

ADMINISTRATION & FINANCE COMMITTEE

Thursday, February 21, 2008

MINUTES

On general consensus, there being no objection, the Committee of the Whole appointed Member Gage as Chairperson Pro Tempore.

1. CALL TO ORDER

The Regular Meeting of the Administration and Finance Committee (A&F) was called to order at 12:04 p.m. by Chairperson Pro Tempore Gage in Room 157, County Government Center, 70 West Hedding Street, San Jose, California.

ROLL CALL

Members Present

Don Gage
Chuck Reed

Members Absent

David Casas
Forrest Williams

Alternates Present

None

Alternates Absent

David Cortese
Pete McHugh
Chris Moylan

* Alternates do not serve unless participating as a Member.

A quorum was not present and a Committee of the Whole was declared.

Chairperson Pro Tempore Gage removed the following Agenda Items from the Agenda: **Agenda Item #2.**, Closed Session and **Agenda Item #3.**, Closed Session Report.

2. ADJOURN TO CLOSED SESSION

Conference with Labor Negotiators
[Government Code Section 54957.6]

VTA Designated Representatives:

Joseph Smith, Chief Financial Officer
Bill Lopez, Chief Administrative Officer
Robert Escobar, Manager, Office of Employee Relations

Employee Organization:

Amalgamated Transit Union (ATU)

There was no Closed Session.

3. CLOSED SESSION REPORT

There was no Closed Session Report.

4. (Deferred)

Election of Vice Chairperson for 2008.

5. PUBLIC PRESENTATIONS

There were no Public Presentations.

6. ORDERS OF THE DAY

Chairperson Pro Tempore Gage removed the following Items from the Agenda: **Agenda Item #2.**, Closed Session; **Agenda Item #3.**, Closed Session Report; and **Agenda Item #16.**, Authorize VTA to sponsor legislation to memorialize a number of the key recommendations from the Organizational and Financial Assessment in the agency's enabling statutes.

Chairperson Pro Tempore Gage deferred the following Item from the Agenda: **Agenda Item #4.**, Election of Vice Chairperson for 2008.

On order of Chairperson Pro Tempore Gage, there being no objection, the Committee of the Whole accepted the Orders of the Day.

CONSENT AGENDA

7. Regular Meeting Minutes of November 15, 2007

On order of Chairperson Pro Tempore Gage, there being no objection, the Committee of the Whole deferred the Regular Meeting Minutes of November 15, 2007.

8. Regular Meeting Minutes of January 17, 2008

On order of Chairperson Pro Tempore Gage, there being no objection, the Committee of the Whole deferred the Regular Meeting Minutes of January 17, 2008.

9. Quarterly Purchasing Report

On order of Chairperson Pro Tempore Gage, there being no objection, the Committee of the Whole received the Quarterly Purchasing Report.

10. Second Quarter FY 2008 Report of Worker's Compensation Claims and Transitional Work Program

On order of Chairperson Pro Tempore Gage, there being no objection, the Committee of the Whole received the Second Quarter FY 2008 Report of Worker's Compensation Claims and Transitional Work Program.

11. **Second Quarter FY 2008 Report of Public Liability/Property Damage Claims Activity**

On order of Chairperson Pro Tempore Gage, there being no objection, the Committee of the Whole received the Second Quarter FY 2008 Report of Public Liability/Property Damage Claims Activity.

12. **Review the Monthly Legislative History Matrix**

On order of Chairperson Pro Tempore Gage, there being no objection, the Committee of the Whole reviewed the Monthly Legislative History Matrix.

REGULAR AGENDA

13. **Fiscal Year 2008 Quarterly Statement of Revenues and Expenses for the period ending December 31, 2007**

On order of Chairperson Pro Tempore Gage, there being no objection, the Committee of the Whole approved submitting a recommendation to the Board of Directors to review and accept the Fiscal Year 2008 Quarterly Statement of Revenues and Expenses for the period ending December 31, 2007.

14. **Fiscal Year 2007 Comprehensive Annual Financial Report for the Santa Clara Valley Transportation Authority and the Amalgamated Transit Union Pension Plan Report**

Chairperson Pro Tempore Gage recommended that an auditor representing Vavrinek, Trine, Day & Company, LLP (VTD), a Certified Public Accounting Firm, attend the March 6, 2008 Board of Directors Regular Meeting.

On order of Chairperson Pro Tempore Gage, there being no objection, the Committee of the Whole approved submitting a recommendation to the Board of Directors to review and accept the audited Comprehensive Annual Financial Report (CAFR) for the Santa Clara Valley Transportation Authority and the Amalgamated Transit Union (ATU) Pension Plan Report for Fiscal Year 2007.

Board Member Reed arrived at the meeting and took his seat at 12:20 p.m.

15. **Report on Santa Clara Valley Transportation Authority Investments for the month of December 2007**

On order of Chairperson Pro Tempore Gage, there being no objection, the Committee of the Whole reviewed the Report on Santa Clara Valley Transportation Authority Investments for the Month.

16. **(Removed from the Agenda.)**

Authorize VTA to sponsor legislation to memorialize a number of the key recommendations from the Organizational and Financial Assessment in the agency's enabling statutes.

