



ADMINISTRATION & FINANCE COMMITTEE

February 20, 2003

MINUTES

1. CALL TO ORDER

The Regular Meeting of the Administration and Finance Committee (A&F) was called to order at 12:01 p.m. by Chairperson Williams in Room 204, City of San Jose, 801 North First Street, San Jose, California.

ROLL CALL

Members Present

Pat Dando, Vice Chairperson
Don Gage
Jane P. Kennedy
Forrest Williams, Chairperson

Members Absent

Pete McHugh
Joe Pirzynski

A quorum was present.

2. PUBLIC PRESENTATIONS

There were no Public Presentations.

3. ORDERS OF THE DAY

There were no Orders of the Day.

CONSENT AGENDA

4. Regular Meeting Minutes of January 16, 2003

M/S/C (Gage/Kennedy) to approve the Regular Meeting Minutes of January 16, 2003.

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

5. **Report on Santa Clara Valley Transportation Authority Investments for the Month of December 2002 and quarter ending December 2002**

M/S/C (Gage/Kennedy) to receive and file the Report on Santa Clara Valley Transportation Authority Investments for the Month of December 2002 and quarter ending December 2002.

6. **Contractor Pre-Qualification Pilot Program Monthly Report**

M/S/C (Gage/Kennedy) to receive and file the Contractor Pre-Qualification Pilot Program Monthly Report.

7. **Monthly Legislative Reports**

M/S/C (Gage/Kennedy) to receive and file the Monthly Legislative Reports.

8. **Second Quarter FY 2003 Report of Public Liability/Property Damage Claims Activity**

M/S/C (Gage/Kennedy) to receive and file the Second Quarter FY 2003 Report of Public Liability/Property Damage Claims Activity.

9. **Second Quarter FY 2003 Report of Workers' Compensation Claims Activity**

M/S/C (Gage/Kennedy) to receive and file the Second Quarter FY 2003 Report of Workers' Compensation Claims Activity.

10. **Second Quarter Performance Report**

M/S/C (Gage/Kennedy) to receive and file the Second Quarter Performance Report.

11. **Valley Transportation Plan (VTP) 2020 Highway Project – US 101/Bailey Avenue Interchange Construction Contract Award**

M/S/C (Gage/Kennedy) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute a contract with Granite Construction Company/CC Meyers, a Joint Venture, the lowest responsible bidder in the amount of \$14,848,746 for construction of the US 101/Bailey Avenue Interchange project, which is part of the VTP 2020 Highway Program.

12. Contract Amendment for Final Design and Design Support During Construction of the Route 101/Bailey Avenue Interchange Project

M/S/C (Gage/Kennedy) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to amend the contract with HMH, Inc. (HMH) for final design and design support during construction of the Route 101/Bailey Avenue Interchange Project by \$670,000 for a new total contract value not to exceed \$770,000.

13. Contract Amendment for Final Design and Design Support During Construction of the Route 152 Project

M/S/C (Gage/Kennedy) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to amend the contract with HMH, Inc. (HMH) to provide additional funds for final design services and design support during construction of the Route 152 Safety Improvement Project, increasing the contract value by \$584,822 for a new total contract value not to exceed \$3,162,267.

14. Cooperative Agreement with the City of San Jose for Utility Relocation of I-880/Coleman Avenue Interchange Project

M/S/C (Gage/Kennedy) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute a Cooperative Agreement with the City of San Jose to fund utility relocation of the I-880/Coleman Avenue Interchange Project.

15. Santa Clara Valley Transportation Authority's Application to the California Resources Agency for Environmental Enhancement and Mitigation Program Funds for the Route 85/101 South Interchange Project

M/S/C (Gage/Kennedy) to approve submitting a recommendation to the Board of Directors to adopt a resolution authorizing the filing of an application with the California Resources Agency for allocation of funds from the Environmental Enhancement and Mitigation (EEM) Program for the Route 85/101 South Interchange Project, and authorize the General Manager to execute the grant agreement.

16. Amendment to Attorney Services Agreement with Hanson, Bridgett, Marcus, Vlahos & Rudy, LLP

M/S/C (Gage/Kennedy) to approve submitting a recommendation to the Board of Directors to authorize General Manager to execute an amendment to the Attorney Services Agreement with the firm of Hanson, Bridgett, Marcus, Vlahos & Rudy, LLP to add \$75,000, for a new not-to-exceed contract value of \$975,000.

Jack J. Collins, Chief Construction Officer, noted that Updated Agenda Item #11 was updated to reflect that Granite Construction Company/CC Meyers was selected for construction of the US 101/Bailey Avenue Interchange project, which is part of the Valley Transportation Plan (VTP) 2020 Highway Program.

Vice Chairperson Dando took her seat at 12:05 p.m.

REGULAR AGENDA

17. Habitat Mitigation Purchase for the Route US 101 Widening Project

Michael P. Evanhoe, Chief Development Officer, provided a brief overview on the Habitat Mitigation Purchase for the Route US 101 Widening Project.

Vice Chairperson Dando queried on VTA's portion for the purchase of the mitigation habitat for the Bay Checkerspot Butterfly and if it were possible to combine mitigation habitat for the Bay Checkerspot Butterfly with other project mitigation sites. Member Gage noted the intention of the memorandum is to purchase a larger site habitat to cover all endangered species in the area. Mr. Evanhoe noted that Coyote Creek declined to be a part of the purchase at this time but will have the opportunity to do so at a later date at a higher price if they desire.

