

ADMINISTRATION & FINANCE COMMITTEE

Thursday, September 17, 2009

MINUTES

CALL TO ORDER

The Regular Meeting of the Administration and Finance Committee (A&F) was called to order at 12:07 p.m. by Chairperson Kniss in Room B-104, VTA River Oaks Campus, 3331 North First Street, San Jose, California.

1. ROLL CALL

| Attendee Name | Title | Status |
|------------------|------------------------|---------|
| David Casas | Board Member | Absent |
| Don Gage | Vice Chairperson | Present |
| Liz Kniss | Chairperson | Present |
| Chuck Reed | Board Member | Present |
| Nora Campos | Alternate Board Member | N/A |
| Chris Moylan | Alternate Board Member | Present |
| George Shirakawa | Alternate Board Member | N/A |

* 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 Kniss requested to move the following Item from the Regular Agenda to the Consent Agenda: **Agenda Item #14**. Adopt a resolution amending the bylaws of the Citizens Advisory Committee to incorporate the additional duties specified by the 2008 Measure D ballot and amending the VTA Administrative Code to be consistent therewith.

Chairperson Kniss requested to move the following Item to the beginning of the Regular Agenda: **Agenda Item #12**. Review and accept the Fiscal Year 2009 Quarterly Statement of Revenues and Expenses for the period ending June 30, 2009.

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

The Agenda was taken out of order.

CONSENT AGENDA

4. **Regular Meeting Minutes of August 20, 2009**

M/S/C (Gage/Reed) to approve the Regular Meeting Minutes of August 20, 2009.

5. **Monthly Investment Report – July 2009**

M/S/C (Gage/Reed) to review the Report on Santa Clara Valley Transportation Authority Investments for the month of July 2009.

6. **Monthly Legislative History Matrix**

M/S/C (Gage/Reed) to review the Monthly Legislative History Matrix.

7. **2009 Quarterly Attendance Report**

M/S/C (Gage/Reed) to review the 2009 Quarterly Attendance Report.

8. **Report on Annual Operations Insurance Purchase Results**

M/S/C (Gage/Reed) to review the Report on the Annual Operations Insurance Purchase Results.

9. **Adoption of ICMA Retirement Corporation's Model Plan Document for the 457 (b) Governmental Deferred Compensation Plan and Trust**

M/S/C (Gage/Reed) to approve submitting a recommendation to the Board of Directors to 1) Adopt a resolution adopting ICMA Retirement Corporation's (ICMA-RC) Model Plan Document for the 457(b) Governmental Deferred Compensation Plan and Trust, to replace the current customized VTA Plan Document; 2) Authorize VTA staff to make changes to non-optional provisions whenever ICMA-RC amends its Model Plan Document to ensure compliance with Internal Revenue Service (IRS) laws and regulations; and further, 3) Authorize VTA's Deferred Compensation Committee to make determinations regarding the acceptance or rejection of optional provisions that may become available in the future and to instruct staff to make such changes.

10. **Renewal of Employee Health Benefit Contracts**

M/S/C (Gage/Reed) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to renew benefit contracts with Kaiser, PacifiCare, Valley Health Plan, Delta Dental, Pacific Union Dental, Vision Service Plan, and Custom Benefits Administrators for VTA employees and retirees for calendar year 2010 and approve the selection of CIGNA as the new provider for life and long-term disability benefits.

14. **Citizens Watchdog Committee 2008 Measure D Duties**

M/S/C (Reed/Gage) to approve submitting a recommendation to the Board of Directors to adopt a resolution amending the bylaws of the Citizens Advisory Committee to incorporate the additional duties specified by the 2008 Measure D ballot and amending the VTA Administrative Code to be consistent therewith.

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

REGULAR AGENDA

12. Quarterly Revenue and Expense Statement for Period Ending June 30, 2009

Michael T. Burns, General Manager, stated VTA's Biennial Budget for FY 2010 and 2011 was approved by the Board at its June 4, 2009 meeting and was based largely on the timeframe period assumptions.

