

## ADMINISTRATION & FINANCE COMMITTEE

Thursday, December 18, 2008

### MINUTES

#### CALL TO ORDER

The Regular Meeting of the Administration and Finance Committee (A&F) was called to order at 12:10 p.m. by Chairperson Williams in Room B-104, VTA River Oaks Campus, 3331 North First Street, San Jose, California.

#### 1. ROLL CALL

Attendee Name	Title	Status	Arrived
David Casas	Board Member	Absent	
Don Gage	Board Member	Present	
Chuck Reed	Board Member	Present	12:14 PM
Forrest Williams	Board Member	Present	
David Cortese	Alternate Board Member	Absent	
Pete McHugh	Alternate Board Member	Absent	
Chris Moylan	Alternate Board Member	Present	

\* 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 moved the following Items to the end of the Agenda: **Agenda Item #4.**, Closed Session and **Agenda Item #5.**, Closed Session Report.

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

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

**The Agenda was taken out of order.**

**Agenda Item #4.**, Closed Session and **Agenda Item #5.**, Closed Session Report were moved to the end of the Agenda.

**4. RECESS TO CLOSED SESSION**

Anticipated Litigation--Conference with Legal Counsel

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

**5. CLOSED SESSION REPORT**

**CONSENT AGENDA**

**6. Regular Meeting Minutes of November 20, 2008**

M/S/C (Gage/Moylan) to approve the Regular Meeting Minutes of November 20, 2008.

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

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

**8. Citizens Advisory Committee (CAC) Appointment**

M/S/C (Gage/Moylan) to approve submitting a recommendation to the Board of Directors to recommend the Board of Directors ratify the nomination of Peter Skinner to the Citizens Advisory Committee (CAC) representing the Silicon Valley Leadership Group (SVLG).

**REGULAR AGENDA**

**9. 2009 Administration and Finance (A&F) Committee Meeting Schedule**

Board Member Gage noted a schedule conflict with the December 17, 2009 A&F Committee meeting but stated his staff is working to resolve the conflict.

M/S/C (Gage/Moylan) to approve the 2009 Administration and Finance (A&F) Committee Meeting Schedule.

Board Member Reed arrived at the meeting at 12:14 p.m.

**10. Extra-Help RFP Contract Approval**

Bill Lopez, Chief Administration Officer, stated staff recommended the General Manager be authorized to execute contracts with seven temporary employment agencies for three-years with two additional one-year options to extend the contract for extra help staffing.

Mr. Lopez reported VTA occasionally requires temporary staffing services ranging from clerical to accounting. He noted individual negotiated contracts are not the most cost effective method and time consuming; therefore, a Request for Proposal (RFP) was issued on September 18, 2008 for the use of temporary agency firms.

VTA received bid proposals from eight temporary agency firms but seven were determined to have the ability to meet the needs of VTA. Mr. Lopez stated conducting business through the use of the RFP process is the most efficient, competitive, and fair method of awarding contracts to VTA vendors.

**M/S/C (Gage/Moylan)** on a vote of 3 Ayes, 0 Noes, and 1 Abstention to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute contracts with seven (7) temporary employment agencies for three years, with two one-year options to extend, in an amount not to exceed \$300,000 per year. The agencies are: AppleOne Employment Services; CoreTechs, Inc.; CornerStone Staffing Solutions, Inc.; Global Infotech Corporation; Josephine's Personnel Services, Inc.; Robert Half International, Inc.; and Venturi Staffing Partners, Inc. Board Member Reed abstained.

**11. Extension of DBE/SBE Certification Contract with Hayden J. Lee Consultants, Inc.**

Thomas Smith, Contracts and Materials Manager, reported staff recommended the extension of the contract with Hayden J. Lee Consultants, Inc. (HJL Consultants) to perform Small Business Enterprise (SBE) and Disadvantage Business Enterprise (DBE) certification services, contract monitoring, progress reports and compliance services on VTA contracts for an additional year in an amount not to exceed \$191,040.

