

Date: _____ January 30, 2008

Committee Meeting Date: _____ February 13, 2008

Board Meeting Date: _____ N/A

BOARD MEMORANDUM

ACTION ITEM

TO: 2000 Measure A Citizens Watchdog Committee
Santa Clara Valley Transportation Authority
Board of Directors

THROUGH: Michael T. Burns
General Manager

FROM: Jim Lawson
Senior Policy Advisor

SUBJECT: Citizens Watchdog Committee Supplemental Report

RECOMMENDATION:

Approve:

1. The content and format of CWC Supplemental Report for publication.
2. The publication strategy of placing this item on VTA's website.

BACKGROUND:

In November 2000, the voters in Santa Clara County approved Measure A, a 30-year half cent sales tax devoted to transit projects. The Measure A ballot mandated that an independent citizens watchdog committee, consisting of VTA's Citizens Advisory Committee (CAC), must:

- Review all 2000 Measure A expenditures.
- Have an audit conducted each fiscal year by an independent auditor to ensure tax dollars are being spent in accordance with the intent of this measure.
- Hold public hearings and issue reports "on at least an annual basis to inform Santa Clara County residents how the funds are being spent."
- Publish the results of the independent audit and the annual report in local newspapers.

On April 1, 2006 collection of the 2000 Measure A sales tax began and the Citizens Advisory Committee assumed its duties as the Citizens Watchdog Committee (CWC) for the 2000 Measure A program.

Previously, Member Don Burnett recommended that the Committee issue a supplemental report summarizing VTA Board-authorized efforts and expenditures delivering 2000 Measure A projects prior to FY 2006 (July 1, 2005 – June 30, 2006). Since FY 2006 was the first period the Committee reviewed and reported on, the Committee agreed with Member Burnett's suggestion that the public interest would be best served by providing a supplemental report summarizing project delivery activities and expenditures prior to FY 2006, to ensure program continuity by filling in the gap consisting of initial program activities.

The initial draft of the Supplemental Report was provided for Committee at its January meeting.

DISCUSSION:

Submitted for Committee approval is the final draft of the Supplemental Report (Attachment A). It differs from the initial draft submitted for Committee consideration at its last meeting in three ways:

- Insertion of a small amount of text clarifying that the indicated expenditure totals are for 2000 Measure A funds spent during the period (shown in blue), not total project expenditures (which may include grant funds, development fees, and contributions from local jurisdictions and other entities).
- The previously-stated amount of total project expenditures for the period has been removed pending independent review by the auditing firm of Vavrinek Trine & Day Company. Since total 2000 Measure A expenditures prior to FY 2006 will be included in all future 2000 Measure A Annual Reports, it was of paramount importance that the methodology for developing this number be independently reviewed and agreed upon.
- Although not shown on the attachment included with this memo, the final version will include graphics consisting of several photos of 2000 Measure A projects. The revised Attachment A with graphics will be sent to the Committee separately prior to its February meeting.

Staff is requesting approval of the presentation and the content of the Supplemental Report with the exception of total 2000 Measure A expenditures for the period, which will be independently reviewed, then supplied in the near future.

Concerning the publication strategy, at its January meeting the Committee discussed placing the Supplemental Report only on VTA's website and not publishing it in local newspapers in order to reduce costs. Staff now requests the Committee's decision on implementing this strategy. The Supplemental Report would not be placed on VTA's website until total 2000 Measure A expenditures for the period have been independently reviewed and provided.

If the Committee approved the recommended publication strategy, it will be notified via email when the Supplemental Report has been placed on VTA's website and will also be provided the electronic link

Prepared by: Stephen Flynn, Sr. Management Analyst

DRAFT

2000 Measure A Transportation Improvement Program

Supplemental Report from the Citizens Watchdog Committee

BACKGROUND:

Measure A, approved by Santa Clara County voters in 2000, is a 30-year half cent sales tax devoted to improvement projects for the area's public transit network. The Measure A ballot specified that the Citizens Watchdog Committee (CWC) must review all 2000 Measure A expenditures, have an independent audit conducted each fiscal year, hold public hearings and issue reports at least annually to inform Santa Clara County residents how the funds are being spent, and publish the results of the independent audit and the annual report in local newspapers and make them available to the public.

