



ADMINISTRATION & FINANCE COMMITTEE

Thursday, May 19, 2005

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 157, County Government Center, 70 West Hedding Street, San Jose, California.

ROLL CALL

Members Present

David Casas, Vice Chairperson
Don Gage
Forrest Williams, Chairperson

Members Absent

Jamie Matthews

Alternates Present

Breene Kerr

Alternates Absent

Pete McHugh
Ken Yeager

* Alternates do not serve unless participating as a Member.

A quorum was present.

2. PUBLIC PRESENTATIONS

Jerry Grace, Interested Citizen, expressed appreciation to be present at the Administration and Finance Committee Meeting.

3. ORDERS OF THE DAY

Alternate Board Member Kerr requested Agenda Item # 11., Authorize the General Manager to execute a contract with Viscom Products to provide and install video surveillance systems on 80 light rail vehicles and provide maintenance for three years, with an option to extend the contract on an annual basis for two additional years of maintenance. This contract is in the amount of \$1,483,144 for the first three years and

\$192,400 for two additional years of maintenance be removed from the Consent Agenda and placed on the Regular Agenda.

Chairperson Williams requested Agenda Item # 15., Consider amending the bylaws for the Technical Advisory Committee (TAC), Citizens Advisory Committee (CAC), and the Bicycle and Pedestrian Advisory Committee (BPAC) to require a vote of the majority of the total membership to pass an item, as requested by the Board of Directors. This requires the Board to rescind its March 4, 2004 action approving an amendment to permit a majority of the quorum to pass an item be deferred one month to the Administration and Finance Committee Meeting.

Vice Chairperson Casas requested Agenda Item # 17., Authorize the General Manager to execute a cooperative agreement with the City of San Jose that specifies the funding and project development responsibilities for the following Valley Transportation Plan (VTP) 2030 Highway Projects, and approve adding these projects to the VTA Capital Budget: I-280/I-880/Stevens Creek Boulevard Interchange; U.S. 101/North 4th Street/Zanker Road Interchange; U.S. 101/Trimble Road/De La Cruz Avenue Interchange; and U.S. 101/Mabury Road Interchange be removed from the Consent Agenda and placed on the Regular Agenda.

Vice Chairperson Casas requested Agenda Item # 19., Authorize the General Manager to execute eight signboard lease agreements with Clear Channel Outdoor to allow for placement of billboards on VTA property for an initial term of five years each, plus five additional one-year extensions, at a rate of \$1,500 per year for single-faced signs and \$3,000 per year for double-faced signs. This agreement is subject to termination by VTA on 90 days' written notice to accommodate transportation uses, or a sale, lease or transfer of the property be removed from the Consent Agenda and placed on the Regular Agenda.

Chairperson Williams noted a presentation handout regarding Agenda Item # 22., Recommend the VTA Board of Directors adopt a resolution approving the Santa Clara Valley Transportation Authority (VTA) Recommended Biennial Budget for Fiscal Years 2006 and 2007.

Chairperson Williams noted an updated memorandum on Agenda Item # 26., Draft 1996 Measure B Program Revenue and Expenditure Plan for FY 2006.

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

CONSENT AGENDA

4. Regular Meeting Minutes of March 17, 2005

M/S/C (Gage/Casas) to approve the Regular Meeting Minutes of March 17, 2005.

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

5. **Regular Meeting Minutes of April 21, 2005**

M/S/C (Gage/Casas) to approve the Regular Meeting Minutes of April 21, 2005.

6. **Report on Santa Clara Valley Transportation Authority Investments for the Month of March 2005 and quarter ending March 2005**

M/S/C (Gage/Casas) to receive and file the Report on Santa Clara Valley Transportation Authority Investments for the Month of March 2005 and quarter ending March 2005.

7. **Quarterly Purchasing Report**

M/S/C (Gage/Casas) to receive and file the Quarterly Purchasing Report.

8. **Monthly Legislative Report for April 2005**

M/S/C (Gage/Casas) to receive and file the Monthly Legislative Report for April 2005.

9. **Third Quarter FY 2005 Report of Public Liability/Property Damage and Owner Controlled Insurance Program (OCIP) Claims Activity**

M/S/C (Gage/Casas) to receive and file the Third Quarter FY 2005 Report of Public Liability/Property Damage and Owner Controlled Insurance Program (OCIP) Claims Activity.

10. **Third Quarter FY 2005 Report of Workers' Compensation and Owner Controlled Insurance Program (OCIP) Claims Activity**

M/S/C (Gage/Casas) to receive and file the Third Quarter FY 2005 Report of Workers' Compensation and Owner Controlled Insurance Program (OCIP) Claims Activity.

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

Authorize the General Manager to execute a contract with Viscom Products to provide and install video surveillance systems on 80 light rail vehicles and provide maintenance for three years, with an option to extend the contract on an annual basis for two additional years of maintenance. This contract is in the amount of \$1,483,144 for the first three years and \$192,400 for two additional years of maintenance.

12. Radio Communication System Maintenance Services

M/S/C (Gage/Casas) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute a contract with Motorola Inc. to provide radio communication system maintenance services for three years, with an option to extend the contract on an annual basis for two additional years. This contract is in the amount of \$177,000 for the first year; \$184,000 for the second year; \$191,000 for the third year; \$199,000 for the fourth year; and \$207,000 for the fifth year, for a total contract value in the amount of \$958,000 over a five year period.

13. Corporate Performance Monitor and Budget Planning Software Implementation

M/S/C (Gage/Casas) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute a contract amendment with Modis, Inc to implement SAP's Strategic Enterprise Management (SEM) product at VTA, in the amount of \$569,250 for three years, increasing the current contract authority to \$869,250.

