

## Administration & Finance Committee

Thursday, November 20, 2008

### MINUTES

#### CALL TO ORDER

The Regular Meeting of the Administration and Finance Committee (A&F) was called to order at 12:01 p.m. by Chairperson Williams in Room B-104, 3331 North First Street, San Jose, California.

#### 1. ROLL CALL

| Attendee Name    | Title                  | Status  | Arrived |
|------------------|------------------------|---------|---------|
| Don Gage         | Board Member           | Present |         |
| Forrest Williams | Board Member           | Present |         |
| Chuck Reed       | Board Member           | Absent  |         |
| David Casas      | Board Member           | Present |         |
| Chris Moylan     | Alternate Board Member | Absent  |         |
| David Cortese    | Alternate Board Member | Absent  |         |
| Pete McHugh      | Alternate Board Member | Absent  |         |

\* Alternates do not serve unless participating as a Member.

**A quorum was present.**

#### 2. PUBLIC PRESENTATIONS

There were no Public Presentations.

#### 3. ORDERS OF THE DAY

Chairperson Williams deferred the following Item to the December 18, 2008 Administration and Finance (A&F) Committee Meeting: **Agenda Item #17**, Authorize the General Manager to execute a cooperative agreement with the Peninsula Corridor Joint Powers Board (JPB) for: 1) up to \$11.6 million of Measure A funds for Santa Clara Station and San Jose Diridon Station improvements; 2) up to \$600,000 of Measure A funds for Caltrain capital planning efforts; and 3) up to \$8.33 million of Measure A funds for Final

Engineering for the Caltrain Electrification Project, conditional on both San Mateo and San Francisco transportation agencies contributing the same amount.

Michael T. Burns, General Manager, recommended staff abbreviate the December Board Agenda by limiting items to the consent calendar. He suggested regular discussion items be placed on the January Board agenda. The purpose is to use as much time for the Board Workshop which was rescheduled due to scheduling conflict.

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

**4. RECESSED TO CLOSED SESSION AT 12:08 P.M.**

Anticipated Litigation--Conference with Legal Counsel

Significant exposure to litigation pursuant to subdivision (b) of Government Code Section 54956.9: (Two cases)

**RECONVENE TO OPEN SESSION AT 12:15 P.M.**

**5. CLOSED SESSION REPORT**

Anticipated Litigation--Conference with Legal Counsel

Significant exposure to litigation pursuant to subdivision (b) of Government Code Section 54956.9: (Two cases)

There was no reportable action taken during Closed Session.

**CONSENT AGENDA**

Vice Chairperson Casas made a comment, regarding Agenda Item #14. Equal Employment Opportunity/Affirmative Action Plan, that from a fairness standpoint, VTA should be looking for passing skill set and diversity as one of the considerations but not one of the primary factors in the promotion of employees.

**6. Regular Meeting Minutes of October 16, 2008**

M/S/C (Gage/Casas) to approve the Regular Meeting Minutes of October 16, 2008.

**7. Monthly Investment Report -September 2008**

M/S/C (Gage/Casas) to review the Monthly Investment Report - September 2008.

**8. Quarterly Purchasing Report**

M/S/C (Gage/Casas) to review the Quarterly Purchasing Report.

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

9. **Fiscal Year 2008 Quarterly Statement of Revenues and Expenses for the Period Ending June 30, 2008**

M/S/C (Gage/Casas) to accept the Fiscal Year 2008 Quarterly Statement of Revenues and Expenses for the period ending June 30, 2008.

10. **Fiscal Year 2009 Quarterly Statement of Revenues and Expenses for the Period Ending September 30, 2008**

M/S/C (Gage/Casas) to accept the Fiscal Year 2009 Quarterly Statement of Revenues and Expenses for the period ending September 30, 2008.

11. **First Quarter FY 2009 Public Liability/Property Damage Claims Activity**

M/S/C (Gage/Casas) to review the First Quarter FY 2009 Public Liability/Property Damage Claims Activity.