17. Support Position for AB 1221 (Ma)

On order of Chairperson Pro Tempore Gage, there being no objection, the Committee of the Whole approved submitting a recommendation to the Board of Directors to adopt a support position for AB 1221 (Ma), which allows local officials to divert property tax increment revenues to pay for new bonds for infrastructure within transit village development districts.

18. Support Position for AB 387 (Duvall)

On order of Chairperson Pro Tempore Gage, there being no objection, the Committee of the Whole approved submitting a recommendation to the Board of Directors to adopt a support position for AB 387 (Duvall), which expands existing design-build authority for public transit agencies by allowing them to use this method of procurement for technology or surveillance projects designed to enhance transit safety, disaster preparedness or homeland security efforts.

19. CALNET II Agreement for Voice and Data Services

On order of Chairperson Pro Tempore Gage, there being no objection, the Committee of the Whole approved submitting a recommendation to the Board of Directors to Authorize the General Manager to execute the CALNET II Agreement with AT&T to take advantage of the favorable pricing that the State of California has negotiated for voice and data services (a variety of telephone, internet, and intranet services). Over the length of the five year agreement, along with options for two one-year extensions, it is estimated that the VTA would expend \$3 million for these services. The cost and services covered in this contract were approved in the fiscal year 2008 and 2009 adopted budgets.

20. Technology General Consulting Services – Increase in Contract Authority

On order of Chairperson Pro Tempore Gage, there being no objection, the Committee of the Whole approved submitting a recommendation to the Board of Directors to authorize the General Manager to increase the contract authority for technology general consulting services by the amount of \$3.2 million for a new total contract authority of \$9.6 million. This additional contract authority is within the Biennial FY08 and FY09 approved budgets for the purpose of implementing approved projects, such as the SAP Software Upgrade, VTA Property Acquisition Tracking System, VTA Customer Mailing Information, Trapeze Comprehensive Analysis, Server Replacement, Core Switch Upgrade, and the EDMS Study. Additionally, the Congestion Management Agency (CMA) is using this contract authority for its Intelligent Transportation Systems (ITS) related projects such as Business Signals and Ramp Metering.

OTHER ITEMS

21. Items of Concern and Referral to Administration

There were no Items of Concern and Referral to Administration.

22. **Committee Work Plan**

On order of Chairperson Pro Tempore Gage, there being no objection, the Committee of the Whole reviewed the Committee Work Plan.

23. **Committee Staff Report**

Jim Lawson, Senior Policy Advisor and Staff Liaison provided a brief report, highlighting: 1) Platform Retrofit Project for 13 light rail stations is scheduled to be completed in March 2009; 2) Valley Transportation Plan (VTP) 2035 development process stage and a series of VTP 2035 open houses are scheduled throughout Santa Clara County beginning on Monday, February 25, 2008; and 3) Governance Committee.

Joseph Smith, Chief Financial Officer, commented on the current volatility in the Auction Rate Security Market and the impact it is having on VTA's Measure A Bonds.

24. **Chairperson's Report**

There was no Chairperson's Report.

25. **Determine Consent Agenda for the March 6, 2008 Board Meeting**

CONSENT: None

REGULAR: Agenda Item # 13., Review and accept the Fiscal Year 2008 Quarterly Statement of Revenues and Expenses for the period ending December 31, 2007; **Agenda Item # 14.**, Review and accept the audited Comprehensive Annual Financial Report (CAFR) for the Santa Clara Valley Transportation Authority and the Amalgamated Transit Union (ATU) Pension Plan Report for Fiscal Year 2007; **Agenda Item # 17.**, Adopt a support position for AB 1221 (Ma), which allows local officials to divert property tax increment revenues to pay for new bonds for infrastructure within transit village development districts; **Agenda Item # 18.**, Adopt a support position for AB 387 (Duvall), which expands existing design-build authority for public transit agencies by allowing them to use this method of procurement for technology or surveillance projects designed to enhance transit safety, disaster preparedness or homeland security efforts; **Agenda Item # 19.**, Authorize the General Manager to execute the CALNET II Agreement with AT&T to take advantage of the favorable pricing that the State of California has negotiated for voice and data services (a variety of telephone, internet, and intranet services). Over the length of the five year agreement, along with options for two one-year extensions, it is estimated that the VTA would expend

\$3 million for these services. The cost and services covered in this contract were approved in the fiscal year 2008 and 2009 adopted budgets; and **Agenda Item # 20.**, Authorize the General Manager to increase the contract authority for technology general consulting services by the amount of \$3.2 million for a new total contract authority of \$9.6 million. This additional contract authority is within the Biennial FY08 and FY09 approved budgets for the purpose of implementing approved projects, such as the SAP Software Upgrade, VTA Property Acquisition Tracking System, VTA Customer Mailing

Information, Trapeze Comprehensive Analysis, Server Replacement, Core Switch Upgrade, and the EDMS Study. Additionally, the Congestion Management Agency (CMA) is using this contract authority for its Intelligent Transportation Systems (ITS) related projects such as Business Signals and Ramp Metering.

26. Announcement

There were no Announcements.

27. ADJOURNMENT

On order of Chairperson Pro Tempore Gage, there being no objection, the Committee of the Whole meeting was adjourned at 12:53 p.m.

Respectfully submitted,

Michelle M. Garza, Board Assistant
VTA Board of Directors