14. State Legislative Positions: Support

M/S/C (Gage/Casas) to approve submitting a recommendation to the Board of Directors to adopt a support position for the following bills: AB 948 (Oropeza) – Allows a public transit operator to use design-build contracting for a capital maintenance or capacity – enhancing rail transit project if the project exceeds \$25 million in cost, rather than \$50 million as is the case in existing law; AB 1266 (Niello) – Generally allows Caltrans to award contracts for state highway projects using design-sequencing if certain requirements are met; AB 1462 (Torricono) – Allows the sale of excess property related to the Highway 84 Project through Fremont and Union City in Alameda County to be used to fund improvements to I-880 interchanges at Mission Boulevard and Warren Avenue; AB 1702 (Frommer) – Transfers \$500 million in proceeds generated from the issuance of \$15 billion in economic recovery bonds from the General Fund to the Traffic Congestion Relief Fund to be used for State Transportation Improvement Program (STIP) and Traffic Congestion Relief Program (TCRP) projects; SB 275 (Torlakson) – Requires the California Transportation Commission (CTC) to update its 10-year needs assessment of the state's transportation system; SB 523 (Torlakson) – Makes changes to existing law to maintain the amount to be transferred monthly from the Highway Users Tax Account to the Bicycle Transportation Account at \$600,000; and SCA 7 (Torlakson) – Calls for placing before the voters of the state an amendment California Constitution that would extend the existing constitutional protections for loans made from the State Highway Account or the Public Transportation Account to the General Fund to loans made from these two accounts to any other state fund or account.

15. (Deferred one month to the Administration and Finance Committee.)

Consider amending the bylaws for the Technical Advisory Committee (TAC), Citizens Advisory Committee (CAC), and the Bicycle and Pedestrian Advisory Committee (BPAC) to require a vote of the majority of the total membership to pass an item, as requested by the Board of Directors. This requires the Board to rescind its March 4, 2004 action approving an amendment to permit a majority of the quorum to pass an item.

16. Route 25 Safety Project – Contract for Final Design

M/S/C (Gage/Casas) to approve submitting a recommendation to the Board of Directors to approve the use of Local Program Reserve (LPR) funds in the amount of \$400,000 for the Route 25 Safety Project; and authorize the General Manager to execute a contract with URS Corporation for final design services for the project for a total value not to exceed \$400,000.

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

Authorize the General Manager to execute a cooperative agreement with the City of San Jose that specifies the funding and project development responsibilities for the following Valley Transportation Plan (VTP) 2030 Highway Projects, and approve adding these projects to the VTA Capital Budget: I-280/I-880/Stevens Creek Boulevard Interchange; U.S. 101/North 4th Street/Zanker Road Interchange; U.S. 101/Trimble Road/De La Cruz Avenue Interchange; and U.S. 101/Mabury Road Interchange.

18. FY 2005 – 06 Transportation Fund for Clean Air (TFCA) Regional Fund Applications

M/S/C (Gage/Casas) to approve submitting a recommendation to the Board of Directors to adopt a resolution authorizing filing of applications for Transportation Fund for Clean Air 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. (Removed from the Consent Agenda and placed on the Regular Agenda.)

Authorize the General Manager to execute eight signboard lease agreements with Clear Channel Outdoor to allow for placement of billboards on VTA property for an initial term of five years each, plus five additional one-year extensions, at a rate of \$1,500 per year for single-faced signs and \$3,000 per year for double-faced signs. This agreement is subject to termination by VTA on 90 days' written notice to accommodate transportation uses, or a sale, lease or transfer of the property.

20. Altamont Commuter Express, FY 2005 – 06 and FY 2006 – 07 Budget Allocations

M/S/C (Gage/Casas) to approve submitting a recommendation to the Board of Directors to approve VTA funding of Altamont Commuter Express (ACE) commuter rail service in the amount of \$3.6 million in Fiscal Year (FY) 2005 – 2006 and \$3.705 million in FY 2006 - 07.

REGULAR AGENDA

The Agenda was taken out of order.

11. Light Rail Vehicle Video Surveillance Systems

Alternate Board Member Kerr asked about the video surveillance systems. George Barlow, Chief Technology Officer, responded that video surveillance systems are on VTA Buses; therefore, noted a request to purchase and install the video surveillance system on VTA Light Rail Vehicles (LRVs).

Alternate Board Member Kerr queried if an incident occurs would staff be able to go back and review the video. Mr. Barlow responded yes that if an incident occurs staff would be able to review the video.

Alternate Board Member Kerr queried if the video surveillance system is an upgrade to the existing system. Mr. Barlow responded that the video surveillance system is a new system for LRVs and the technology allows for additional video recording time.

Alternate Board Member Kerr asked if the video surveillance systems are on LRVs. Mr. Barlow responded no that demonstration video surveillance systems were on LRVs.

Chairperson Williams queried about graffiti and vandalism savings as a result of the video surveillance systems. Mr. Barlow responded that VTA has recovered restitution for graffiti and vandalism and noted the added benefit to the City and County since vandalism carries over to their facilities as well. Mr. Barlow continued that since the installation of the video surveillance systems on VTA Buses and working in conjunction with San Jose City Police, Santa Clara County Office of the Sheriff Transit Patrol Division, and Securitas Security staff several arrests were made and criminal restitution for the vandalism has been recovered.

M/S/C (Kerr/Casas) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute a contract with Viscom Products to provide and install video surveillance systems on 80 light rail vehicles and provide maintenance for three years, with an option to extend the contract on an annual basis for two additional years of maintenance. This contract is in the amount of \$1,483,144 for the first three years and \$192,400 for two additional years of maintenance.

