

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

Wednesday, August 8, 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
Chris Elias
Ellen Fletcher
Ray Hashimoto
Roberta Hughan
Robert Jacobvitz, Vice Chairperson

Luis Mendez
Gaye Morando

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

Members Absent

Charlotte Powers

Representing

Mass Transit Users
West Valley Cities
Environmentalists
Bicyclists
Building Industry Association
Santa Clara County
Building Owners and Managers Association
(BOMA) –Silicon Valley
Pedestrians
Santa Clara County Chamber of Commerce
Coalition
North County Cities
Senior Citizens
South County Cities
Disabled Persons
Silicon Valley Leadership Group
City of San Jose

Representing

City of San Jose

A quorum was present.

2. ORDERS OF THE DAY

There were no Orders of the Day.

3. PUBLIC PRESENTATIONS

There were no Public Presentations.

4. Committee Staff Report

There was no Committee Staff Report.

General Manager's Quarterly Report.

Michael T. Burns, General Manager, reported the following:

- VTA's participation in various city special events such as the Morgan Hill and San Jose 4th of July Celebration and the San Jose Grand Prix.
- Community Bus service in the Cities of Gilroy and Morgan Hill commenced during July 2007 and has been favorably received.
- The Board of Directors approved the Biennial Budget that includes fare reductions, which will be implemented on September 1, 2007. The Biennial Budget also begins to restore the VTA operating reserves.

Member Hashimoto took his seat at 4:37 p.m.

- The Route 87 HOV North construction project was completed and Caltrans is preparing for the celebration event scheduled for August 15, 2007 at Virginia Street.
- VTA overall ridership increased approximately seven percent, compared to FY 2006. This increase represents a 24 percent increase in light rail and small percentage increase in bus ridership.
- VTA and the County of Santa Clara finalized the agreement for the 1996 Measure B Program. As a result, VTA received approximately \$50 million from the County and will be responsible for managing the remaining 1996 Measure B Projects, including: San Martin Parking and Roadway Improvements at San Martin Station, Palo Alto Accessibility and platform improvements, and California Avenue Station Upgrade.
- The Board of Directors received a report from Chairperson Schuler at the August 2, 2007 Meeting on the publication of the 2000 Measure A Citizens Watchdog Committee's Annual Report for FY 2006.
- Items that are related to 2000 Measure A are as follows: a) VTA is interested and currently working with the property owners of Mitchell Block in Downtown San Jose; b) VTA was successful in finalizing transactions with BART for the purchase of a VTA property that was acquired as part of the right-of-way for the BART Extension Project. The transaction yielded \$20 million that will be returned to the 2000 Measure A Program; and c) VTA is currently performing a

study that establishes the nexus between safety and Caltrain operations. This study is essential because it will determine if 2000 Measure A is the appropriate fund source for the Caltrain safety projects. However, if VTA is not successful in determining that Measure A dollars are appropriate for the safety projects, VTA will look for other alternatives to fund these projects.

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

- He referred to CAC Agenda Item #9 and noted that the Board of Directors is scheduled to approve the Comprehensive Operations Analysis (COA) at its August 30, 2007 Regular Meeting. If approved, the changes will be implemented in January 2008. Mr. Burns stressed that the COA is a reallocation of resources and not a reduction of overall service.
- He reported on status of the implementation of the recommendations from the Organizational and Financial Assessment including: a) internal reorganization plan for VTA that is focused on its core business activities such as planning, project delivery and transportation services; and b) improved financial controls, cash management system, upgraded credit rating, reduced debt by \$54 million, and accelerated reimbursements. Mr. Burns reported that VTA is financially stable.

Mr. Burns thanked the Committee for their efforts to review the 2000 Measure A Expenditures.

Member Tebo referred to the COA and commended the Planning staff for their professionalism, patience, understanding, and politeness during public meetings.

Member Burnett inquired about the overhead rate increase from three percent to eight percent noted on the Auditor's report. Mr. Burns noted that the overhead rate charged in prior years was too low and not realistic. The effort to increase the rate was to make the charging of overhead costs more accurate and realistic.

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

Member Elias inquired about the timeline for the implementation of the Governance section on the Hay Group Organizational and Financial Assessment. Mr. Burns responded that the scope of work for the implementation of the Governance section is scheduled for Board approval on August 30, 2007.

On order of Chairperson Schulter, there being no objection, the Committee received the General Manager's Quarterly Report.

5. Chairperson's Report

Chairperson Schuler thanked Vice Chairperson Jacobvitz for presiding over last month's meeting and the Committee for passing the Annual Report. He stated that he appeared at the Board of Directors' August 2, 2007 meeting to report on the Annual Report. He distributed a handout entitled "VTA Board of Directors August 2, 2007 Meeting – Verbal Report from Citizens Watchdog Committee (CWC) Chairperson on Committee's Annual Report for FY 2006 (Inaugural Report)" and noted that he informed the Board of the CWC's accomplishments. He passed around the final version of the Annual Report.