Mr. Burns noted the assumptions were based on the third quarter sales tax revenues, which were estimated to be down 8 percent year to year in the third quarter and an additional 5 percent in the fourth quarter. VTA received the actual third quarter receipts, which were down 21 percent and the fourth quarter receipts were down 27 percent. The decline creates a larger deficit for FY 2009 and creates a new over and above deficit for FY 2010 and 2011. VTA has a healthy operating reserve fund as compared to other transit agencies; however, VTA's operating reserves will be absorbed this fiscal year.

Mr. Burns stated staff will work to create a framework to develop strategy options to deal with VTA's deficits, noting VTA's financial challenges cannot be addressed solely through service reductions or employee layoffs.

Carol Lawson, Fiscal Resources Manager, stated the overall actual total revenues were below budget estimates by \$48 million, primarily related to unfavorable variances in Sales Tax Revenues including the ½ Cent Sales Tax, Transportation Development Account (TDA), Measure A Sales Tax Operating Assistance, State Transit Assistance (STA), and Investment Earnings.

Ms. Lawson noted the Sales Tax Revenues, the ½ Cent Sales Tax, and Measure A Sales Tax Operating Assistance accounted for a collective shortfall of \$62 million below budget. VTA's overall total expenses were \$28.6 million below budget driven primarily by favorable variances in Labor Costs, noting the favorable variance of \$18.3 million related to a soft hiring freeze and open vacant positions.

Ms. Lawson reported VTA's adopted budget forecasts an \$8.1 million surplus, while the actual results reflect \$11.3 million deficit for a total negative variance of \$19.4 million.

Alternate Board Member Moylan noted the importance to identify early indicators to incorporate into future budget assumptions. Mr. Burns responded VTA subscribes to various forecasters that provide estimates to VTA to utilize in order to make significant budget adjustments.

Joe Smith, Chief Financial Officer, stated the economical constraints and challenges are impacting everyone everywhere not just in Silicon Valley.

Vice Chairperson Gage stressed the importance to identify cost effective measures within the organization and transit system; however, noted the importance to ensure VTA is providing as much transit service as possible to the community.

Vice Chairperson Gage stressed the importance for staff to develop strategies and options to address the concerns and present the information to the Board of Directors at a future workshop meeting for discussion and consideration.

Mr. Burns stated staff will provide a report at the October 15, 2009 Standing Committee meetings regarding strategies and options for discussion. Mr. Burns reported the Congestion Management Program and Planning (CMPP) Committee requested VTA

conduct several public meetings to solicit comments from the community. Mr. Burns noted the goal is to have a recommendation forwarded for discussion and consideration at the December 10, 2009 Board of Directors Regular meeting.

Vice Chairperson Gage stressed the importance for staff to list the pros and cons associated with each option to ensure all information is presented.

Vice Chairperson Gage suggested Mr. Burns meet with Caltrain to identify what they are doing to address similar concerns to ensure VTA's transit challenges are considered at a regional level.

M/S/C (Gage/Reed) to approve submitting a recommendation to the Board of Directors to review and accept the Fiscal Year 2009 Quarterly Statement of Revenues and Expenses for the period ending June 30, 2009.

11. January 2010 Service Changes

Tom Fitzwater, Environmental Planning Manager, reported VTA prepared an Initial Study (IS), which examined the potential environmental impacts of a proposal to reduce bus and light rail service in Santa Clara County. The Initial Study was circulated to the public from August 10, 2009 to August 31, 2009 and a public hearing was held on Tuesday, August 18, 2009 at the County Government Center.

VTA's proposal to reduce transit service in order to address budgetary shortfalls would reduce bus service up to 8.6 percent and light rail service up to 6.6 percent. The primary service changes involve decreasing late night and weekend service on selected routes.

Mr. Fitzwater noted the reduction in transit service would create a 2.4 percent reduction in ridership since the riders would shift to another mode of transportation.

VTA determined from the Initial Study that the Proposed Transit Service Reduction Project would have no significant adverse effect on air quality, energy, climate change, recreation, and transportation or traffic.

