



ADMINISTRATION & FINANCE COMMITTEE

Wednesday, May 28, 2003
9:00 a.m.

City of San Jose
801 North First Street – Room 204
San Jose, California

MINUTES

1. CALL TO ORDER

The Regular Meeting of the Administration and Finance Committee (A&F) was called to order at 9:05 a.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. CLOSED SESSION at 9:06 a.m.

- A.** Conference with Labor Negotiators
[Government Code Section 54957.6]

Employee Organizations:

County Employees Management Association (CEMA)
Service Employees International Union (SEIU) Local 715
Transportation Authority Engineers and Architects (TAEA)
Amalgamated Transit Union (ATU) Local 265

VTA Designated Representatives:

Kaye L. Evleth, Chief Administrative Officer

Scott Buhner, Chief Financial Officer

Robert Escobar, Manager, Office of Employee Relations

- B.** Public Employees Release
[Government Code Section 54957]

Vice Chairperson Dando takes her seat at 9:07 a.m.

RECONVENED TO OPEN SESSION at 9:50 a.m.

3. CLOSED SESSION REPORT

- A.** Conference with labor Negotiators
[Government Code Section 54957.6]

Employee Organizations:

County Employees Management Association (CEMA)

Service Employees International Union (SEIU) Local 715

Transportation Authority Engineers and Architects (TAEA)

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VTA Designated Representatives:

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Robert Escobar, Manager, Office of Employee Relations

There was no reportable action taken during Closed Session.

- B.** Public Employees Release
[Government Code Section 54957]

There was no reportable action taken during Closed Session.

4. PUBLIC PRESENTATIONS

Terri Applegate, Interested Citizen, expressed her concern regarding VTA's Proposed Budget.

Eugene Bradley, Santa Clara Valley Riders Union, distributed "Throwing It Away Our Findings On The VTA's 2004 And 2005 Fiscal Year Recommended Budget" and expressed his concern regarding VTA's Budget.

5. ORDERS OF THE DAY

Chairperson Williams requested that Agenda Item #16., Approve an allocation for VTA's share of the Route 25 Environmental Review Process from the Local Program Reserve of \$900,000 for FY 2003 – 04, \$800,000 for FY 2004 – 05 and \$300,000 for FY 2005 – 06 for a total not to exceed \$2.0 million and authorize the General Manager to execute a Memorandum of Understanding with San Benito County Council of Governments (San Benito COG) the project sponsor; and further approve the submittal of an AB 3090 funding request to the California Transportation Commission (CTC) that enables VTA to advance local funds for the Environmental Review Process of the Route 25 Project and establish a repayment plan or replacement project using 2002 State Transportation Improvement Program (STIP) Funds from the program year 2006 – 07. Authorize the General Manager to execute agreements with the California Department of Transportation (Caltrans) and San Benito COG to implement the financing arrangements be removed from the Consent Agenda and placed on the Regular Agenda.

Chairperson Williams requested that Agenda Item #17., Recommend that the Board of Directors program \$5,965,597 in Local Program Reserve funds as outlined in the memorandum and authorize the General Manager to execute agreements with the San Mateo County Transit District (SamTrans) to implement the Dumbarton Rail Corridor Feasibility Study be removed from the Consent Agenda and placed on the Regular Agenda.

M/S/C (Kennedy/Gage) to accept the Orders of the Day.

CONSENT AGENDA

6. Regular Meeting Minutes of April 17, 2003

M/S/C (Kennedy/Gage) to approve the Regular Meeting Minutes of April 17, 2003.

7. Report on Santa Clara Valley Transportation Authority Investments for the Month of March 2003 and quarter ending March 2003

M/S/C (Kennedy/Gage) to receive and file the Report on Santa Clara Valley Transportation Authority Investments for the Month of March 2003 and quarter ending March 2003.

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

8. Monthly Legislative Reports

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

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

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

10. Third Quarter FY 2003 Report of Public Liability/Property Damage Claims Activity

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

11. FY 2003 Third Quarter Performance Report

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

12. Federal Fiscal Year 2003 Section 5309 New Starts Program Grant Application

M/S/C (Kennedy/Gage) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to submit a grant application and execute a grant agreement with the Federal Transit Administration (FTA) for Federal Fiscal Year (FFY) 2003 Section 5309 New Starts Funds in the amount of \$245,920.