12. **First Quarter Report of Workers' Compensation Claims and Transitional Work Program**

M/S/C (Gage/Casas) to review the First Quarter Report of Workers' Compensation Claims and Transitional Work Program.

13. **BPAC Appointment**

M/S/C (Gage/Casas) to approve submitting a recommendation to the Board of Directors to ratify the appointment to the Bicycle and Pedestrian Advisory Committee of Jana (Kolakowski-Tran) Zavala. This appointment is for the 2-year term ending June 30, 2010.

14. **Equal Employment Opportunity/Affirmative Action Plan**

M/S/C (Gage/Casas) to approve submitting a recommendation to the Board of Directors to approve the triennial revision of the Valley Transportation Authority (VTA) Equal Employment Opportunity/Affirmative Action Plan (EEO/AAP) for the period beginning January 1, 2009 through December 31, 2011, in accordance with federal and state civil rights regulatory requirements.

## **REGULAR AGENDA**

15. **2009 VTA Legislative Program**

Kurt Evans, Government Affairs Manager, provided a report on the 2009 VTA Legislative Program. In the past, VTA has a separate federal program and a separate state program. For 2009, staff has combined the two programs into one comprehensive legislative program and added a regional and local section.

The federal section is dominated by the reauthorization of federal surface transportation programs given the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) is scheduled to expire in September 30, 2009. In

general, it is being recommended the Board endorse the California Consensus Principles for SAFETEA-LU reauthorization. These principles were developed through an effort led by Caltrans and VTA participated in the process.

Mr. Evans continued that more specific advocacy principles regarding transportation finance issues and program structure principles have also been developed.

Other policy issues covered in the federal section are: 1) FY 2010 Federal Transportation Appropriations; 2) Climate Change; 3) Public Transit Security; and 4) Miscellaneous issues - dealing with health care.

The State Section of the recommended 2009 Legislative Program is divided into the following policy areas: 1) FY 2010 State Budget; 2) Transportation Finance; 3) Transportation Program Structure; 4) Transportation and the Environment; 5) Transit-Oriented Development; 6) Project Delivery; 7) High-Speed Rail; and 8) Sponsored Bills. The State Section of the 2009 Legislative Program is dominated by the continuing deterioration of the state budget.

Other areas at the state level where VTA will be heavily engaged include:

1. AB 32 and SB 275 implementation.
2. Project delivery – deals with providing appropriate tools to speed up project delivery.
3. Reintroduction of the two bills that VTA sponsored in 2008 – AB 117 and AB 152. These bills were vetoed by the Governor.

Scott Haywood, Policy and Community Relations Manager, provided a brief overview of the Regional and Local section of the 2009 Legislative Program which is divided into the following categories: 1) Regional Transportation Plan (RTP). The RTP is the 25-year vision for the nine county Bay Area Region and is scheduled to be adopted in March 2009; 2) MTC discretionary allocations; 3) Transit for Livable Communities Program; 4) Freeway Performance Initiative; 5) Regional Bicycle Program; 6) Climate Change Program; 7) HOT Lanes; 8) Caltrain Commuter Rail service; 9) Capitol Corridor Inter City Rail Service; 10) Dumbarton Rail Project; and 11) Other Regional Transit services.

Director Gage stated the HOT Lanes program would probably take about five years to implement. He added that VTA is losing money right now by waiting for this elaborate project to come through. He suggested staff start implementing the project and generating revenue by using stickers temporarily.

Vice Chairperson Casas questioned when doing the advocacy for the 2010 measure for protecting the transportation funds, how will the funds be protected as well as the longevity of investment coming out of Sacramento.

Mr. Evans responded a current discussion in Sacramento is what is the future of transportation funding in terms of revenue sources. We need a resolution on the long-term funding on how to make transportation revenue reliable, stable and growing.

Mr. Burns stated there is existing legislation that is aimed at protecting the revenue sources. However, the legislature and the governor have worked to divert those funds that should have come to transit into other general-purpose fund.

Vice Chairperson Casas stressed the importance of being consistent and not to call the project "HOT Lanes" especially since this will be presented to the Board.