Mr. Smith stated HJL Consultants services are of high quality and pricing is determined to be fair and reasonable. VTA intends to perform a formal solicitation and issue a Request for Proposal (RFP) for the DBE and SBE services at the end of the HJL Consultants contract extension.

**M/S/C (Gage/Moylan)** on a vote of 3 Ayes, 0 Noes, and 1 Abstention to approve submitting a recommendation to the Board of Directors to authorize the General Manager to extend the contract with Hayden J. Lee Consultants, Inc. (HJL Consultants) to perform Small Business Enterprise (SBE) and Disadvantaged Business Enterprise (DBE) certification services, contract monitoring, progress reports and compliance services associated with DBE/SBE participation on VTA contracts for an additional 12 months in an amount not to exceed \$191,040, for a new total contract total of \$940,040. Board Member Reed abstained.

**12. VTA Contribution to Caltrain Capital Projects and Approval of a Cooperative Agreement with the Peninsula Corridor Joint Powers Board**

Kevin Connolly, Transportation Planning Manager, reported staff recommended the General Manager be authorized to execute a cooperative agreement with the Peninsula Corridor Joint Powers Board (JPB) for contributions of up to \$11.6 million of Measure A funds for Santa Clara Station and San Jose Diridon Station improvements; and to \$600,000 of Measure A funds for Caltrain capital planning efforts for High Speed Rail (HSR) and Electrification implementation.

Mr. Connolly stated the total project budget for the Santa Clara Station upgrade is approximately \$26 million. Caltrain is currently completing the design of a center boarding platform and pedestrian tunnel at the Santa Clara Caltrain Station to link the new platform and the existing station platform. The project design will eliminate the “hold out” rule, where only one train can enter the station at a time, which will allow the Altamont Commuter Express (ACE) and Capitol Corridor trains to use the Santa Clara Station while improving pedestrian safety by grade separating the track crossing. VTA will contribute \$10 million from the 2000 Measure A funding to complete the funding plan project cost and ACE will contribute \$12.9 million and other funding from State sources.

Mr. Connolly stated the total project budget for the San Jose Diridon Station is approximately \$52 million, which increases the current station capacity from three to five platforms. The additional platform space will provide train operations more flexibility and facilitate future plans for expansion of Caltrain, ACE, and Capitol Corridor services. VTA will contribute \$1.6 million and Capitol Corridor will contribute \$20.6 million for the Diridon Station. He stated VTA is working collaboratively with the JPB on the HSR and Electrification project and staff is looking for ways to expedite and make the project more cost effective. The JPB has estimated a savings of \$6 million if both Santa Clara Station and San Jose Diridon Station improvements are consolidated into a single construction effort.

Alternate Board Member Moylan queried about the partnership members contribution share of the project. Mr. Connolly responded the partnership member within their specific county takes the initiative to fund the projects specific to their region. The Caltrain funding partnership members are expected to contribute one-third of the local share on system wide improvements benefiting the entire Caltrain operation.

Michael T. Burns, General Manager, stated the San Jose Diridon Station has system wide elements, which the other partnership members will provide their contributions consistent with the agreement.

**M/S/C (Gage/Reed)** to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute a cooperative agreement with the Peninsula Corridor Joint Powers Board (JPB) for contributions of; 1) up to \$11.6 million of Measure A funds for Santa Clara Station and San Jose Diridon Station improvements; and 2) up to \$600,000 of Measure A funds for Caltrain capital planning efforts.

**13. State Local Partnership Program Contribution to BART to Warm Springs Extension Project**

Carolyn Gonot, Chief Silicon Valley Rapid Transit (SVRT) Program Officer, directed attention to the presentation entitled, “BART to Warm Springs Extension”, highlighting: the BART Warm Springs Extension (WSX) and the BART WSX Funding Plan.

Ms. Gonot reported the BART Warm Springs Extension (WSX) project is a 5.4 mile project, which extends from the Fremont BAT Station to southern Fremont. The WSX would run under Lake Elizabeth in Fremont Central Park and along the Union Pacific Railroad (UPRR) Corridor to the Warm Springs Station. The project is expected to be open for revenue service in 2014 with an estimated project cost of \$890 million.