13. Contract Award – Printing of Public Timeguides

M/S/C (Kennedy/Gage) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute contract with Color Copy Printing, the lowest responsible bidder, for the printing of VTA's public timeguides in the amount of \$514,727 for the initial three-year term of the contract. Additionally authorize the General Manager to exercise two one-year renewal options for an additional \$343,151.

14. Amendment of Bicycle & Pedestrian and Policy Advisory Committee Bylaws and VTA Administrative Code

M/S/C (Kennedy/Gage) to approve submitting a recommendation to the Board of Directors to approve amending the Bicycle & Pedestrian Advisory Committee (BPAC) and the Policy Advisory Committee (PAC) bylaws as indicated; and amending the VTA Administrative Code, as indicated, in order to permit certain specified modifications to the BPAC and PAC bylaws.

15. **Amendment to the Contract with Ruth & Going, Inc. (R&G) for Final Design for the Route 87 North HOV Lane Widening Project**

M/S/C (Kennedy/Gage) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to amend the contract with Ruth & Going, Inc. for additional services in connection with the final design of the Route 87 North High Occupancy Vehicle (HOV) Lane Widening Project increasing the approved contract value by \$660,511 for a new contract value of \$5,997,693.

16. **(Removed from the Consent Agenda and placed on the Regular Agenda.)**

Route 25 Environmental Review Process and AB 3090 Funding Request to the California Transportation Commission

Approve an allocation for VTA's share of the Route 25 Environmental Review Process from the Local Program Reserve of \$900,000 for FY 2003 - 04, \$800,000 for FY 2004 - 05 and \$300,000 for FY 2005 - 06 for a total not to exceed \$2.0 million and authorize the General Manager to execute a Memorandum of Understanding with San Benito County Council of Governments (San Benito COG) the project sponsor; and further approve the submittal of an AB 3090 funding request to the California Transportation Commission (CTC) that enables VTA to advance local funds for the Environmental Review Process of the Route 25 Project and establish a repayment plan or replacement project using 2002 State Transportation Improvement Program (STIP) Funds from the program year 2006 - 07. Authorize the General Manager to execute agreements with the California Department of Transportation (Caltrans) and San Benito COG to implement the financing arrangements.

17. **(Removed from the Consent Agenda and placed on the Regular Agenda.)**

Local Program Reserve Programming

Recommend that the Board of Directors program \$5,965,597 in Local Program Reserve funds as outlined in the memorandum and authorize the General Manager to execute agreements with the San Mateo County Transit District (SamTrans) to implement the Dumbarton Rail Corridor Feasibility Study.

18. **Legislative Positions**

M/S/C (Kennedy/Gage) to approve submitting a recommendation to the Board of Directors to adopt a resolution authorizing filing of applications for Transportation Fund for Clean Air "60 percent" Regional funds to the Bay Area Air Quality Management District (BAAQMD), and authorize the General Manager to execute the Funding Agreements upon receipt from BAAQMD.

19. Legislative Positions

M/S/C (Kennedy/Gage) to approve submitting a recommendation to the Board of Directors to adopt a support position for AB 427 (Longville) - Duration of local transportation sales taxes, AB 467 (Dutra) - Ticket vending machine accessibility, AB 1409 (Wolk) - Bike racks on commuter buses, AB 1410 (Wolk) - Surplus property, AB 1500 (Diaz) - Petroleum Pollution Clean-Up and Preventive Act and adopt an oppose position for AB 875 (Wyland) - Allocation of transportation funds.

20. Amendment to Litigation Support Agreement with Ritter Project Management

M/S/C (Kennedy/Gage) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to enter into an amendment to the Agreement with Ritter Project Management (RPM) for Litigation Support and Document Analysis to add \$40,000, for a new not-to-exceed contract value of \$240,000.

The Agenda was taken out of order.