17. **Cooperative Agreement with the City of San Jose for Funding Four Valley Transportation Plan 2030 Highway Projects**

Vice Chairperson Casas queried about the Valley Transportation Plan 2030 Highway Projects Cooperative Agreement between VTA and the City of San Jose and if VTA staff agrees with City of San Jose's recommendation to advance the U.S. 101/Mabury Road Interchange Project. John Ristow, Programming and Project Development Deputy Director, responded that both VTA and the City of San Jose propose to advance the three following projects: I-280/I-880/Stevens Creek Boulevard Interchange, U.S. 101/North 4th Street/Zanker Road Interchange, and U.S. 101/Trimble Avenue/De La Cruz Avenue Interchange. Mr. Ristow continued that VTA agrees with the City of San Jose's recommendation to advance the fourth project; however, he noted that the fourth project is not part of the project list; therefore, constituting the differential. Mr. Ristow noted that the City of San Jose will fund the environmental clearance documentation and update the previously approved Project Study Report (PSR) for conversion of an over-crossing to full interchange at U.S. 101 and Taylor and Mabury Streets in San Jose.

Vice Chairperson Casas queried on the funding for the four Valley Transportation Plan 2030 Highway Project activities. Mr. Ristow responded that the VTA Board of Directors would make the decisions and additional VTA funding share would be provided through the State Transportation Improvement Program (STIP) or other funding sources, and noted that the projects are included in the VTP 2030 Highway Projects.

Vice Chairperson Casas queried on the funding for the U.S. 101/Mabury Road Interchange Project activities. Mr. Ristow responded that U.S. 101/Mabury Road Interchange Project is included in the VTP 2030 Highway Projects; however, it is not included in the Short Range Transit Plan (SRTP).

Vice Chairperson Casas queried on VTA's obligation regarding the funding for the U.S. 101/Mabury Road Interchange Project activities. Mr. Ristow responded that VTA is not obligated to fund the U.S. 101/Mabury Road Interchange Project activities. Mr. Ristow noted that both VTA and the City of San Jose staffs have jointly drafted a cooperative agreement that outlines the roles and responsibilities of each party in funding and developing the four Valley Transportation Plan 2030 Highway Projects. Mr. Ristow noted that the City of San Jose is responsible for funding for the U.S. 101/Mabury Road Interchange Project Environmental Clearance Documentation and Preliminary Engineering Phases.

M/S/C (Casas/Gage) 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 that specifies the funding and project development responsibilities for the following Valley Transportation Plan (VTP) 2030 Highway Projects, and approve adding these projects to the VTA Capital Budget: I-280/I-880/Stevens Creek Boulevard Interchange; U.S. 101/North 4th Street/Zanker Road Interchange; U.S. 101/Trimble Road/De La Cruz Avenue Interchange; and U.S. 101/Mabury Road Interchange.

19. Lease Agreement with Clear Channel Outdoor for Eight Billboard Sites on the Western Pacific Milpitas Line

Vice Chairperson Casas queried on the lease agreement termination regarding Clear Channel Outdoor being entitled to compensation resulting from early termination. Kevin Allmand, Assistant General Counsel, responded that under the lease agreements, Clear Channel Outdoor (CCO) agrees to relinquish any claim for relocation benefits, loss of goodwill, or other compensation if required to remove the signs at the end of the entire ten-year period. Mr. Allmand continued if the lease agreement is terminated before the ten-year period then CCO will be entitled to seek recovery of the unamortized portion of any compensation resulting from the early termination.

Alternate Board Member Kerr queried on lease agreements between VTA and CCO. Mr. Allmand responded that the negotiated lease agreements specifies that VTA retains the right to terminate each lease agreement at any time upon 90-days written notice to CCO; however, if CCO does not remove the signs within 30-days then VTA has the ability to remove the signs from the property.

Vice Chairperson Casas queried about the lease agreement terms. Peter M. Cipolla, General Manager, responded that the lease agreement term is ten-years.

Chairperson Williams queried about the signboards. Mr. Allmand responded that the signboards are existing signboards.

M/S/C (Casas/Gage) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute eight signboard lease agreements with Clear Channel Outdoor to allow for placement of billboards on VTA property for an initial term of five years each, plus five additional one-year extensions, at a rate of \$1,500 per year for single-faced signs and \$3,000 per year for double-faced signs. This agreement is subject to termination by VTA on 90 days' written notice to accommodate transportation uses, or a sale, lease or transfer of the property.

14. State Legislative Positions: Support (continued)

Mr. Grace stressed the importance to go to Sacramento to voice individual opinions on State Legislative Positions. Mr. Grace expressed his concern regarding the State of California Governor Arnold Schwarzenegger. Chairperson Williams commented that Kurt Evans, State and Federal Government Affairs Manager, was present and available to respond to State and Federal Government Affairs questions.

18. FY 2005 – 06 Transportation Fund for Clean Air (TFCA) Regional Fund Applications (continued)

Mr. Grace expressed his concern regarding white smoke exhaust coming from the new bus vehicles. Mr. Cipolla responded that the white smoke exhaust coming from the Zero Emission Buses (ZEBs) is called “white water vapor” and is safe to breath and drink.

21. Caltrain FY 2005 – 06 and FY 2006 – 07 Operating and Capital Budget Allocations

Frank Sharpless, State and Regional Government Affairs Manager, provided a brief overview on the Caltrain FY 2005 – 06 and FY 2006 – 07 Operating and Capital Budget Allocations. Mr. Sharpless noted that the recommendation is regarding VTA's share of the local matching funds required for Caltrain's Capital Budgets for these two fiscal years. Mr. Sharpless commented that Caltrain is the commuter rail service provided by the Peninsula Corridor Joint Powers Board (JPB), which is governed by representatives of San Francisco, San Mateo, and Santa Clara counties. Mr. Sharpless commented that the shares of the Caltrain Operating cost subsidy are apportioned to each member agency based upon morning peak period boardings in each county and VTA's share of the Caltrain Operating Budget is 40.62 percent. Mr. Sharpless continued that the sharing of the necessary local matching funds for Caltrain's Capital Budget for replacement and enhancement projects on the JPB-owned railroad between San Francisco and San Jose is figured on an equal one-third basis by each member agency. Mr. Sharpless noted that the FY 2005 – 2006 Caltrain Operating and Capital Budgets are a work in progress since the JPB has not approved the FY 2005 – 2006 Caltrain Budgets. Mr. Sharpless noted that the following information is taken from the Draft Operating Budget; however, the information will be updated as needed.