Chairperson Schuler stated that Member Burnett's concern about publicly reporting 2000 Measure A expenditures prior to 2006 will be agendaized at a future meeting.

Chairperson Schuler announced that he had to leave at around 5:40 p.m. and requested Vice Chairperson Jacobvitz preside over the meeting after he leaves.

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 July 11, 2007**

M/S/C (Probst/Jacobvitz) to approve the Minutes of July 11, 2007.

CITIZENS ADVISORY COMMITTEE CONSENT AGENDA

7. **Proactive CMP Reviewed and Approved Projects Quarterly Status Report - April 2007 through June 2007**

M/S/C (Fletcher/Jacobvitz) to review the Proactive CMP Reviewed and Approved Projects Quarterly Status Report April 2007 through June 2007.

8. **Programmed Projects Quarterly Monitoring Report Summary**

M/S/C (Fletcher/Jacobvitz) to review the Programmed Projects Quarterly Monitoring Report Summary.

The Agenda was taken out of order.

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

CITIZENS ADVISORY COMMITTEE REGULAR AGENDA

10. No Smoking Policy Implementation Update

Stephen Flynn, Senior Management Analyst, commented that the CAC was instrumental in the development of the No Smoking Policy. Mr. Flynn stated that staff's goal was to complete the installation of the No Smoking signs before the end of the calendar year. Mr. Flynn reported that as of today, all of the signs have been installed by VTA Operations Staff at bus shelters, light rail stations, and transit centers. Mr. Flynn thanked the Operations Staff for accelerating the installation of the signs and completing the installation ahead of schedule.

On order of Chairperson Schulter, there being no objection, the No Smoking Policy Implementation Update was received.

9. Comprehensive Operations Analysis Revised Bus Service Operating Plan

Kevin Connolly, Transportation Planning Manager, provided a PowerPoint Presentation entitled, "Comprehensive Operations Analysis – Revised Service Operating Plan August 2007." Mr. Connolly reviewed the COA Project Timeline, COA Outreach Meetings, COA On-line Outreach and VTA Board Policy on COA. He noted that there will be a revised CD that will incorporate the comments from the recent public meetings. He presented a map of Santa Clara County that depicts the core network routes.

Mr. Connolly noted that based on the public input, staff is proposing 40 revisions to the First Draft Proposal. He stated that the public input highlights concern on the following areas: community colleges, Cupertino, Evergreen (San Jose), Alviso/North San Jose, Santa Cruz Mountains, Palo Alto, Express/Limited Stop Services, and VTA Outreach Coverage. He discussed the first draft feedback/concerns regarding each area and the corresponding revised proposal.

Mr. Connolly expressed concern that Palo Alto may not endorse the revised proposal. He noted that there is a need for VTA, City of Palo Alto, and Stanford University to work collaboratively to better address the transportation needs in Palo Alto. He noted that this work is slated for the fall of 2007.

Mr. Connolly stated that VTA needs to do further studies on how to address the 36 people that were affected by the ¾ mile boundaries for VTA Outreach Service. Member Rogers inquired regarding the policy for Morgan Hill and Gilroy in terms of how the COA affected the Outreach Service Area. Mr. Connolly responded that the South County is exempt from the ¾ mile boundaries.

Member Stuchinsky inquired about the possibility of reinvesting money for parking at the Fremont BART station. She noted that this may encourage people to park their cars and use transit to get into Santa Clara County since the BART Extension to Santa Clara County is not yet constructed. Mr. Connolly noted that there are many other issues concerning parking at BART and there is a lot of work to be done to address that.

Mr. Connolly discussed the schedule noting that the Board approval is slated for August 30, 2007. After Board approval, the detailed scheduling and operator sign-ups

will be conducted during the September to December 2007 timeframe. Public Information and Marketing Promotion is scheduled from September 2007 to February 2008 and service implementation is scheduled for January 14, 2008.

Member Burnett commented that the Santa Cruz Mountains may be best served by a Community Bus. Mr. Connolly responded that Community Buses cannot accommodate the capacity required by the route. However, the service is modified to ensure that the route is only operating on days it is needed.

Member Mendez thanked staff for providing a CD that contains all the public comments on the First Draft Proposal. He referred to the request about providing service from Los Gatos to the Santa Cruz Beach and inquired if it is feasible for the 17 Express to stop at Los Gatos. Mr. Connolly responded that the issue has been discussed. However, the Highway 17 Express riders expressed that they are concerned about decreasing travel time of the route.