REGULAR AGENDA

16. Route 25 Environmental Review Process and AB 3090 Funding Request to the California Transportation Commission

Michael P. Evanhoe, Chief Development Officer, provided a brief overview on Route 25 Environmental Review Process and AB 3090 Funding Request to the California Transportation Commission (CTC). Mr. Evanhoe noted that the CTC will approve funding for project construction but not for project planning during the current fiscal crisis. Mr. Evanhoe noted that the CTC approved the GARVEE Bond request to combine the 880/Coleman and Route 87 Projects; therefore, allowing the projects to move into construction this Fall. Mr. Evanhoe noted that the CTC will not provide funding for the environmental document for Route 25. Mr. Evanhoe noted that San Benito has applied their share of local funds; however, VTA will have to apply its share of funds in order to continue with the environmental process. Mr. Evanhoe noted that VTA will utilize local program reserve funds to move the environmental document and preliminary engineering for Route 25 Project forward. Mr. Evanhoe noted a submittal to the CTC regarding an AB 3090 funding request to advance funding for Route 25 Project and repayment of the local program reserve funding from STIP FY 2006 - 07.

M/S/C (Gage/Kennedy) to approve submitting a recommendation to the Board of Directors to approve an allocation for VTA's share of the Route 25 Environmental Review Process from the Local Program Reserve of \$900,000 for FY 2003 - 04, \$800,000 for FY 2004 - 05 and \$300,000 for FY 2005 - 06 for a total not to exceed \$2.0 million and authorize the General Manager to execute a Memorandum of Understanding with San Benito County Council of Governments (San Benito COG) the project sponsor; and further approve the submittal of an AB 3090 funding request to the California Transportation Commission (CTC) that enables VTA to advance local funds for the Environmental Review Process of the Route 25 Project and establish a repayment plan or replacement project using 2002 State Transportation Improvement Program (STIP) Funds from the program year 2006 - 07. Authorize the General Manager to execute agreements with the California Department of Transportation (Caltrans) and San Benito COG to implement the financing arrangements.

17. Local Program Reserve Programming

Mr. Evanhoe provided a brief overview on Local Program Reserve Programming. Mr. Evanhoe commented on setting aside \$6 million for a cash flow reserve for the VTP 2020 Roadway, Transit, Bicycle and Pedestrian Projects. Mr. Evanhoe noted that the Dumbarton Rail Corridor Study is a joint effort between Alameda, San Mateo and Santa Clara Counties. Mr. Evanhoe commented on the SB 916 (Perata) – Bay Area bridge tolls legislative position. Mr. Evanhoe noted if the legislative position is successful then it sets aside toll revenue funding for the project. Mr. Evanhoe noted that the three counties and the Hewlett Foundation committed an equal amount of \$200,000 each for a total of \$800,000 to begin the study. Mr. Evanhoe commented on the return of funds from the City of Sunnyvale's Caltrain Railroad Crossings Project and the return of funds from the 1984 Measure A Sales Tax Program closeout back into the Local Program Reserve. Mr. Evanhoe noted the need to substitute Local Program Reserve funding into the Route 87 North HOV Lane Project for landscaping. Mr. Evanhoe noted the request to move the Montague Expressway funding from that project into the Route 87 Corridor Projects. VTA would be borrowing from the Local Reserve Program and reallocate the funding into the Route 87 North HOV Lane project. Mr. Evanhoe suggested deferring the Montague Expressway Widening Project to the list of future STIP projects and utilizing the funding to continue with the construction of Route 87 Corridor Projects. Mr. Evanhoe noted the following projects on the deferred list of future STIP projects: Route 152 B, Route 17 E, Route 17 J, and Route 85 Noise Mitigation project and suggested that the Montague Expressway Widening Project be placed at the end of the deferred list after the other projects. Mr. Evanhoe noted that the Board of Directors will discuss and develop a priorities list of projects in 2004. Mr. Evanhoe noted his concern regarding the money that is owed to the CMP by the 1996 Measure B Program.

Mr. Evanhoe noted that the CMP has been carrying some of the overhead on highway projects; therefore, impacting the CMP. Mr. Evanhoe added that the repayment matter needs to be resolved with the Santa Clara County as a fiscal closeout of the fiscal year.

