He added that the CFO is developing cash flow and receivables for Measure A.

Member Tebo expressed concern regarding the high estimated cost of the Palo Alto Intermodal Transit Center. Mr. Collins responded that the estimated cost of \$390.5 million is in YOE dollars and the estimated completion of the project is not until 2020-2025. He noted that in present dollars, the project would cost around \$150 million.

Member Powers queried about the Union Pacific right of way. Mr. Collins stated that VTA purchased what used to be called the Western Pacific railroad right of way from Union Pacific with certain conditions. He added that VTA is studying how to reduce cost and at the same time meet the conditions of the right of way.

On order of Chairperson Schulter, there being no objection, the 2000 Measure A Transit Improvement Program Quarterly Progress Report – March 2007 was discussed.

16. The 2000 Measure A Transit Improvement Program Quarterly Cost Report – March 2007

Jack Collins, Chief Construction Officer, gave a brief report about the 2000 Measure A Transit Improvement Program Quarterly Cost Report – March 2007.

On order of Chairperson Schulter, there being no objection, the 2000 Measure A Transit Improvement Program Quarterly Cost Report – March 2007 was discussed.

Member Rogers requested a staff report on the status of the Dumbarton Rail project. Jim Lawson, Government Affairs Manager and Staff Liaison, stated that staff will provide the information to the committee.

Member Powers queried if the auditing firms will use separate teams. Mr. Lawson responded that staff will report back to the committee.

OTHER

19. Announcements

There were no Announcements.

20. ADJOURN

On order of Chairperson Schulter, there being no objection, the Meeting was adjourned at 6:58 p.m.

Respectfully submitted,

Michael Diaresco, Board Assistant
VTA Board of Directors