Mr. Sharpless commented that the Draft Operating Budget was presented to the JPB at the JPB Meeting on May 5, 2005, and reflects the service proposal and fare increases that were approved by the JPB on April 22, 2005, with the service changes effective August 1, 2005, and a series of two fare increases effective July 1, 2005, and January 1, 2006. Mr. Sharpless continued that based on this concept, Caltrain prepared a Draft FY 2006 Caltrain Operating Budget, which identifies a \$2 million deficit; therefore, JPB has identified the three following alternatives for the JPB to eliminate the deficit:

A) do not increase member agency contributions above the FY 2004-05 amounts and implement additional service reductions or take other actions to eliminate the shortfall, B) acquire a three percent increase in member agency contributions resulting in a remaining \$1 million shortfall and implement other actions to eliminate the remaining shortfall, or C) acquire sufficient member agency contributions to offset the entire \$2 million deficit. Mr. Sharpless noted that when the Draft FY 2006 Caltrain Operating Budget was presented to VTA Policy Advisory Committee (PAC), Governor Schwarzenegger had not yet announced the decision to recommend the revised FY 2005 – 2006 State Budget to retain Proposition 42 funds for transportation. Since this action occurred, Metropolitan Transportation Commission (MTC) has estimated funds that will be available to transit operators from the State Transit Assistance (STA) Program. Mr. Sharpless commented that John McLemore, MTC Representative and VTA Ex-Officio Board Member, noted anticipated funding is available for the Bay Area and funding is expected to flow to Caltrain; therefore, Caltrain has offered a revised Draft Caltrain Budget FY 2005 – 2006 late Tuesday that shows option B with each member agency providing an additional \$1 million with a \$1 million remaining shortfall to be met from the following two sources: \$800,000 STA funds and \$200,000 from the estimated \$1.4 million reserves anticipated from the coming year.

Mr. Sharpless noted that San Mateo has their three percent for their member agency increase, VTA's Recommended Budget reflects the three percent for VTA's share of the member agency increase, and San Francisco Muni indicated they are pursuing their three percent member agency increase as well. The information regarding the three member agency percent increase will be forwarded to the June 2, 2005 JPB Meeting as a recommendation for consideration. The Draft FY 2005 – 2006 Caltrain Capital Budget will be forwarded to the June 2, 2005 JPB Meeting for discussion with action to follow on July 7, 2005. Mr. Sharpless noted that VTA's Recommended FY 2005 - 2006 Biennial Budget includes the \$2.66 million as VTA's share of Caltrain's FY 2005 – 2006 Capital Budget and based on the latest Draft Caltrain FY 2005 – 2006 Operating and Capital Budgets estimates the following VTA share contributions to Caltrain would be \$15 million for Operating and \$2.2 million for Capital. Mr. Sharpless noted that the combined

VTA funding of the Caltrain Operating and Capital Budgets contained in the Draft VTA FY 2006-07 Recommended Biennial Budget is expected to be sufficient to provide the combined VTA share contributions for the Draft Caltrain FY 2006-07 Operating and Capital Budgets.

Member Gage expressed appreciation and thanked staff for their diligent work and effort regarding VTA's share contribution to the FY 2005 – 2006 and FY 2006 – 2007 Caltrain Operating and Capital Budgets.

Alternate Board Member Kerr agreed that the three percent member agency increase appears to be prudent decision.

Member Gage noted VTA's share contributions for Caltrain's Operating and Capital Budgets is contained in the Draft VTA FY 2006-07 Recommended Biennial Budget; however, the additional \$1 million Caltrain needs will have to come from Proposition 42 funds, which Governor Schwarzenegger recommended revised FY 2005 – 2006 State Budget intends to retain Proposition 42 funds for transportation.

Alternate Board Member Kerr queried if VTA had room to maneuver with regard to VTA's share contribution for the FY 2007 Caltrain Capital Budget. Mr. Sharpless responded that VTA's Recommended FY 2005 - 2006 Biennial Budget includes the \$2.66 million as VTA's share of Caltrain's FY 2005 – 2006 Capital Budget and based on the latest Draft Caltrain FY 2005 – 2006 Operating and Capital Budgets estimates the following VTA share contributions to Caltrain would be \$2.2 million for Capital; therefore, VTA is over the recommended share contribution for Caltrain FY 2007 Capital Budget.

Chairperson Williams queried about grant options. Mr. Sharpless responded that there are grant options for capital projects that are eligible to transfer funds to operating budget to cover preventive maintenance activities. Mr. Sharpless noted staff is in discussions with Caltrain and perhaps the grant options could be utilized next year.

M/S/C (Casas/Gage) to approve submitting a recommendation to the Board of Directors to approve \$14,819,000 for Fiscal year (FY) 2005 – 06 and \$15,263,000 for FY 2006 – 07 to provide VTA’s share of Caltrain operating support; and \$2.66 million for FY 2005 – 06 and \$2.18 million for FY 2006 – 2007 as VTA ‘s share of the local matching funds required for Caltrain’s Capital Budgets for these two fiscal years.