Members Mendez and Rogers noted that VTA could examine a weekend service to the Santa Cruz Beach to alleviate traffic on Highway 17 and Highway 1.

Member Fletcher stated that the Palo Alto City Council is very concerned about the proposed changes and requests deferral of the implementation in Palo Alto until the City and VTA conduct a comprehensive study. She noted that although staff has been very responsive and developed the revised proposal, it may be worthwhile to delay implementation.

Member Stuchinsky inquired how staff was able to keep the COA revenue neutral after the proposed changes to the draft service proposal. Mr. Connolly responded that staff built in a one percent reserve on the first proposal. Reductions on weekend services were also done to ensure that the COA is still budget neutral.

Member Tebo inquired about the timeline for evaluating the COA implemented changes. Mr. Connolly responded that the policy clearly established the criteria on how routes are evaluated and measured against goals. He added that the COA is intended to be a continuous process, with evaluations on a quarterly and annual basis.

Member Okuzumi commented that bus services have not increased. She noted the VTA Riders' Union concern about decreased hours of service were not made very apparent. Mr. Connolly responded that the overall bus service in the entire system is the same and what VTA did was to reinvest service to where it is most needed.

Members Fletcher inquired about potential service or frequency changes to the light rail. Mr. Connolly responded that the current proposal is restricted to bus service and light rail service will be evaluated in the future.

Member Stuchinsky inquired if there is potential operating cost savings if light rail skipped a station. Mr. Connolly noted that operations of light rail is more complicated

than bus because there is a segment in the Vasona line that needs to be in sequence so that the light rail could pass.

Mr. Connolly thanked the Committee for their input and noted that their efforts for the COA in the last 12 months are greatly appreciated.

M/S (Rogers/Morando) to review and recommend that the VTA Board of Directors adopt the Revised Bus Service Operating Plan for implementation in January 2008.

Member Fletcher proposed an amendment to postpone the implementation of the changes in Palo Alto until further study by VTA and Palo Alto is completed. Chairperson Schuler suggested that it may be more effective to make the amendment as a serious consideration of a delay for Palo Alto route changes.

Member Probst noted that there is a division with regards to the COA in the Palo Alto City Council. She noted that VTA staff is already discussing it with Palo Alto and it is not necessary to delay implementation.

Member Rogers added that there is an on-going process for evaluating the changes and opportunities to adjust the routes when necessary.

Member Mendez concurred with Member Probst and noted that VTA is already working with the City of Palo Alto to make all the transit services better.

M/S/F (Fletcher/Morando) on a vote of 3 ayes, 12 noes, and 0 abstention to review and recommend that the VTA Board of Directors adopt the Revised Bus Service Operating Plan for implementation in January 2008 with a consideration to delay the implementation of the changes to the Palo Alto routes until a thorough a community bus service study can be undertaken by VTA in cooperation with the City of Palo Alto to determine the most productive use of existing level of VTA transit resources in Palo Alto. Members Blaylock, Burnett, Elias, Hashimoto, Hughan, Jacobvitz, Mendez, Probst, Rogers, Schuler, Stuchinsky and Tebo opposed.

M/S/C (Rogers/Morando) to review and recommend that the VTA Board of Directors adopt the Revised Bus Service Operating Plan for implementation in January 2008.

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

COMBINED CAC AND 2000 MEASURE A CITIZENS WATCHDOG COMMITTEE ITEMS

14. Proposal to Change CAC/CWC Meeting Time

Chairperson Schulter noted that the results of the CAC/CWC Meeting Time Questionnaire are on the Members' table. He noted that changing the the time from 4:30 to 5:30 can potentially affect 2 members ability to remain on the Committee.

Member Burnett expressed concern that the survey did not specifically ask Member's preference on meeting time.

Upon request of Chairperson Schulter, Members Mendez, Okuzumi, and Stuchinsky stated that they prefer a time than 4:30 p.m.

Vice Chairperson Jacobvitz stated that he is opposed to changing the meeting time as it will create two other vacancies in addition to the one seat that is currently vacant. He expressed appreciation to the Members who attends the meetings.

Member Mendez explained that he was unable to attend previous meetings due to the meeting time. However, he expressed that it is apparent that the preferred time is 4:30 p.m, therefore, it should stay the same. He thanked the Committee for entertaining the possibility of changing the meeting time.

Member Stuchinsky thanked the Committee for considering discussing the proposal to change the meeting time.

Chairperson Schulter left the meeting at 5:50 p.m. and Vice Chairperson Jacobvitz presided over the remainder of the meeting.

M/S/C (Tebo/Morando) on a vote 14 ayes, 0 noes, and 1 abstention to keep the start of the CAC and the CWC Meeting Time at 4:30 p.m. Member Fletcher abstained.