Jim Unites, Operations Deputy Director, provided a brief overview on the presentation entitled, "Transit Service Reduction Plan," highlighting: 1) Environmental Review Process, 2) Public Comments on Initial Study (IS)/Negative Declaration (ND), 3) Schedule, 4) Public Outreach, 5) Public Comment Process, 6) Bus Service Changes, 7) Light Rail Service Changes, 8) Impacts, 9) Changes made to Final Proposed Plan, 10) Route Line 34: Mountain View Community Bus, 11) Route Line 76: Santa Cruz Mountains to Los Gatos High School, 12) Route Line 13: Almaden Community Bus, 13) Route Line 39: Eastridge to Villages Community Bus, 14) Route Line 45: Alum Rock to Penitencia Creek Community Bus, 15) Route Line 101: Camden/Highway 85 to Palo Alto Express, and 16) River Oaks Shuttle.

Mr. Unites stated VTA conducted seven public meetings in August 2009 and the information was presented to VTA's Advisory Committees, Standing Committees, and will be forwarded for consideration to the October 1, 2009 Board of Directors Regular Meeting. Implementation of the Transit Service Reduction Plan is scheduled for January 11, 2010, noting the plan will include major outreach efforts.

Mr. Unites reported 225 individuals attended the seven public meetings, noting VTA Customer Service Department received 175 comments through email, telephone, and letters.

VTA's proposed bus service changes include 8 percent decrease in service hours and discontinue of six routes, noting 60 percent of the changes are from the frequency decreases. VTA's proposed light rail service changes include 6.5 percent decrease in car hours, discontinue Mountain View service after 10:30 p.m., and reduction in train consist sizes implemented on July 13, 2009. The proposed 8 percent reduction in transit service is estimated to save approximately \$6.4 million annually in operating costs, noting the proposal will not have a disparate impact on minority or low income populations.

Vice Chairperson Gage noted the importance for VTA to look for opportunities to generate revenues by utilizing its transportation modes for special events. Michael T. Burns, General Manager, responded VTA participates in many special event partnerships by supplying the advertising space on its transit system vehicles at no charge, noting the event partner includes VTA's logo on all the promotional advertising literature. Mr. Burns stated VTA charges where there is a request or proposal to add service for a special event.

M/S/C (Gage/Moylan) to approve submitting a recommendation to the Board of Directors to recommend that the VTA Board of Directors: 1) Certify that the Initial Study for the January 2010 Transit Service Reduction Plan (Project): a. Meets the requirements of the California Environmental Quality Act (CEQA); b. Represents the independent judgment of VTA as the Lead Agency; and c. Was presented to the VTA Board for review and consideration; 2) Adopt a Negative Declaration based on the consideration of the Initial Study, comments received and responses to those comments; and further, 3) Approve the Transit Service Reduction Plan, which will take effect on January 11, 2010 .

13. Bill Position: H.R. 2746 (Carnahan)

Kurt Evans, Government Affairs Manager, reported H.R. 2746 (Carnahan) allows all public transit agencies to use a portion of their federal Section 5307 Urbanized Area (UZA) formula funds for operating purposes.

Under current federal law, Section 5307 funds are allocated to public transit agencies in urbanized areas according to a complex formula. The Section 5307 funds can be used for any transit capital purpose; however, the use of the funds for operating expenses varies, depending on the population of a particular urbanized area.

Under the provisions of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), Section 5307 formula funds can be used for preventive maintenance in all urbanized areas, as well as for paratransit service required by the Americans with Disabilities Act (ADA), provided that the amount of funds dedicated for paratransit does not exceed 10 percent and provided that the public transit agency is in full compliance with ADA.

VTA receives approximately \$35 million to \$45 million per year in Section 5307 formula funds depending on federal appropriations levels. VTA has used these funds for preventive maintenance and for capital projects such as, purchasing new buses, upgrading transit communications system, improvements to bus maintenance facilities, and constructing transit centers and park and ride lots.

H.R. 2746 includes three main provisions that are intended to provide more flexibility for all public transit agencies, regardless of size, to use a portion of their Section 5307 formula funds for operating assistance. H.R. 2746 would allow public transit agencies to

preserve critical bus and rail service for its communities during difficult economic times, when other operating revenue sources may be experiencing sharp declines.

M/S/C (Reed/Moylan) to approve submitting a recommendation to the Board of Directors to recommend the VTA Board of Directors adopt a support position for H.R. 2746 (Carnahan), which allows all public transit agencies to use a portion of their federal Section 5307 Urbanized Area (UZA) formula funds for operating purposes.