22. Approval of Recommended Biennial Budget for Fiscal Years 2006 and 2007

Roger Contreras, Chief Financial Officer, provided a brief overview on the Recommended Biennial Budget for Fiscal Years 2006 and 2007. Mr. Contreras distributed the Santa Clara Valley Transportation Authority Revised Recommended Biennial Budget Standing Committees May 19, 2005 Fiscal Years 2006 and 2007 presentation handout to Committee Members. Mr. Contreras commented that the presentation today is to provide final comments before the Draft Recommendation Biennial Budget for Fiscal Years 2006 and 2007 is forwarded to the June 2, 2005 VTA Board of Directors for consideration. Mr. Contreras continued that the VTA Draft Recommendation Biennial Budget for Fiscal Years 2006 and 2007 was presented at the April 22, 2005 VTA Board of Directors Workshop Meeting, four Community Meetings held in Milpitas, Palo Alto, Gilroy, and San Jose and noted the following e-mail address site to submit questions and comments: budgetcomments@vta.org.

Member Gage asked about the Community Meetings and queried if the Draft Recommendation Biennial Budget for Fiscal Years 2006 and 2007 was revised as a result of public comments. Mr. Contreras responded no.

Member Gage asked if any issues were raised and discussed the Community Meetings regarding the Draft Recommendation Biennial Budget for Fiscal Years 2006 and 2007. Mr. Contreras responded no and added that staff at the Community Meetings addressed questions and comments; however, if questions or comments required additional information then staff responded as soon as possible.

Vice Chairperson Casas queried about the public comments provided at the Community Meetings. Mr. Contreras responded that staff will provide the public comment information to the Board of Directors.

Alternate Board Member Kerr queried about the Marketing Campaign Plan and if the Plan was included in the Draft Recommendation Biennial Budget for Fiscal Years 2006 and 2007. Carolyn M. Gonot, Chief Development Officer, responded yes.

Mr. Contreras referenced Page 2 – Major Changes to Original Recommended Budget and noted that VTA has recently received the actuarial valuation of the VTA Amalgamated Transit Union (ATU) Pension Plan, which reflects the need to increase the contribution by \$750,000 in each of the two fiscal years. Mr. Contreras continued that the recent

analysis of actual Wage and Benefit estimates reflected the need for a minor change between the two fiscal years; therefore, resulting in transferring \$1 million from the FY 2006 to FY 2007, which reflected a net change of zero to the two year combined budget total. Mr. Contreras commented that diesel fuel costs have fluctuated significantly; therefore, it is recommended that the fuel budget be changed and increased by \$250,000 in each of the two fiscal years.

Chairperson Williams queried about the ATU Pension Plan increases. Mr. Contreras responded that VTA recently received the actuarial valuation of the VTA ATU Pension Plan, which reflected the need to increase the contribution in each of the two fiscal years.

Chairperson Williams suggested including a line to explain the reasoning for the ATU Pension Plan increases. Mr. Contreras noted that the presentation will be updated to explain the reasoning for the ATU Pension Plan increases as a result of the actuarial valuation of the VTA ATU Pension Plan.

Vice Chairperson Casas queried about the ATU Pension Plan. Mr. Cipolla responded that the ATU Pension Plan is fully funded.

Mr. Contreras referenced Page 3 – Sources and Uses of Funds and noted that the revised changes in the Draft Recommendation Biennial Budget for Fiscal Years 2006 and 2007 have changed the Operating Reserves for FY 2006 to 14.4 percent and 14.1 percent for FY 2007.

Vice Chairperson Casas suggested including a line to explain the reasoning for the changes regarding the Ending Reserves for the Draft Recommendation Biennial Budget for Fiscal Years 2006 and 2007 presentation. Mr. Cipolla responded that a line will be included to explain the budgeted and actual number. Mr. Contreras noted that the presentation will be updated to explain the reasoning for the changes regarding the Ending Reserves presentation.

Mr. Contreras referenced Page 6 – Major Budget Components Expense and noted that Wages and Benefits are typically the largest part of the budget and represent 71 percent for FY 2006 and 68 percent for FY 2007.

Mr. Grace expressed appreciation to staff for the Santa Clara Valley Transportation Authority Revised Recommended Biennial Budget Standing Committees May 19, 2005 Fiscal Years 2006 and 2007 presentation handout. Mr. Grace expressed his concern regarding the VTA Recommended Biennial Budget for Fiscal Years 2006 and 2007. Chairperson Williams suggested that Mr. Grace and Mr. Contreras meet after the Committee Meeting to respond to questions related to the VTA Recommended Biennial Budget for Fiscal Years 2006 and 2007. Chairperson Williams commented as the economy turns around and there are increases in sales taxes that projections appear good. Vice Chairperson Casas noted the importance of being careful to allocate staff's time to answer incremental questions that were not written down. Vice Chairperson Casas noted staff is responsible for many activities within the organization; therefore, stressed the

importance to accordingly prioritize staff's time and activities. Chairperson Williams noted the importance and responsibility to respond to questions raised by the public.

M/S/C (Gage/Kerr) to approve submitting a recommendation to the Board of Directors to receive public comment and recommend the VTA Board of Directors adopt a resolution approving the Santa Clara Valley Transportation Authority (VTA) Recommended Biennial Budget for Fiscal Years 2006 and 2007.

23. 1996 Measure B Transportation Improvement Program – Increase Route 85/101 North Interchange Project Construction Contract Amount

M/S/C (Gage/Casas) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute potential contract change orders with FCI Constructors/Pavex Joint Venture for construction of the Route 85/101 North Interchange within an increased contract amount of \$62,400,000, an increase of 4 percent, or \$2,296,225 over the current level of authority.

Jack J. Collins, Chief Construction Officer, noted that the 1996 Measure B Transportation Improvement Program – Increase Route 85/101 North Interchange Project Construction Contract Amount change order recommendation will be forwarded to the Friday,

June 3, 2005 VTA Board of Directors/Santa Clara County Board of Supervisors Joint Meeting for consideration. Mr. Collins noted that it is predicated that both VTA Board of Directors and Santa Clara County Board of Supervisors take action regarding adjustments on the 1996 Measure B Transportation Improvement Program.

