



ADMINISTRATION & FINANCE COMMITTEE

Thursday, March 18, 2004
12:00 p.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 12:00 p.m. by Chairperson Williams in Room 204, City of San Jose, 801 North First Street, San Jose, California.

ROLL CALL

Members Present

David Casas, Vice Chairperson
Patricia Dixon
Don Gage
Forrest Williams, Chairperson

Members Absent

None

Alternates Present

None

Alternates Absent

Dennis Kennedy
Breene Kerr

* Alternates do not serve unless participating as a Member.

A quorum was present.

Member Dixon took her seat at 12:01 p.m.

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 February 19, 2004**

M/S/C (Gage/Dixon) to approve the Regular Meeting Minutes of February 19, 2004.

5. **Report on Santa Clara Valley Transportation Authority Investments for the Month of January 2004**

M/S/C (Gage/Dixon) to receive and file the Report on Santa Clara Valley Transportation Authority Investments for the Month of January 2004.

6. **Monthly Legislative Reports**

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

7. **2004 Quarterly Attendance Report**

M/S/C (Gage/Dixon) to approve the 2004 Quarterly Attendance Report.

8. **Amendment to Master Agreement with the California Highway Patrol for Traffic Control Services for 1996 Measure B and Valley Transportation Plan (VTP) 2020 Projects**

M/S/C (Gage/Dixon) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute an amendment to the Master Agreement with the California Highway Patrol (CHP) for Traffic Control Services during construction of 1996 Measure B Transportation Improvement Program and VTP 2020 Highway Projects increasing the agreement amount for 1996 Measure B projects by \$80,000 and the amount for VTP 2020 Highway Projects by \$80,000, for a new total agreement amount of \$1,265,000, and extend the agreement term to December 31, 2006.

9. **Cerone Operating Division, Sanitary Sewer Easement along Zanker Road for the City of San Jose**

M/S/C (Gage/Dixon) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute the documents necessary to sell a temporary construction easement and a permanent easement for a Sanitary Sewer line along Zanker Road by the Cerone Operating Division to the City of San Jose, in the amount of \$114,000.

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

REGULAR AGENDA

10. **Contract Amendment with Brian Kangas Foulk (BKF) for Final Design and Design Support During Construction of the Route 87 South HOV Lane Widening Project**

John Ristow, Deputy Director Programming and Highway Administration, provided a brief overview on the Contract Amendment with Brian Kangas Foulk (BKF) for Final Design and Design Support During Construction of the Route 87 South HOV Lane Widening Project. Mr. Ristow noted that this item is for the design contract for the segment of the Route 87 South HOV Lane Widening Project as part of the 1996 Measure B Transportation Improvement Program (MBTIP). Mr. Ristow commented that the route improvement amendment is needed to complete the design and to move into construction. Mr. Ristow added that the funding was approved under the GARVEE Bond Program and is allocated in the State coffers dedicated to the project. Mr. Ristow added with the completion of the design the project is ready to move into construction. The contract amendment includes the design support during construction services, which is a standard element of the construction phase where the project engineer is needed to respond to design issues inquired by the contractor to perform review of shop drawings and change orders submitted by the contractor. Design support services are based on an estimated construction value of the project.

Chairperson Williams queried on the contract amendment. Mr. Ristow responded that the funding is in the budget and added that the design support during construction services is a standard element that is put into place for unforeseen items that occur within a project.

M/S/C (Dixon/Gage) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to amend the contract with Brian Kangas Foulk for final design and design support during construction services for the Route 87 South HOV Lane Widening Project, increasing the approved contract value by \$729,743 for a new contract value not to exceed \$9,292,177.

11. **Amendment to the Contract with Ruth & Going, Inc. (R&G) for Final Design and Design Support During Construction of the Route 87 North HOV Lane Widening Project**

Mr. Ristow provided a brief overview on the Amendment to the Contract with Ruth & Going, Inc. (R&G) for Final Design and Design Support During Construction of the Route 87 North HOV Lane Widening Project. Mr. Ristow commented that the item is similar to the previous contract amendment; however, it is for the North segment of the Route 87 project, which runs north from I-280 to Julian Street near the downtown section in San Jose. Mr. Ristow noted that the work is primarily structure widening through the downtown segment of the project. The project is ready to move into construction and the contract amendment is for the design support element, which consists of additional work required for light rail and the City of San Jose regarding the relocation of a sewer line.