M/S/C (Gage/Kennedy) to approve submitting a recommendation to the Board of Directors to recommend that the Board of Directors program \$5,965,597 in Local Program Reserve funds as outlined in the memorandum and authorize the General Manager to execute agreements with the San Mateo County Transit District (SamTrans) to implement the Dumbarton Rail Corridor Feasibility Study.

21. Service Reduction Plan Update

Frank T. Martin, Chief Operations Officer, introduced Mike Aro, Service and Operations Planning Deputy Director. Mr. Martin noted that ten public meetings will be held in June 2003 to obtain public input regarding the proposed service reduction plan. Mr. Aro provided a brief overview on the Service Reduction Plan Update. Mr. Aro noted the anticipated bus and light rail service reduction of 21 percent in October 2003. Mr. Aro provided a timeline process schedule outlining the Service Reduction Plan: 1) public meetings in June 2003 to gather input from the community, 2) modify the Service Reduction Plan using the input gathered from the community, 3) bring the modified plan to the Board Members at the Standing Committees in July 2003 for review and comment, 4) forward the modified plan for consideration to the Board Members at the August 7, 2003 Board of Directors Regular Meeting and 5) implementation of modified Service Reduction Plan on October 13, 2003. Mr. Aro noted the proposed service changes and reductions in route lines and light rail system. Mr. Aro noted the elimination of 17 route lines and noted that some of the changes are drastic and will impact customers.

Mr. Aro commented on Title 6 – Minority Census Tracts Civil Rights Act, which requires an examination of any major route modifications to minority population areas.

Vice Chairperson Dando requested that staff look into the impact on the students at Gunderson High School regarding the Service Reduction Plan.

Ms. Applegate expressed her concern regarding the Service Reduction Plan. Ms. Applegate stated that ADA accommodations were not made for public meetings.

Peter M. Cipolla, General Manager, commented on the Sharks games shuttle service and noted that VTA staff met with the City of San Jose, San Jose Arena Authority, San Jose Arena Management and San Jose Downtown Association to

develop a new funding plan to continue the shuttle service. Mr. Cipolla noted that VTA has requested that the other parties fund 50 percent of the operating costs for the Sharks games shuttle service in FY 2004. Mr. Cipolla added that if the other parties 50 percent funding portion level cannot be secured then the Sharks games shuttle service will be discontinued.

Sam Ho-Kimsanh, San Jose City College Immigrant Leadership Forum, noted his concern regarding the service reduction plan. Mr. Ho-Kimsanh inquired on the number of the population in routes impacted, why certain areas were impacted and the efficiency of the system.

On order of Chairperson Williams, there being no objection, the Committee discussed the Service Reduction Plan Update.

22. Caltrain FY 2003 – 04 & FY 2004 – 05 Operating and Capital Budget Allocations

Scott Buhner, Chief Financial Officer, provided a brief overview on Caltrain FY 2003 04 & FY 2004 – 05 Operating and Capital Budget Allocations. Mr. Buhner noted VTA's share of Caltrain Operating Support needs to be frozen at current levels. Mr. Buhner added that VTA has developed further strategies to use excess grant capacity to supply funding for the local match requirement for the FY 2003 – 04 Capital Support. Caltrain is aware that VTA is not prepared to increase its level of funding share in the subsequent year; therefore, VTA staff is recommending that the amount that is allocated for the Caltrain Services be frozen at the \$14,105,000 for the upcoming fiscal year. Mr. Buhner added that VTA staff is recommending a two percent increase for the subsequent year at \$14,387,000. Mr. Buhner noted that VTA will continue its capital matching strategy of providing VTA's share of funds through Federal Transit Administration (FTA) formula grant funds Federal Section 5307 or 5309 in lieu of its local match requirement for FY 2004 – 05.

Vice Chairperson Dando queried on VTA's share of the Giants Baseball Service shuttle contribution and requested the same consideration as the Sharks games shuttle service.

Frank Sharpless, Transportation Policy and Program Manager, noted that VTA staff will work with SamTrans staff to renegotiate VTA's member agency Giants Baseball Service contributions.