24. Economic, Financial, and Market Analyses for the 2000 Measure A Transit Improvement Program and VTA Joint Development Programs

Ms. Gonot introduced David Miller, Commercial Development Manager, who provided a brief overview on the Economic, Financial, and Market Analyses for the 2000 Measure A Transit Improvement Program and VTA Joint Development Programs. Mr. Miller commented that VTA is initiating an aggressive Joint Development Program (JPD) at VTA transit stations; therefore, seeking consulting services to aid in the analysis of effective options for financing transit expansion, economic impacts of transit, joint development real estate transactions, and other financial and market analysis associated with transit. Mr. Miller continued that projects in the 2000 Measure A Program and the JDP are in the planning stages where economic, financial, and market studies are necessary to support preliminary engineering; therefore, at this stage of development the studies will provide insight to station area land-use planning needed to ensure a high-level of transit ridership and to maximize economic development as well as financing opportunities.

Mr. Miller noted that VTA staff has developed a list of qualified local firms that specialize in urban economic, fiscal impact, and real estate investment studies to perform economic, fiscal, and market analyses. Mr. Miller added that the evaluation criteria

included qualifications of the firm, staffing, demonstrated understanding of urban design principals, firm location, and hourly rates for services; therefore, based on the evaluation criteria the recommendation is to qualify and retain the following Prime and Technical Consultants: Economic Research Associates (ERA); Economic and Planning Systems (EPS); Williams-Kuelbelbeck & Associates, Inc.; BAE Urban Economics, Inc.; Strategic Economics; and David M. Dornbusch & Company, Inc. Mr. Miller continued that funds for each contract will be encumbered upon execution of each task order and all contract costs will be accounted for and included in 2000 Measure A Capital Project Budgets or through the VTA Operating Budget as approved by the VTA Board of Directors prior to award of the professional services contract.

Vice Chairperson Casas asked if the Prime and Technical Consultants have completed the qualification evaluation screening and conflict of interest. Vice Chairperson Casas queried about the list of qualified firms and if the list precluded open bids or would the qualified firms compete internally against each other. Ms. Gonot responded that qualified firms within the specialized fields would be selected to work on the contract project or the qualified firms will compete internally against each other regarding the contract project.

Vice Chairperson Casas asked if the intent was to create a talent pool of qualified firms. Ms. Gonot responded yes.

Chairperson Williams queried if the list of qualified firms was a requirement of the 2000 Measure A Program. Ms. Gonot responded that it is geared towards the 2000 Measure A Program and insight to station area land-use opportunities. Ms. Gonot noted a formal Request for Qualifications (RFQ) process was issued for qualified developers to develop VTA-owned excess parcels. Mr. Miller commented that staff is looking at obtaining the expertise to assist VTA and others involved with maximizing the tools available in order to conduct the JDP, conduct Transit Oriented Development (TOD), as well as make correct financial decisions for VTA in an effort to maximize assets.

Chairperson Williams queried about the agreement amount and term regarding the list of consultants. Ms. Gonot responded that the term will be valid for a five-year period. Vice Chairperson Casas noted that each contract will be for a maximum three-year period with an option for two additional years with a total value not to exceed \$3,000,000 for all agreements.

Chairperson Williams noted the issues and factors related to hiring consultants as well as the skills required that are beneficial to perform the work. Ms. Gonot responded that the Prime and Technical Consultant list is beneficial to VTA and allows the qualified firms to work in their specialized area field.

M/S/C (Gage/Kerr) to approve submitting a recommendation to the Board of Directors to approve the following list of Prime and Technical Consultants: Economic Research Associates (ERA); Economic and Planning Systems (EPS); Williams-Kuelbelbeck &

Associates, Inc.; BAE Urban Economics, Inc.; Strategic Economics; and David M. Dornbusch & Company, Inc., which will be valid for a five-year period; and authorize the General Manager to execute task order contracts to perform economic, financial, and market services for the 2000 Measure A Transit Improvement Program and VTA Joint Development Programs with the following firms as funds become available for each project. Each contract will be for a maximum three-year period with an option for two additional years with a total value not to exceed \$3,000,000 for all agreements.

25. Urban Design and Transit – Oriented Land – Use Studies for the 2000 Measure A Transit Improvement Program and VTA Joint Development Programs

Mr. Miller provided a brief overview on the Urban Design and Transit – Oriented Land – Use Studies for the 2000 Measure A Transit Improvement Program and VTA Joint Development Programs. Mr. Miller commented that VTA is seeking consulting services to analyze effective options for urban design and land-use. Mr. Miller continued that activities will combine knowledge of land-use patterns and urban mass transportation planning to form the most attractive and transit supportive physical plans. Mr. Miller noted the intent is to develop and exhibit high quality projects accepted by the neighborhoods as well as relating well to the fiscal concerns of receiving the maximum return on the property and increase in ridership.

Mr. Miller continued that typical examples of the types of land-use studies the consultants will be requested to perform are the following: concept site planning of transit station areas and transit village plans; intensity and density land-use studies including building massing studies addressing neighborhood compatibility issues; integration of mixed land uses at transit station areas, master planning, preparation of specific plans coordinated with market analysis; integration of pedestrian circulation, transit station access, design of public spaces, multi-modal circulation and pedestrian connectivity with surrounding neighborhoods; preparation of design charettes; creation of form-based zoning or design performance standards for transit-area specific plans, design guidelines and development standards; design review of development proposals for compliance with the Community Design & Transportation Manual of Best Practices for Integrating Transportation and Land Use; incorporating transit-oriented development design concepts into transit station area plans; and assisting VTA staff to meet VTA Board adopted joint development policies. Mr. Miller continued that the intent is to work collaboratively and be consistent with local jurisdiction and cities with the goal to implement VTA's Community Design and Best Practices Manual. Mr. Miller noted that the consultants would be involved with coordinating with the cities with development interests to determine the types of projects, which will make the best transit oriented development projects and transit stations.