2000 MEASURE A CITIZENS WATCHDOG COMMITTEE REGULAR AGENDA

11. 2000 Measure A Transit Improvement Program Quarterly Progress Report – June 2007

Jack Collins, Chief Construction Officer, provided a brief overview of the 2000 Measure A Transit Improvement Program Quarterly Progress Report highlighting the following:

- VTA received approximately \$150 million in Traffic Congestion Relief Program (TCRP) funds as reimbursement for Preliminary Engineering of the BART Extension;
- VTA sold 3.66 miles of previously purchased Union Pacific Railroad (UPRR) right-of-way to BART and received \$20 million as revenues from that sale.
- VTA is proceeding through final design on Capitol Expressway Light Rail to Eastridge.
- VTA completed a list of priorities for Caltrain Capital needs.

- VTA re-established the Project Advisory Committee to advise the Board on funding issues, cash flow, potential hold points, and No New Revenue scenarios
- VTA issued a Notice of Redemption to bondholders of 2006 Sales Tax Revenue Bonds Series E regarding the retirement of outstanding principal of \$54.7 million on August 2, 2007.

Mr. Collins reported that total sales tax revenues to date totals \$193.3 million, a \$3 million increase from estimates. He noted that through the period ending June 30, 2007, total program revenues were \$1.5 billion, which consisted of bond proceeds, swap funds, sales tax receipts, grant fund reimbursements, investment earnings, and other income.

Upon inquiry of Member Elias, Mr. Collins responded that the VTA staff was diligent in submitting State applications and the advancing of projects have been approved last year when the State budget was approved and the TCRP monies are already locked.

Mr. Collins reviewed the Program Expenditures, noting that the cumulative expenditures totaled to \$1.230 billion. Mr. Collins also reviewed the Program Summary on program wide costs, BART-Silicon Valley Rapid Transit Program, Light Rail Program, Commuter Rail Program, Bus Program, and San Jose Mineta Airport People Mover. He also briefly discussed project summary reports for BART-Silicon Valley Rapid Transit, Light Rail Program, Commuter Rail Program, Bus Program, and San Jose Mineta Airport People Mover.

Member Mendez inquired if the new eminent domain process could potentially delay some of the projects. Mr. Collins responded that VTA incorporated the longer eminent domain process in the project schedule.

Member Blaylock left the meeting at 6:27 p.m.

Member Probst commented that the report was written very well.

Mr. Collins thanked Member Probst for her comments and noted that he will relay it to staff. He thanked the Committee for providing direction on how to present the report.

On order of Vice Chairperson Jacobvitz, there being no objection, the 2000 Measure A Transit Improvement Program Quarterly Progress Report – June 2007 was received.

12. **2000 Measure A Transit Improvement Program Quarterly Cost Report – June 2007**

Mr. Collins discussed the June 2007 Changes in Cost noting that the report was updated to reflect the adopted budget which covers an additional two years of project activity.

Mr. Collins referred to Page 4 , Figure 1 – Forecast Changes this Month from Authorized Budget and explained the rationale behind the changes for this quarter. Mr. Collins noted that Member Mendez had emailed questions and inquired if he would like them addressed at today’s meeting.

Vice Chairperson Jacobvitz suggested that the response be done in writing through email and requested that the Committee be copied as well.

Upon inquiry of Member Okuzumi, Mr. Collins explained that the cap of \$44 million is derived from the current approved agreement.

On order of Vice Chairperson Jacobvitz, there being no objection, the 2000 Measure A Transit Improvement Program Quarterly Cost Report – June 2007 was received.

13. Publication of completed projects prior to the collection of Measure A Sales tax

On order of Vice Chairperson Jacobvitz, there being no objection, the Publication of Completed Projects Prior to The Collection of the 2000 Measure A Sales tax was deferred to the September 2007 meeting.

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

Member Okuzumi inquired about the status of the invitation for Tracey Loveridge. Mr. Flynn responded that staff attempted to contact Ms. Loveridge and provided her with the list of upcoming CAC/CWC meetings. However, she has not yet responded.

Mr. Flynn advised that the CWC Annual Report will be published within the next two weeks in the San Jose Mercury News, San Jose Silicon Valley Business Journal, El Observador, and Vietnamese newspapers. Member Probst suggested publishing the report in other local community papers.

Mr. Flynn reported that the Board of Directors expressed appreciation to the CWC for their diligent work in reviewing the 2000 Measure A expenditures.

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

16. Announcements

There were no Announcements.

17. ADJOURN

On order of Vice Chairperson Jacobvitz , there being no objection, the Meeting was adjourned at 6:38 p.m.

Respectfully submitted,

Elaine F. Baltao, Board Assistant
VTA Board of Directors