Ms. Gonot noted the BART WSX funding plan consists of several funding sources, such as the Alameda County 2000 Measure B, State Traffic Congestion Relief Program (TCRP), Regional Measure 1 and 2 Bridge Tolls, State Transportation Improvement Program (STIP), Alameda County Congestion Management Agency (CMA), Proposition 1B, Proposition 1B State Local Partnership Program, BART Agency Contribution, and San Francisco Airport Extension Surplus Revenue.

The funding plan also includes a contribution of State Local Partnership Program (SLPP) funds and its match from the Metropolitan Transportation Commission (MTC), Alameda County Transportation Improvement Authority (ACTIA), and Valley Transportation Authority (VTA). VTA's contribution of \$16 million in SLPP funding would be used toward the Warm Springs project elements, which would have a shared benefit with the SVRT project.

Board Member Gage stressed the importance for staff to keep the Board Members apprised of any changes in State funds that would negatively impact VTA projects.

**M/S/C (Reed/Gage)** to approve submitting a recommendation to the Board of Directors to approve the contribution of State Local Partnership Program of \$8 million and its funding match from 2000 Measure A Program of \$8 million for the BART Warm Springs Extension project.

#### **14. Silicon Valley Rapid Transit New Starts Candidate Project Funding Plan**

Carolyn Gonot, Chief Silicon Valley Rapid Transit (SVRT) Program Officer, stated staff recommends VTA's Board of Directors reaffirm the commitment to the Silicon Valley Rapid Transit (SVRT) Corridor Project and approve a funding plan for the federal New Starts Candidate Project. VTA is required to approve a full funding plan to build and operate a BART Extension in Santa Clara County; therefore, staff has developed a funding plan for the federal New Starts Candidate Project. The proposed funding plan will be included in the federal Draft Environmental Impact Statement (EIS) planned for public comment in the January and February 2009 timeframe. The new Starts Candidate Project and related financial analysis will be submitted for the Federal Transit Administrations (FTA) annual report early next year.

VTA's proposed funding plan includes the three key capital funding sources: 1) local 2000 Measure A sales tax; 2) State Traffic Congestion Relief Program (TCRP) funds, and 3) federal Section 5309 New Starts funds. The 2008 Measure B revenues would fund the operating and maintenance costs of the extension.

**M/S/C (Reed/Gage)** to approve submitting a recommendation to the Board of Directors to reaffirm the Board's commitment to the Silicon Valley Rapid Transit Corridor project (BART to Milpitas, San Jose, and Santa Clara); and approve a funding plan (Exhibits C and D) for the federal New Starts Candidate project as an assurance for the BART Warm Springs Extension project.

## **OTHER ITEMS**

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

There were no Items of Concern and Referral to Administration.

### **16. Committee Work Plan**

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

### **17. Committee Staff Report**

Joe Smith, Chief Financial Officer, provided an update on VTA's sales tax receipts for the 1<sup>st</sup> quarter of FY 2009, which was 3.9 percent less than compared to the same period last year. Mr. Smith reported VTA's FY 2010 and FY 2011 Biennial Budget was presented to VTA's Advisory Committees at their December meetings.

Michael T. Burns, General Manager, reported VTA will distribute a season's greeting card to VTA's Advisory Committee members in appreciation for their participation and commitment to transit improvements as part of VTA's Advisory Committee Enhancement Process.

Alternate Board Member Moylan stressed the importance for VTA to implement a separate account for reserves. Board Member Gage stated the Santa Clara County Board of Supervisors established an account for economic uncertainties.