**M/S/C (Gage/Casas)** to approve submitting a recommendation to the Board of Directors to approve the 2009 Legislative Program for the Santa Clara Valley Transportation Authority (VTA).

## **16. Real-Time Information (RTI) Project**

Gary Miskell, Chief Information Officer, provided background information on the Real-Time Information (RTI) project. The system extracts global positioning system (GPS) information from buses and light rail vehicles. The system would predict when buses will arrive at the different stops along the route and send that information out to customers from a station sign, internet, email, texting, and phone system. The system would integrate to VTA's existing 137 light rail information signs and additional 80 more signs will be located around the system for the buses. The light rail audio announcement system will also be used and 26 audio systems will be added. The heart of the system is the central control system that integrates to the systems at VTA.

Mr. Burns stated this type of system has been viewed, according to a survey, as the most desirable attribute to using public transportation. It is important for people to manage their time accordingly. This project will also help increase ridership.

Mr. Miskell provided a PowerPoint presentation of the project which included: 1) Real Time Information Project; 2) Technical Diagram Overview; 3) Communications Architecture Overview; 4) At the Stop Signs - how signs look like; 5) Sign Display Functionality; 6) Samples of 2-line Sunrise Sign (24 characters); 7) Samples of 4-line Sunrise Sign (24 characters); 8) Sample of LCD Sign (Data Display - 40" LCD Display); 9) ACT Smart Traveler Plus Web; 10) ACS/ONTIRA Solution IVR; and 11) ACS 511.org Solution.

Mr. Miskell stated MTC has approved the grant award for the RM2 fund of \$2.5million. To obtain that money from MTC, staff will be asking the Board to approve the resolution to be submitted to MTC, along with the board-approved Initial Project Report (IPR). Mr. Miskell noted VTA issued a Request For Proposal (RFP) in May 2008. Seven proposals were received in August 2008. A team of seven individuals conducted a review and analysis of the proposals. Based upon the review, the team determined ACS has the best proposal. The information used was not based on cost alone, but on total qualifications, technical approach, staffing, program management of the project, the care and support system and the on-going cost to maintain the system.

Mr. Miskell noted the \$2.5 million of RM2 funds has not yet been appropriated in the capital budget. This fund is specifically identified for the deployment of the project, which will start in July 2009. Staff is proposing a contract with ACS for an amount not to exceed \$5.1 million. A preliminary analysis was done on what the system cost would

be after it goes live. During the initial phase and during the warranty period, most of the cost would be covered under the warranty. After the warranty period ends, the cost to maintain the system would be approximately \$450,000 per year.

Vice Chairperson Casas asked about the estimated cost of the audio component for the signs. He also asked what is the asset protection of the sign. Mr. Miskell responded that VTA is still negotiating with ACS and asset protection is part of the \$450,000.

Mr. Miskell, in response to Chairperson Williams, clarified the total budget for the project is \$6 million in capital. Part of the capital will pay for the consultant, VTA labor and operations during installation.

Chairperson Williams asked if cameras will be integrated into the system. Mr. Miskell responded that cameras on the buses are being treated as a separate entity. The closed circuit TV camera on the buses or on the light rail system doesn't communicate today with the Advanced Communication System (ACS). He will look at it as a future project, but will not be able to integrate it into this project.

**M/S/C (Casas/Gage)** to approve submitting a recommendation to the Board of Directors to 1) Adopt the Initial Project Report for Regional Measure 2 (RM2) funds for the Real-Time Information Project (attached as Exhibit A); 2) Adopt a resolution authorizing the General Manager to execute and submit an allocation request for the RM2 funds from the Metropolitan Transportation Commission (MTC) for the Real-Time Information Project, (attached as Exhibit B) in the amount of \$2,530,000; and 3) Authorize the General Manager to execute a contract with ACS Inc., (Affiliated Computer Services) to build the Real-Time System in an amount not to exceed a total of \$5,100,000.

Vice Chairperson Casas clarified this item will go back to the January Board for discussion.