M/S/C (Dando/Kennedy) to approve submitting a recommendation to the Board of Directors to approve \$14,105,000 and \$14,387,000 for FY 2003 - 04 and FY 2004 - 05 to provide Santa Clara Valley Transportation Authority's share of Caltrain operating support; and further approve in concept VTA's use of \$1,486,000 Federal Section 5309 funds in lieu of the local match requirement for FY 2003 - 04 Capital Support.

23. Altamont Commuter Express Cooperative Service Agreement and FY 2003 – 04 and FY 2004 – 05 Budget Allocations

M/S/C (Dando/Kennedy) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute a Cooperative Service Agreement with the San Joaquin Regional Rail Commission and the Alameda County Congestion Management Agency for continued VTA funding of Altamont Commuter Express (ACE) commuter rail service in the amount of \$3,960,000 in Fiscal Year 2003 - 2004 and \$4,034,000 in Fiscal Year 2004 - 2005.

24. Phase III Paratransit Service Business Practices Improvement Plan & Premium Service Pricing

Mr. Martin introduced George Tacké, Accessible Services Manager. Mr. Tacké provided a brief overview on Phase III Paratransit Service Business Practices Improvement Plan & Premium Service Pricing. Mr. Tacké noted that Phase III Paratransit Service Business Practices Improvement Plan includes modifications to the minimum account balance policy, implementation of the Americans with Disabilities Act (ADA) defined service area and hours, a modified door-to-door/curb-to-curb program and premium service pricing. Mr. Tacké noted that Members of the Committee for Transit Accessibility (CTA) endorsed the proposed modifications to the minimum account balance policy and ADA defined service area and hours; however, CTA Members did not take a formal position on the proposed paratransit fare modifications.

Vice Chairperson Dando and Member Kennedy noted their appreciation for the modified door-to-door program premium service included in the Phase III of the Paratransit Service Business Practices Improvement Plan.

Vice Chairperson Dando noted her concern regarding paratransit services and ensuring individuals who are not qualified for paratransit services do not abuse the program. Vice Chairperson Dando added that paratransit provide service for the most vulnerable and that paratransit service pricing be reasonable.

Mr. Martin noted the concern of VTA regarding abuse of the Paratransit Service Program and noted VTA staff's recommendation for the Paratransit Eligibility Certification Program process. Mr. Martin noted that VTA is prepared to open the bid process for vendor proposals in 2004. Mr. Martin added that Yellow Cab will be encouraged to respond to future requests for bid proposals as early as January 2004.

Ms. Applegate expressed her concern regarding ADA service issues. Ms. Applegate requested to make a presentation at a future Board of Directors Workshop on ADA.

On order of Chairperson Williams, there being no objection, the Committee discussed Phase III of the Paratransit Service Business Practices Improvement Plan, which includes modifications to the minimum account balance policy, implementation of the Americans with Disabilities Act (ADA) defined service area and hours, a modified door-to-door/curb-to-curb program and premium service pricing.

25. Fare Modifications for FY 2003 - 2004

Mr. Buhner provided a brief overview on the Fare Modifications for FY 2003 – 2004. Mr. Buhner noted Attachment C: FY 04 Fare Alternatives and the revised staff recommendation for the Cash Fare fees matrix.

Member Gage noted his appreciation to staff for their diligent work in revising the Fare Modifications for FY 2003 – 2004. Member Gage noted his concern regarding the pricing for the Senior/Disabled Fare fees as well as his concern to make up the \$4 million fare revenue target.

M/S/C (Gage/Kennedy) on a vote of 3 ayes, 1 no and 0 abstention to approve submitting a recommendation to the Board of Directors to adopt a finding that a fare increase is necessary to meet operating expenses and to fund capital projects necessary to maintain service within the existing service area, while maintaining minimum required financial reserves; Invoke a Statutory Exemption under CEQA, P.R.C. §21080(b)(8) and CEQA Guidelines Section 15273(a) (Rates, Tolls, Fares and Charges) for the purpose of modifying and increasing fares; and Adopt a resolution establishing new rates and fares for VTA bus, light rail, and paratransit services effective August 1, 2003. Vice Chairperson Dando opposed.