Vice Chairperson Casas queried if the prime and technical consultants regarding the contracts to perform urban design and transit-oriented land-use services for the 2000 Measure A Transit Improvement Program and VTA Joint Development Programs have corporate ties to the prime and technical consultants regarding the contracts to perform economic, financial, and market services for the 2000 Measure A Transit

Improvement Program and VTA Joint Development Programs. Mr. Miller responded that there is no connection.

M/S/C (Gage/Kerr) to approve submitting a recommendation to the Board of Directors to approve the following list of Prime Consultants: Wallace Roberts & Todd (WRT), Solomon; Bottomly Associates; HOK Planning Group; Parsons Brinkerhoff (PB) Placemaking; and the following list of Technical Consultants: ROMA Design Group; Community Design + Architecture (CD+A); Van Meter Williams Pollack, LLP; Robin Chiang & Company; Field Paoli Architects; Dyett & Bhatia; Freedman, Tung & Bottomley; PGA Design, which will be valid for a five-year period, and authorize the General Manager to execute task order contracts to perform urban design and transit-oriented land-use services for the 2000 Measure A Transit Improvement Program and VTA Joint Development Programs with the following firms as funds become available for each project. Each contract will be for a maximum three-year period with an option for two additional years with a total value not to exceed \$5,000,000 for all agreements.

OTHER ITEMS

26. Draft 1996 Measure B Program Revenue and Expenditure Plan for FY 2006

Mr. Collins provided a brief overview on the Draft 1996 Measure B Program Revenue and Expenditure Plan for FY 2006. Mr. Collins commented that the projected 1996 Measure B Program balance has improved by a couple of million. Mr. Collins continued with the closeout of contracts with the Tasman East/Capital Light Rail Extension, which opened last June 2004, VTA has realized additional savings and reallocating the funding to other projects in the 1996 Measure B Program. Mr. Collins noted that the Vasona Light Rail Project total cost estimate was lower; therefore, savings are being reallocated primarily to the Highway Program. Mr. Collins commented on increases and decreases on various highway contracts; however, noted an overall improvement of \$2 million in the Highway Program balance reported to both the VTA Board of Directors and Santa Clara County Board of Supervisors in the December Semi-Annual Report.

Mr. Collins commented on the Draft 1996 Measure B Program Revenue and Expenditure Plan for FY 2006 and referenced Page 22 – Table 15 – Measure B Deferred Projects and noted the list of remaining deferred projects in the 1996 Measure B Program. Mr. Collins continued that the Santa Clara County Board of Supervisors were required to defer a number of 1996 Measure B Projects two-years ago due to the reduction of sales tax revenue that was not anticipated when the original 1996 Measure B Program was put into place. Mr. Collins noted the recommendation to both VTA Board of Directors and Santa Clara County Board of Supervisors to take action to move projects into bid ready to finish the design. Mr. Collins commented on the following three deferred projects on the deferred list of seven projects: Route 152 Project B (Phase II), Caltrain – Palo Alto

Pedestrian Underpass, and Caltrain – California Avenue Pedestrian Underpass. Mr. Collins continued that the three projects would take 9 to 11 months to complete.

Mr. Collins noted that the Draft 1996 Measure B Program Revenue and Expenditure Plan for FY 2006 will be forwarded to the Friday, June 3, 2005 VTA Board of Directors/ Santa Clara County Board of Supervisors Joint Meeting for consideration.

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 2006.

27. Committee Work Plan

Kaye L. Evleth, Chief Administrative Officer, provided a brief overview on the Administration and Finance Committee Work Plan.

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

28. Committee Staff Report

Ms. Evleth noted that the Standing Committees will not meet in June 2005. Ms. Evleth noted that there is no July Board of Directors Regular Meeting. Ms. Evleth noted that July 21, 2005 Committee of the Whole (COW) Meeting is scheduled to forward action items to the August Board of Directors Regular Meeting for consideration. Ms. Evleth noted a report on the California Public Employees' Retirement System (CalPERS) contract regarding changes to VTA Employee Benefits. Ms. Evleth commented on the change on the CalPERS contract that would allow VTA to have single highest year as opposed to the highest three years in calculating final employee benefits. Ms. Evleth added that the change has been on hold for two years pending the lawsuit; however, noted the judicial ruling in VTA's favor. Ms. Evleth noted that the CalPERS contract report will be presented at the June 2, 2005 VTA Board of Directors Regular Meeting.

Chairperson Williams queried about the CalPERS contract changes to VTA Employee Benefits. Ms. Evleth responded that the changes are reflected in the VTA Recommended Biennial Budget for Fiscal Years 2006 and 2007.

29. Chairperson's Report

Chairperson Williams expressed his appreciation and thanked staff for their diligent work and effort to implement significant changes to increase Operating Reserves as well as reduce costs within the organization. Chairperson Williams acknowledged staff's dedication and effort to assist the organization in moving forward.