The Santa Clara Valley Transportation Authority (VTA) Board of Directors is responsible for implementation of the 2000 Measure A Transit Improvement Program and for all policy-related decisions including the composition, implementation schedule and funding level of projects. The Citizens Watchdog Committee's responsibility is defined as reviewing 2000 Measure A expenditures to ensure funds are being spent in accordance with the intent of the ballot.

Among the projects specified in the ballot are:

- Extend BART to Silicon Valley.
- Extend Light Rail from Downtown San Jose to the East Valley.
- Improve bus service in major bus corridors.
- Purchase zero-emission buses and construct service facilities.
- Provide connections from Mineta San Jose Airport to BART, Caltrain and VTA light rail.
- Construct a new Palo Alto Intermodal Transit Center.
- Increase Caltrain service and electrify from Palo Alto to Gilroy.
- Upgrade Altamont Commuter Express (ACE).

STATUS:

The Citizens Watchdog Committee assumed its duties on April 1, 2006, concurrent with the collection of the half cent sales tax. The first period the committee reviewed and reported on was FY 2006 (July 1, 2005 – June 30, 2006). This report summarizes the VTA Board-authorized efforts delivering 2000 Measure A projects prior to FY 2006 (from inception through June 30, 2005).

During that period, approximately \$###.# million of 2000 Measure A funds were expended towards delivering Measure A projects, with significant progress being made on or the following projects being completed:

- Pursued conceptual and 35% (preliminary) engineering on the BART project. At the end of FY05, these efforts were 84% and 37% complete, respectively.

- Acquired right-of-way from Warm Springs to East Tunnel Portal as well as the Newhall Yard property from Union Pacific Railroad for the BART project.
- Undertook Preliminary Engineering on the Capitol Expressway Light Rail Project to the Nieman Station, with the environmental document (EIR) certified by the VTA Board in March 2005.
- Modified facilities, installed a hydrogen fueling station, and placed three zero-emission (Hydrogen Fuel Cell) buses in service on VTA bus lines.
- Purchased 70 low-floor light rail vehicles in order to enhance ADA accessibility and improve service by minimizing boarding and exit times for all riders.
- Secured access for additional trains on the Caltrain south county corridor for a 15-year period from Union Pacific Railroad.

The 2000 Measure A Program is a separate component of VTA's Comprehensive Annual Financial Report (CAFR) prepared each fiscal year. An independent audit of the CAFR and the 2000 Measure A Program's financial statements and records was completed for each year of the period. Funds utilized were in advance of the sales tax collection.

Continuing with its mission, the CWC has initiated its review process of the FY 2007 period (July 1, 2006 – June 30, 2007) by commissioning the required independent audit of the 2000 Measure A program financial statements and records for that period. The CWC's public hearing on 2000 Measure A expenditures and reports and the results of the independent audit of FY 2007 is tentatively scheduled for April 2008 and will be publicly noticed. Completion of the CWC's review and the publication in local newspapers of its findings on whether 2000 Measure A funds were spent in accordance with the ballot is projected for late Spring 2008.

Signed,

Noel Tebo
Chairperson, Citizens Watchdog Committee

Citizens Watchdog Committee members:

<u>MEMBER</u>	<u>REPRESENTS</u>	<u>MEMBER</u>	<u>REPRESENTS</u>
Noel Tebo	City of San Jose	Sally Probst	Senior Citizens
Charlotte B. Powers	City of San Jose	Martin B. Schulter	Disabled Persons
Margaret Okuzumi Users	North County Cities	Stephen C. Blaylock	Mass Transit
Donald R. Burnett	West Valley Cities	Ellen Fletcher	Bicyclists
Connie Rogers	South County Cities	Chris C. Elias	Environmentalists
Roberta H. Hughan	County of Santa Clara	Norman Kline	Pedestrians
Laura Stuchinsky	Silicon Valley Leadership Group		
Ray Hashimoto	Home Builders Association of Northern California		
Gaye Morando	Santa Clara County Chamber of Commerce Coalition		
Robert Jacobvitz	Building Owners and Managers Association –Silicon Valley		
Judy Kirkham	South Bay AFL-CIO Labor Council		