**17. (Deferred to the December 18, 2008 Administration & Finance Committee Meeting)**

Authorize the General Manager to execute a cooperative agreement with the Peninsula Corridor Joint Powers Board (JPB) for 1) up to \$11.6 million of Measure A funds for Santa Clara Station and San Jose Diridon Station improvements; 2) up to \$600,000 of Measure A funds for Caltrain capital planning efforts; and 3) up to \$8.33 million of Measure A funds for Final Engineering for the Caltrain Electrification Project, conditional on both San Mateo and San Francisco transportation agencies contributing the same amount.

**18. Employer Pick Up of CalPERS Contributions**

Bill Lopez, Chief Administrative Officer, reported a revenue ruling from the Internal Revenue Service (IRS) requires the governing board adopt a Resolution to ensure contributions to the CALPERS retirement plan continue to be made as tax-deferred member contributions. There is no practical difference to the way VTA administers the CALPERS pension. This is a re-affirmation of what VTA is already doing.

**M/S/C (Gage/Casas)** to approve submitting a recommendation to the Board of Directors to adopt a resolution to allow VTA to continue to make member contributions for VTA employees covered by the California Public Employees' Retirement System (CalPERS) on a tax-deferred basis.

## **OTHER ITEMS**

### **19. Governance Issues Workplan**

Scott Haywood stated this is a follow up item from last month's A&F Committee meeting. The Committee deferred taking action on the four governance proposals as well as doing direct outreach to the city as a way of letting the issue settle. The Committee asked and directed staff to come back this month with a schedule as to how to bring this subject back to the Committee. Mr. Haywood presented the proposed schedule as follows:

January – March: Staff will work with the city groups to determine how they would like to make their selection

April: Staff will come back to the Committee to provide update

April – July: Staff will continue to work with the city groupings until agreement is reached

September: Staff will report back to the Committee on the appointment process that each city grouping has selected

Vice Chairperson Casas stressed the importance for the Governance Subcommittee to be familiar with the process staff will be undertaking.

**On order of Chairperson Williams** and there being no objection, the Committee reviewed the Governance Issues Workplan.

### **20. Items of Concern and Referral to Administration**

There were no Items of Concern and Referral to Administration.

### **21. Review Committee Work Plan**

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

### **22. Committee Staff Report**

There was no Committee Staff Report.

### **23. Chairperson's Report**

Chairperson Williams reported there is a significant ridership in our system we are in partnership with - Altamont Commuter Express (ACE), Peninsula Power Board and Capitol Corridor. There may be some changes in the terms of direction and there may be some adjustment, but all numbers have been exceeded for the past year.

### **24. Determine Consent Agenda for the December 11, 2008 Board Meeting**

**CONSENT: Agenda Item #9**, Review and accept the Fiscal Year 2008 Quarterly Statement of Revenues and Expenses for the period ending June 30, 2008;

**Agenda Item #10**, Review and accept the Fiscal Year 2009 Quarterly Statement of Revenues and Expenses for the period ending September 30, 2008;

**Agenda Item #13**, Ratify the appointment to the Bicycle and Pedestrian Advisory Committee of Jana (Kolakowski-Tran) Zavala. This appointment is for the 2-year term ending June 30, 2010;

**Agenda Item #14**, Approve the triennial revision of the Valley Transportation Authority (VTA) Equal Employment Opportunity/Affirmative Action Plan (EEO/AAP) for the period beginning January 1, 2009 through December 31, 2011 in accordance with federal and state civil rights regulatory requirements;

**Agenda Item #15**, Approve the 2009 Legislative Program for the Santa Clara Valley Transportation Authority (VTA); and

**Agenda Item #18**, Adopt a resolution to allow VTA to continue to make member contributions for VTA employees covered by the California Public Employees' Retirement System (CalPERS) on a tax-deferred basis.

**REGULAR: None**

**25. Announcements**

There were no Announcements.

**26. ADJOURNMENT**

**On order of Chairperson Williams** and there being no objection, the meeting was adjourned at 1:25 p.m.

Respectfully Submitted,

Yolanda Cruz, Assistant Board Secretary  
VTA Board of Directors