Vice Chairperson Dando requested that staff look into increasing the Youth Fare fees; therefore, decreasing the Senior/Disabled Fare fees. Vice Chairperson Dando noted the financial impact on the senior/disabled.

Ms. Applegate expressed her concern regarding the Senior/Disabled Fare fees.

Vice Chairperson Dando noted her opposition to the recommendation based on the Senior/Disabled Fare fees and noted her concern regarding the financial impact on the Senior/Disabled.

Chairperson Williams thanked staff for their diligent work on the Fare Modifications.

Member Gage left the meeting at 11:35 a.m.

26. Approval of FY 2003 – 2004 and FY 2004 – 2005 Recommended Biennial Budget

Mr. Buhner provided a brief overview on the FY 2003 – 2004 and FY 2004 – 2005 Recommended Biennial Budget. Mr. Buhner noted the Recommended Biennial Budget has incorporated implementation of the Paratransit Service Business Practices Improvement Plan, capping VTA's share contribution to Caltrain and Altamont Commuter Express (ACE) at FY 2002 – 03 levels and advance reimbursement of VTA's Enterprise Fund for the funding it has advanced on behalf of the 2000 Measure A Program. Mr. Buhner noted that the reimbursement of VTA's Enterprise Fund from the 2000 Measure A Program financing transaction will be forwarded to the Committee of the Whole (COW) in July 2003 and forwarded for consideration to the August 7, 2003 Board of Directors Regular Meeting. Mr. Buhner pointed out that VTA's on going revenues and expenses have widened and VTA has increased its reliance on one-time revenues; however, by the end of June 30, 2005 VTA's forecast is that its reserves will be at or about \$17 million and VTA's ongoing structural deficit will be at \$60 million . Mr. Buhner noted that VTA has bought time to get through FY 2004 and FY 2005.

Vice Chairperson Dando queried on the possibility of issuing debt on the 2000 Measure A Program and if VTA staff has obtained outside opinion if the issuance of debt is possible.

Suzanne Gifford, General Counsel, noted that staff has not obtained an opinion because it is a very difficult issue.

Mr. Buhner noted that there are two elements of financing regarding the issuance of debt on the 2000 Measure A Program and added that staff has engaged outside bond counsel. Mr. Buhner noted that this issuance of debt on 2000 Measure A Program is merely advancing the reimbursement for VTA's Enterprise Fund and that VTA had always anticipated that the debt would be repaid.

M/S/C (Dando/Kennedy) to approve submitting a recommendation to the Board of Directors to adopt a resolution approving the FY 2003 - 2004 and FY 2004 - 2005 Recommended Biennial Budget.

Ms. Applegate expressed her concern regarding the proposed budget. Ms. Applegate noted that the Paratransit Services Fare fee increases were not presented to the public at the public meetings.

27. Sublease Agreement for UTDC Light Rail Vehicles

M/S/C (Dando/Kennedy) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute Sublease Agreements with the Utah Transit Authority and Sacramento Regional Transit District for the sub-sublease of 50 UTDC Light Rail Vehicles; with aggregate prepaid rent in the amount of \$9.3 million; and, further authorize the General Manager to execute a Parts Distribution Agreement for the sale for UTDC spare parts for approximately \$5.4 million.

28.A. Contractor Pre-Qualification Pilot Program Monthly Report

On order of Chairperson Williams, there being no objection, the Committee received and filed the Contractor Pre-Qualification Pilot Program Monthly Report.

28.B. Contractor Pre-Qualification Pilot Program Monthly Report

M/S/C (Dando/Kennedy) to approve submitting a recommendation to the Board of Directors to continue the Contractor and Sub-contractor Pre-Qualification Program under the current Pilot Program procedures with the following change: Pre-qualify sub-contractors for a two year period from the date of their initial pre-qualification.

29. Technology Strategic Plan

M/S/C (Dando/Kennedy) to approve submitting a recommendation to the Board of Directors to approve a non-competitive contract for \$300,000 with Karen Antion Consulting, LLC to develop a Technology Strategic Plan, and to implement the recommendations from the Information Technology Department Assessment Report. The term of the contract will end June 30, 2004.