Kurt Evans, Government Affairs Manager, provided a brief overview on the State Budget regarding the transportation details of the Democratic Budget Plan, which calls for a major restructuring of the following state transportation funding:

- 1) Eliminates the state excise taxes on gasoline and diesel fuel;
- 2) Eliminates the sales tax on gasoline, which is the funding source for Proposition 42 and one of the funding sources for the Public Transportation Account;
- 3) Replaces those two revenue sources with a new "fee" on gasoline at 39 cents per gallon. This fee would generate more money for transportation than the sales tax on gasoline, and the excise taxes on gasoline and diesel fuel combined;
- 4) The new fee on gasoline would be tied to the California Consumer Price Index, and would be automatically adjusted every three years. The revenues from the new gas fee would be allocated annually as follows: 33 percent for local streets/roads, 45 percent to the State Highway Account for the State Transportation Improvement Program (STIP) and the State Highway Operation and Protection Program (SHOPP), and 22 percent to a new "Transportation Stabilization Fund," the uses of which would be subject to future legislative appropriations;
- 5) Continues the sales tax on diesel fuel, which generates approximately \$400 million per year, which would become the sole funding source for the Public Transportation Account, and
- 6) With the elimination of the sales tax on gasoline, there would be no more "spillover" calculation.

Mr. Evans stated gas fee revenues could not be diverted or loaned to the General Fund because existing state law requires that those paying the fee would benefit from the use of the revenues. The Democratic Budget Plan may be approved since it is an attempt to address complex issues.

Chairperson Williams requested staff forward updates on the State Budget to the Board Members as information becomes available.

**18. Chairperson's Report**

Chairperson Williams expressed his appreciation and honor to serve on VTA's Board of Directors and Administration and Finance (A&F) Committee. He expressed his appreciation to VTA and staff for their diligent work to deliver projects on time and under budget, which made it possible to fund other projects. Chairperson Williams expressed his appreciation to have been part of the 2000 Measure A Transportation Improvement Program projects.

Board Member Gage expressed his appreciation and thanked Chairperson Williams for his dedicated work and service.

Mr. Burns recognized and thanked Chairperson Williams for his service to VTA and wished him the best in his future endeavors.

**19. Determine Consent Agenda for the January 8, 2009 Board Meeting**

**CONSENT: Agenda Item #8.** Recommend that the Board of Directors ratify the nomination of Peter Skinner to the Citizens Advisory Committee representing the Silicon Valley Leadership Group;

**Agenda Item #10.** Authorize the General Manager to execute contracts with seven (7) temporary employment agencies for three years, with two one-year options to extend, in an amount not to exceed \$300,000 per year. The agencies are: AppleOne Employment Services; CoreTechs, Inc.; CornerStone Staffing Solutions, Inc.; Global Infotech Corporation; Josephine's Personnel Services, Inc.; Robert Half International, Inc.; and Venturi Staffing Partners, Inc.;

**Agenda Item #11.** Authorize the General Manager to extend the contract with Hayden J. Lee Consultants, Inc. (HJL Consultants) to perform Small Business Enterprise (SBE) and Disadvantaged Business Enterprise (DBE) certification services, contract monitoring, progress reports and compliance services associated with DBE/SBE participation on VTA contracts for an additional 12 months in an amount not to exceed \$191,040, for a new total contract total of \$940,040;

**Agenda Item #12.** Authorize the General Manager to execute a cooperative agreement with the Peninsula Corridor Joint Powers Board (JPB) for contributions of; 1) up to \$11.6 million of Measure A funds for Santa Clara Station and San Jose Diridon Station improvements; and 2) up to \$600,000 of Measure A funds for Caltrain capital planning efforts;

**Agenda Item #13.** Approve the contribution of State Local Partnership Program of \$8 million and its funding match from 2000 Measure A Program of \$8 million for the BART Warm Springs Extension project; and

**Agenda Item #14.** Reaffirm the Board's commitment to the Silicon Valley Rapid Transit Corridor project (BART to Milpitas, San Jose, and Santa Clara); and approve a funding plan (Exhibits C and D) for the federal New Starts Candidate project as an assurance for

the BART Warm Springs Extension project.

**REGULAR: None**

**20. Announcements**

There were no Announcements.

**4. RECESSED TO CLOSED SESSION at 1:05 p.m.**

Anticipated Litigation--Conference with Legal Counsel

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

**RECONVENED TO OPEN SESSION at 1:24 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: (Three cases)

There was no reportable action taken during Closed Session.

**21. ADJOURNMENT**

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

Respectfully submitted,

Michelle M. Garza, Board Assistant  
VTA Board of Directors