30. Determined Consent Agenda for the June 2, 2005 Board Meeting

CONSENT: Agenda Item # 11., Authorize the General Manager to execute a contract with Viscom Products to provide and install video surveillance systems on 80 light rail vehicles and provide maintenance for three years, with an option to extend the contract on an annual basis for two additional years of maintenance. This contract is in the amount of \$1,483,144 for the first three years and \$192,400 for two additional years of maintenance;

Agenda Item # 12., Authorize the General Manager to execute a contract with Motorola Inc. to provide radio communication system maintenance services for three years, with an option to extend the contract on an annual basis for two additional years. This contract is in the amount of \$177,000 for the first year; \$184,000 for the second year; \$191,000 for the third year; \$199,000 for the fourth year; and \$207,000 for the fifth year, for a total contract value in the amount of \$958,000 over a five year period;

Agenda Item # 13., Authorize the General Manager to execute a contract amendment with Modis, Inc to implement SAP's Strategic Enterprise Management (SEM) product at VTA, in the amount of \$569,250 for three years, increasing the current contract authority to \$869,250; and **Agenda Item # 14.**, Adopt a support position for the following bills:

AB 948 (Oropeza) – Allows a public transit operator to use design-build contracting for a capital maintenance or capacity – enhancing rail transit project if the project exceeds \$25 million in cost, rather than \$50 million as is the case in existing law;

AB 1266 (Niello) – Generally allows Caltrans to award contracts for state highway projects using design-sequencing if certain requirements are met; AB 1462 (Torrico) –

Allows the sale of excess property related to the Highway 84 Project through Fremont and Union City in Alameda County to be used to fund improvements to I-880 interchanges at Mission Boulevard and Warren Avenue; AB 1702 (Frommer) –

Transfers \$500 million in proceeds generated from the issuance of \$15 billion in economic recovery bonds from the General Fund to the Traffic Congestion Relief Fund to be used for State Transportation Improvement Program (STIP) and Traffic Congestion Relief Program (TCRP) projects; SB 275 (Torlakson) – Requires the California Transportation Commission (CTC) to update its 10-year needs assessment of the state's

transportation system; SB 523 (Torlakson) – Makes changes to existing law to maintain the amount to be transferred monthly from the Highway Users Tax Account to the Bicycle Transportation Account at \$600,000; and SCA 7 (Torlakson) – Calls for placing

before the voters of the state an amendment California Constitution that would extend the existing constitutional protections for loans made from the State Highway Account or the Public Transportation Account to the General Fund to loans made from these two

accounts to any other state fund or account; **Agenda Item # 16.**, Approve the use of Local Program Reserve (LPR) funds in the amount of \$400,000 for the Route 25 Safety Project; and authorize the General Manager to execute a contract with URS Corporation for final design services for the project for a total value not to exceed \$400,000;

Agenda Item # 17., Authorize the General Manager to execute a cooperative agreement with the City of San Jose that specifies the funding and project development

responsibilities for the following Valley Transportation Plan (VTP) 2030 Highway Projects, and approve adding these projects to the VTA Capital Budget: I-280/I-880/Stevens Creek Boulevard Interchange; U.S. 101/North 4th Street/Zanker Road Interchange; U.S. 101/Trimble Road/De La Cruz Avenue Interchange; and U.S. 101/Mabury Road Interchange; **Agenda Item # 18.**, Adopt a resolution authorizing filing of applications for Transportation Fund for Clean Air 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.**, Authorize the General Manager to execute eight signboard lease agreements with Clear Channel Outdoor to allow for placement of billboards on VTA property for an initial term of five years each, plus five additional one-year extensions, at a rate of \$1,500 per year for single-faced signs and \$3,000 per year for double-faced signs. This agreement is subject to termination by VTA on 90 days' written notice to accommodate transportation uses, or a sale, lease or transfer of the property; **Agenda Item # 20.**, Approve VTA funding of Altamont Commuter Express (ACE) commuter rail service in the amount of \$3.6 million in Fiscal Year (FY) 2005 – 2006 and \$3.705 million in FY 2006 – 07; **Agenda Item # 24.**, Approve the following list of Prime and Technical Consultants: Economic Research Associates (ERA); Economic and Planning Systems (EPS); Williams-Kuelbelbeck & Associates, Inc.; BAE Urban Economics, Inc.; Strategic Economics; and David M. Dornbusch & Company, Inc., which will be valid for a five-year period; and authorize the General Manager to execute task order contracts to perform economic, financial and market services for the 2000 Measure A Transit Improvement Program and VTA Joint Development Programs with the following firms as funds become available for each project. Each contract will be for a maximum three-year period with an option for two additional years with a total value not to exceed \$3,000,000 for all agreements; and **Agenda Item # 25.**, Approve the following list of Prime Consultants: Wallace Roberts & Todd (WRT), Solomon; Bottomly Associates; HOK Planning Group; Parsons Brinkerhoff (PB) Placemaking; and the following list of Technical Consultants: ROMA Design Group; Community Design + Architecture (CD+A); Van Meter Williams Pollack, LLP; Robin Chiang & Company; Field Paoli Architects; Dyett & Bhatia; Freedman, Tung & Bottomley; PGA Design, which will be valid for a five-year period, and authorize the General Manager to execute task order contracts to perform urban design and transit-oriented land-use services for the 2000 Measure A Transit Improvement Program and VTA Joint Development Programs with the following firms as funds become available for each project. Each contract will be for a maximum three-year period with an option for two additional years with a total value not to exceed \$5,000,000 for all agreements.

REGULAR: Agenda Item # 21., Approve \$14,819,000 for Fiscal year (FY) 2005 – 06 and \$15,263, 000 for FY 2006 – 07 to provide VTA's share of Caltrain operating support; and \$2.66 million for FY 2005 – 06 and \$2.18 million for FY 2006 – 2007 as VTA 's share of the local matching funds required for Caltrain's Capital Budgets for these two fiscal years; and **Agenda Item # 22.**, Receive public comment and recommend the VTA Board of Directors adopt a resolution approving the Santa Clara Valley Transportation Authority (VTA) Recommended Biennial Budget for Fiscal Years 2006 and 2007.

31. Announcements

There were no Announcements.

32. ADJOURNMENT

On order of Chairperson Williams, there being no objection, the meeting was adjourned at 1:10 p.m.

Respectfully submitted,

Michelle M. Garza, Board Assistant
VTA Board of Directors