Kaye L. Evleth, Chief Administration Officer, noted the term of the contract will end June 30, 2004, for the non-competitive contract with Karen Antion Consulting, LLC to develop a Technology Strategic Plan and to implement the recommendations from the Information Technology Department Assessment Report.

30. Legislative Positions: SB 916 (Perata)

M/S/C (Kennedy/Dando) to approve submitting a recommendation to the Board of Directors to adopt an oppose-unless amended position for SB 916 (Perata) - Bay Area bridge tolls.

Vice Chairperson Dando left the meeting at 11:44 a.m. and
a Committee of the Whole was declared.

OTHER ITEMS

31. Draft 1996 Measure B Program Revenue and Expenditure Plan for FY 2004

Jack J. Collins, Chief Construction Officer, noted the VTA Board of Directors and Santa Clara County Board of Supervisor's Joint Meeting scheduled on Friday, June 6, 2003. Mr. Collins provided a brief overview on the Draft 1996 Measure B Program Revenue and Expenditure Plan for FY 2004. Mr. Collins noted that the Capitol and Tasman East Light Rail Projects are on schedule and will open Summer 2004. Mr. Collins noted a recommendation for a reduction in bus shuttle program costs. Mr. Collins noted two deferred highway projects moving forward with the GARVEE Bonds. Mr. Collins noted some deferred projects to balance the 1996 Measure B Program. Mr. Cipolla commented on the reimbursement to Congestion Management Program reserves fund. Mr. Collins noted that the Draft 1996 Measure B Program Revenue and Expenditure Plan is balanced and includes the repayment to VTA's CMP overhead on the Highway Program owed by the 1996 Measure B Program.

On order of Chairperson Williams, there being no objection, the Committee received and filed the Draft 1996 Measure B Program Revenue and Expenditure Plan for FY 2004.

32. Committee Work Plan

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

33. Committee Staff Report

Mr. Buhner noted the cancellation of the June 19, 2003 Administration and Finance Committee Meeting.

34. Chairperson's Report

Chairperson Williams noted his appreciation for staff's diligent work.

35. Determine Consent Agenda for the June 5, 2003 Board Meeting

CONSENT: Agenda Item #12., Authorize the General Manager to submit a grant application and execute a grant agreement with the Federal Transit Administration (FTA) for Federal Fiscal Year (FFY) 2003 Section 5309 New Starts Funds in the amount of \$245,920; **Agenda Item # 13.**, Authorize the General Manager to execute contract with Color Copy Printing, the lowest responsible bidder, for the printing of VTA's public timeguides in the amount of \$514,727 for the initial three-year term of the contract. Additionally authorize the General Manager to exercise two one-year renewal options for an additional \$343,151;