Member Dixon queried on the need for the relocation of the sewer line. Mr. Ristow responded that utility conflicts are supposed to be identified when the project goes into design; however, the sewer line issue was discovered later. The sewer line was in a different location; therefore, it was relocated from the West Julian Street under-crossing. Chairperson Williams queried on why the sewer line location was different in the plans and queried if the drawings were incorrect or if the history was wrong. Mr. Ristow responded that originally the sewer line was as built; therefore, the plans may or may not be accurate in the field.

M/S/C (Dixon/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 design support during construction services for the Route 87 North HOV Lane Widening Project increasing the approved contract value by \$732,673 for a new contract value not to exceed \$6,560,366.

OTHER ITEMS

12. Operating Cost Per Total Hour

Matthew O. Tucker, Chief Operating Officer, provided a brief overview on the Operating Cost Per Total Hour. Mr. Tucker noted the concerns of Board Member Gage and Board Member Fowler at the February 2004 Standing Committee Meetings and added that both Board Members raised similar questions regarding the total cost per operating hour as reported in the National Transit Data (NTD). Mr. Tucker commented that Staff developed a response regarding the use of NTD data for comparative purposes and provided background information regarding NTD data. Mr. Tucker stated that the NTD exists solely for the purpose of assisting the Federal Transportation Administration (FTA) apportion 5307 funds to designated transit system recipients. The NTD has never been a tool specifically designed for the purpose of comparative analysis and added that the NTD website specifically states that the information is not to be used for comparative purposes. The primary reason is that the information provided to the NTD is performance data.

Mr. Tucker noted that VTA is distinctly different from most other transit systems and added that VTA is a full service transportation provider. VTA has an extensive capital and construction program for highway and transit programs as well as a Congestion Management Program and Planning Program. Mr. Tucker noted that VTA is the same in wages, benefits, materials, and services in the operating costs per hour for most transit systems. Mr. Tucker added that employee wages have decreased from FY 02 to FY 03 and added that this is partly from the cost containment strategy plan put into place as well as service reductions. Mr. Tucker noted the significant increases in medical benefits and added that VTA is consistent with all other businesses relative to the increases in medical benefits. Mr. Tucker noted a reduction in professional services by VTA by letting go of consultants and hiring VTA's own Staff to support Information Technology (IT) endeavors as well as part of the cost containment strategy plan to become more efficient and reducing costs.

Member Gage inquired about the 6.4 percent reduction and added if that was because VTA was becoming more efficient or a result from the service cuts. Mr. Tucker responded that the reduction was from a combination of both. Mr. Cipolla noted that service decrease had an impact on ridership; however, VTA is endeavoring to become more efficient in many areas, such as in the IT Department and Maintenance Department as well as other cost reductions. Member Gage noted that Staff is looking into increasing the farebox recovery ratio to compensate for the reduction in ridership. Member Gage requested a plan to track operating efficiencies to contain costs.

Mr. Cipolla responded that operating efficiencies will be provided in the next quarterly performance report. Mr. Tucker noted that Staff is developing benchmarks that would be reported in the quarterly performance report and added that the information will be made available to the Committee Members.

Member Dixon requested a condensed version of the operating efficiencies strategy plan. Mr. Cipolla responded that Staff has taken the information back and focused on five or six core measures that gives us targets and benchmarks. Member Dixon queried if the finalized operating efficiency strategy plan would be forwarded to the Policy Advisory Committee (PAC) to ensure that they fully understand the plan. Mr. Cipolla responded that the information will be provided in the quarterly performance report. Mr. Tucker noted that he would provide the members with the Universal Resource Link (URL) address for NTD website and identify the specific link.

Vice Chairperson Casas requested the NTD URL address be sent via e-mail for easier access to NTD website. Vice Chairperson Casas requested clarification regarding bus operators represent as percentage of VTA's total wages. Mr. Tucker responded that the majority are operators and mechanics, the individuals directly responsible for operating the system, and added that the individuals belong to Amalgamated Transit Union (ATU). Mr. Cipolla noted that 2/3 of VTA's employment bank are operators and support staff. Member Casas noted the 6 percent reduction and 7.10 percent reduction in service hours yet only a corresponding reduction of 1.60 percent in wages. Vice Chairperson Casas noted that he would like to see an increase in service hours and a decrease in operating costs. Mr. Cipolla responded that VTA is operating more efficiency when it comes to passengers per hour in operating efficiencies; therefore, based upon the service plan you should continue to see reductions in service hours but the operation will become more efficient.

Paul Marcelin-Sampson, Interested Citizen, noted concern regarding Mr. Perry's article regarding the operating efficiencies of VTA. Mr. Marcelin-Sampson noted inaccurate information in Mr. Perry's article. Mr. Marcelin-Sampson added that comparisons could not be made using the NTD information due to the differences in operating environments.