M/S/C (Gage/Kennedy) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute an agreement with the Santa Clara County Open Space Authority, Santa Clara Valley Water District, Santa Clara County and City of San Jose for the purchase of mitigation habitat for the Bay Checkerspot Butterfly for an amount not to exceed \$4.4 million; de-commit \$3.8 million in funds reserved for mitigation of the I-880/Dixon Landing Road Interchange to be used for the habitat purchase and; authorize the use of \$600,000 in Local Program Reserve for the habitat purchase.

17.X. (Deferred to the February 28, 2003 Board of Directors Workshop Meeting)

Revised Fiscal Year 2003/04 and Fiscal Year 2004/05 Budget Assumptions

Scott Buhner, Chief Financial Officer, provided a brief overview on the Revised Fiscal Year 2003/04 and Fiscal Year 2004/05 Budget Assumptions. Mr. Buhner noted some fundamental changes to the FY 2003/04 and FY 2004/05 Budget Assumptions and distributed a Revised FY04 and FY05 Budget Assumptions table to Committee Members. Mr. Buhner noted that a memorandum regarding a fare increase will be ready next month. Mr. Buhner noted that the item will be forward to the Board of Directors for consideration in June 2003 and

if approved implementation will go into effect on August 1, 2003. Mr. Buhner noted that the ending reserves were previously forecasted at \$35 million; however, after examining the capital budget staff has identified another \$10 million in project deferrals and project savings. Mr. Buhner added that the revised ending reserves are now forecasted at \$45 million and recommended allocating \$5 million in an emergency reserve, allocating \$5 million for operating capital in each budget year and to equally split the remaining \$30 million balance to fund operations for each budget year. Peter M. Cipolla, General Manager, noted that this will get VTA through FY 2004 and FY 2005.

Mr. Buhner noted the changes to ADA and the implementation of Phase III. Mr. Cipolla noted that the Committee for Transit Accessibility (CTA) is aware of the changes and the implementation of Phase III. Mr. Cipolla noted that a comprehensive list of the budget will be distributed at the February 28, 2003 Board of Directors Workshop Meeting.

Vice Chairperson Dando requested that the memorandum be forwarded for further discussion to the VTA Board of Directors Workshop Meeting on Friday, February 28, 2003.

Vice Chairperson Dando queried on the cuts and how it relates to public safety.

Vice Chairperson Dando requested an analysis on fare increase and loss of ridership.

M/S/C (Dando/Gage) to defer submitting a recommendation to the Board of Directors to approve the revised Fiscal Year 2003/04 and Fiscal Year 2004/05 Budget Assumptions.

Eugene Bradley, Interested Citizen, expressed his concern regarding fare increases for bus and light rail system. Mr. Bradley noted that the fare increases will have a negative effect on ridership levels. Mr. Bradley expressed his disappointment with Committee Members and VTA Staff for not realizing that the company is financially and morally broke.

Vice Chairperson Dando noted that VTA has not committed any malice or felony action. Chairperson Williams supported Vice Chairperson Dando's comments and added that VTA has made everything open and public.

18. Legislative Positions: Support for ACA 7 (Dutra)

Kurt M. Evans, Government Affairs Manager, provided a brief overview on Legislative Positions: Support for ACA 7 (Dutra).

M/S/C (Kennedy/Gage) to approve submitting a recommendation to the Board of Directors to adopt a support position for ACA 7 (Dutra), which changes the voting requirement for approving local transportation sales tax ballot measures from a two-thirds to a 55 percent majority.

19. Military Leave Benefits

Shellie Albright, Benefits Manager, provided a brief overview on the Military Leave Benefits. Ms. Albright noted that previous Military Leave Benefits Policy expired last year. Ms. Albright noted that it is appropriate to re-implement the Military Leave Benefits Policy. Ms. Albright noted that the policy covers any type of terrorist activity and does not have an end date.

Member Gage requested information on the number of eligible employees who may be called to active military service and the cost of their supplemental salary and health benefits.

M/S/C (Gage/Dando) to approve submitting a recommendation to the Board of Directors to approve supplemental salary and health benefits for up to one year for eligible employees called to active military service as a result of terrorist activities or impending or actual armed conflict. These benefits shall follow exhaustion of the mandated thirty-calendar day continuation granted by law.

OTHER ITEMS

20. Committee Work Plan

On order of Chairperson Williams, there being no objection, the Committee received the Committee Work Plan.

21. Committee Staff Report

There was no Committee Staff Report.

22. Chairperson's Report

Chairperson Williams noted the support of ACA 7 (Dutra) and SEA 2 by the Capitol Corridor Joint Powers Board (CCJPB).

23. Determine Consent Agenda for the March 6, 2003 Board Meeting

CONSENT: Agenda Item #17. Authorize the General Manager to execute an agreement with the Santa Clara County Open Space Authority, Santa Clara Valley Water District, Santa Clara County and City of San Jose for the purchase of mitigation habitat for the Bay Checkerspot Butterfly for an amount not to exceed \$4.4 million; de-commit \$3.8 million in funds reserved for mitigation of the I-880/Dixon Landing Road Interchange to be used for the habitat purchase and; authorize the use of \$600,000 in Local Program Reserve for the habitat purchase and **Agenda Item #19.**, Approve supplemental salary and health benefits for up to one year for eligible employees called to active military service as a result of terrorist activities or impending or actual armed conflict. These benefits shall follow exhaustion of the mandated thirty-calendar day continuation granted by law.

REGULAR: Agenda Item #18., Adopt a support position for ACA 7 (Dutra), which changes the voting requirement for approving local transportation sales tax ballot measures from a two-thirds to a 55 percent majority.

24. Announcements

There were no Announcements.

25. ADJOURNMENT

On order of Chairperson Williams, there being no objection, the meeting was adjourned at 1:16 p.m.

Respectfully submitted,

Michelle Garza, Board Assistant
VTA Board of Directors