Agenda Item # 14., Approve amending the Bicycle & Pedestrian Advisory Committee (BPAC) and the Policy Advisory Committee (PAC) bylaws as indicated; and amending the VTA Administrative Code, as indicated, in order to permit certain specified modifications to the BPAC and PAC bylaws; **Agenda Item # 15.**, Authorize the General Manager to amend the contract with Ruth & Going, Inc. for additional services in connection with the final design of the Route 87 North High Occupancy Vehicle (HOV) Lane Widening Project increasing the approved contract value by \$660,511 for a new contract value of \$5,997,693; **Agenda Item # 16.**, Approve an allocation for VTA's share of the Route 25 Environmental Review Process from the Local Program Reserve of \$900,000 for FY 2003 - 04, \$800,000 for FY 2004 - 05 and \$300,000 for FY 2005 - 06 for a total not to exceed \$2.0 million and authorize the General Manager to execute a Memorandum of Understanding with San Benito County Council of Governments (San Benito COG) the project sponsor; and further approve the submittal of an AB 3090 funding request to the California Transportation Commission (CTC) that enables VTA to advance local funds for the Environmental Review Process of the Route 25 Project and establish a repayment plan or replacement project using 2002 State Transportation Improvement Program (STIP) Funds from the program year 2006 - 07. Authorize the General Manager to execute agreements with the California Department of Transportation (Caltrans) and San Benito COG to implement the financing arrangements; **Agenda Item # 17.**, Recommend that the Board of Directors program \$5,965,597 in Local Program Reserve funds as outlined in the memorandum and authorize the General Manager to execute agreements with the San Mateo County Transit District (SamTrans) to implement the Dumbarton Rail Corridor Feasibility Study; **Agenda Item # 18.**, Adopt a resolution authorizing filing of applications for Transportation Fund for Clean Air "60 percent" Regional funds to the Bay Area Air Quality Management District (BAAQMD), and authorize the General Manager to execute the Funding Agreements upon receipt from BAAQMD; **Agenda Item # 19.**, Adopt a support position for AB 427 (Longville) - Duration of local transportation sales taxes, AB 467 (Dutra) - Ticket vending machine accessibility, AB 1409 (Wolk) - Bike racks on commuter buses, AB 1410 (Wolk) - Surplus property, AB 1500 (Diaz) - Petroleum Pollution Clean-Up and Preventive Act and AB 875 (Wyland) - Allocation of transportation funds; **Agenda Item # 20.**, Authorize the General Manager to enter into an amendment to the Agreement with Ritter Project Management (RPM) for Litigation Support and Document Analysis to add \$40,000, for a new not-to-exceed contract value of \$240,000; **Agenda Item # 27.**, Authorize the General Manager to execute Sublease Agreements with the Utah Transit Authority and Sacramento Regional Transit District for the sub-sublease of 50 UTDC Light Rail Vehicles; with aggregate prepaid rent in the amount of \$9.3 million; and, further authorize the General Manager to execute a Parts Distribution Agreement for the sale for UTDC spare parts for approximately \$5.4 million; **Agenda Item # 28.B.**, Continue the Contractor and Sub-contractor Pre-Qualification Program under the current Pilot Program procedures with the following change: Pre-qualify sub-contractors for a two year period from the date

of their initial pre- qualification; **Agenda Item # 29.**, Approve a non-competitive contract for \$300,000 with Karen Antion Consulting, LLC to develop a Technology Strategic Plan, and to implement the recommendations from the Information Technology Department Assessment Report. The term of the contract will end June 30, 2004 and **Agenda Item #30.**, Adopt an oppose-unless amended position for SB 916 (Perata) - Bay Area bridge tolls.

REGULAR: Agenda Item #22., Approve \$14,105,000 and \$14,387,000 for FY 2003 - 04 and FY 2004 - 05 to provide Santa Clara Valley Transportation Authority's share of Caltrain operating support; and further approve in concept VTA's use of \$1,486,000 Federal Section 5309 funds in lieu of the local match requirement for FY 2003 - 04 capital support; **Agenda Item #23.**, Authorize the General Manager to execute a Cooperative Service Agreement with the San Joaquin Regional Rail Commission and the Alameda County Congestion Management Agency for continued VTA funding of Altamont Commuter Express (ACE) commuter rail service in the amount of \$3,960,000 in Fiscal Year 2003 - 2004 and \$4,034,000 in Fiscal Year 2004 - 2005; **Agenda Item #25.**, Adopt a finding that a fare increase is necessary to meet operating expenses and to fund capital projects necessary to maintain service within the existing service area, while maintaining minimum required financial reserves; Invoke a Statutory Exemption under CEQA, P.R.C. §21080(b)(8) and CEQA Guidelines Section 15273(a) (Rates, Tolls, Fares and Charges) for the purpose of modifying and increasing fares; and Adopt a resolution establishing new rates and fares for VTA bus, light rail, and paratransit services effective August 1, 2003 and **Agenda Item #26.**, Adopt a resolution approving the FY 2003 - 2004 and FY 2004 - 2005 Recommended Biennial Budget.

36. Announcements

There were no Announcements.

37. ADJOURNMENT

On order of Chairperson Williams, there being no objection, the meeting was adjourned at 11:55 a.m.

Respectfully submitted,

Michelle Garza, Board Assistant
VTA Board of Directors