Greg Perry, City of Mountain View Council Member and Policy Advisory Committee (PAC) Member, expressed his concern regarding VTA's operating efficiencies. Mr. Perry noted that VTA is not in the top ranking in operating efficiencies in the country and added that VTA has twice as many support people as the national average. Mr. Perry noted his appreciation regarding the strategy plan to track and target operating efficiencies.

On order of Chairperson Williams, there being no objection, the Committee received and filed the report on the Operating Cost Per Total Hour.

13. Tasman East/Capitol Bus/Rail Service Integration Plan

Mike Aro, Deputy Director Service and Operations Planning, provided a brief overview on the Tasman East/Capitol Bus/Rail Service Integration Plan. Mr. Aro noted the preliminary plan was presented to the Standing Committees in January 2004. Mr. Aro added that the Plan was presented to the Advisory Committees twice and presented at several public meetings. Mr. Aro stated that the Plan will be forwarded to the Board of Directors for consideration at the VTA Regular Board of Directors Meeting on April 1, 2004. Mr. Aro reported that good information was obtained through the public process and noted minor modifications being implemented into the Plan. Mr. Aro added that Staff is in the process of finalizing the service plan. Pre-revenue service is scheduled at the end of April 2004. The opening event is scheduled for June 30, 2004 and first day of revenue service for the line is scheduled for July 1, 2004.

Member Gage recognized Staff for a good job with the service plan presentation. Chairperson Williams queried if Staff addressed the concern from the public regarding a change in a service line. Mr. Aro responded that the issue has been addressed. He added that Ms. Son is confused regarding the information and that her line has not been impacted and that a response to her letter is being prepared. Chairperson Williams noted that it is good to prepare a response regarding her letter of concern.

On order of Chairperson Williams, there being no objection, the Committee discussed the Tasman East/Capitol Bus/Rail Service Integration Plan.

14. Committee Work Plan

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

15. Committee Staff Report

Kaye L. Evleth, Chief Administration Officer, noted that the May 20, 2004 Administration and Finance Committee Meeting is scheduled to be held at 12:00 p.m., City of San Jose, Health Building, 151 Mission Street, San Jose.

Vice Chairperson Casas requested that Staff confirm the attendance of Alternate Member Breene Kerr for the May 20, 2004 Administration and Finance Committee Meeting.

16. Chairperson's Report

Chairperson Williams noted his appreciation to Staff for their diligent work and dedication.

17. Determine Consent Agenda for the April 1, 2004 Board Meeting

CONSENT: Agenda Item # 7., Approve the 2004 Quarterly Attendance Report; **Agenda Item # 8.**, Authorize the General Manager to execute an amendment to the Master Agreement with the California Highway Patrol (CHP) for Traffic Control Services during construction of 1996 Measure B Transportation Improvement Program and VTP 2020 Highway Projects increasing the agreement amount for 1996 Measure B projects by \$80,000 and the amount for VTP 2020 Highway Projects by \$80,000, for a new total agreement amount of \$1,265,000, and extend the agreement term to December 31, 2006; **Agenda Item # 9.**, Authorize the General Manager to execute the documents necessary to sell a temporary construction easement and a permanent easement for a Sanitary Sewer line along Zanker Road by the Cerone Operating Division to the City of San Jose, in the amount of \$114,000; **Agenda Item # 10.**, Authorize the General Manager to amend the contract with Brian Kangas Foulk for final design and design support during construction services for the Route 87 South HOV Lane Widening Project, increasing the approved contract value by \$729,743 for a new contract value not to exceed \$9,292,177; and **Agenda Item # 11.**, Authorize the General Manager to amend the contract with Ruth & Going, Inc. for design support during construction services for the Route 87 North HOV Lane Widening Project increasing the approved contract value by \$732,673 for a new contract value not to exceed \$6,560,366.

REGULAR: None

18. Announcements

Member Dixon announced that the March 17, 2004 Dixon Landing Road/Interstate 880 Interchange Project Grand Opening Celebration was a success.

Member Gage expressed his appreciation for an outstanding job by Board Member Dixon regarding the March 17, 2004 Dixon Landing Road/Interstate 880 Interchange Project Grand Opening Celebration Event.

19. ADJOURNMENT

On order of Chairperson Williams, there being no objection, the meeting was adjourned at 12:35 p.m.

Respectfully submitted,

Michelle Garza, Board Assistant
VTA Board of Directors