15. Valley Transportation Authority (VTA) – Amalgamated Transit Union (ATU) Pension Plan Actuarial Valuation as of January 1, 2009

Ali Hudda, Deputy Director of Accounting, reported the EFI Actuaries prepared the actuarial valuation report of the VTA – ATU Pension Plan (Plan) as of January 1, 2009 in accordance with state law applicable to all public pension plans and required by the Plan.

Mr. Hudda stated the actuarial valuation is performed annually to determine the financial condition and contribution requirements of the Plan, to project and analyze trends in plan cost, and to present those items required for disclosure under Statement No. 25 of the Governmental Accounting Standards Board (GASB).

EFI Actuaries have recommended the following changes be implemented: the Plan contribution rate be increased from 14.85 percent of covered payroll to 18.25 percent resulting in increased labor costs in the amount of \$3.7 million for FY 2010; and the actuarial method relative to the asset smoothing corridor be changed to a symmetrical corridor of 80 percent to 120 percent of market value to be consistent with industry standards.

Mr. Hudda stated the recommended changes have been implemented and are reflected in the results. The Plan had Actuarial Assets of \$325.2 million and Actuarial Accrued Liability of \$442.8 million, which resulted in an increase in Unfunded Actuarial Accrued Liability (UAAL) to \$117.6 million from \$79.2 million in the previous year and a funded ratio of 73 percent. The Unfunded Actuarial Accrued Liability is amortized over a period of 20 years.

Graham Schmidt, EFI Actuaries Representative, provided a brief overview on the presentation entitled, “VTA – ATU Pension Plan Actuarial Valuation,” highlighting: 1) Plan Costs, 2) Funding Progress, 3) Peer Group Comparison, and 4) Current Actuarial Issues.

Mr. Schmidt noted there were large investment losses during 2008, which is a major driver of cost changes. The Actuarial Valuation includes revisions to asset smoothing with the intent to lower cost as of January 1, 2009 by deferring some of the 2008 losses to future years.

Mr. Schmidt stated there were no changes in assumptions recommended from the assumptions used last year, noting the current assumptions did a good job of predicting demographic experience during 2008.

Mr. Schmidt commented on the funding ratio target, which was based on past service only, noting the current ratio is approximately 73 percent as compared to 81 percent last year. Mr. Schmidt stated without enormous asset gains in 2009, the ratio will decline in future years as 2008 losses continue to be recognized.

Mr. Schmidt commented on how VTA's Plan compares with other California transit districts in terms of return, inflation assumptions, mortality assumptions, funding ratios, and contribution rates. Mr. Schmidt stated VTA's Plan cost is 18.25 percent with a funding ratio of 73.5 percent.

On order of Chairperson Kniss and there being no objection, the Committee reviewed the VTA-ATU Pension Plan Actuarial Valuation as of January 1, 2009.

Board Member Reed left the meeting at 1:10 p.m.

16. Update from Advisory Committee Enhancement Process

Michael T. Burns, General Manager, reported the Advisory Committee Enhancement (ACE) Process developed as a result of the Hay Group and State Audit recommendation to better utilize VTA's Advisory Committees and allow the committees the opportunity to contribute to VTA's Board of Directors as part of the decision making process. The Hay Group made the recommendation to consolidate the Policy Advisory Committee (PAC) and Technical Advisory Committee (TAC) to ensure effectiveness since many of VTA's Advisory Committees utilize a lot of staff time.

Mr. Burns reported staff has included the advisory and standing committee comments into the memorandums submitted to the Board of Directors, which has made the process more effective. The ACE Task Force was unable to come to a coordinated recommendation; therefore, the item is being presented to the Administration and Finance (A&F) Committee for further direction from the Board of Directors.

Jenny Loft, Public Information Officer; and Stephen Flynn, Senior Management Analyst, provided a brief overview on the ACE Task Force Process. Ms. Loft reported VTA's Advisory Committee members served on subcommittees then formed the ACE Task Force with the intent to discuss broad objectives, such as enhancing the advisory committee process, ensuring the efficient use of resources, enhancing communications, building consensus, and making informed decisions. Each of VTA's Advisory Committees developed their mission statement and reviewed their specific roles, responsibilities, and bylaws. Ms. Loft commented on the final June and July ACE Task Force meetings where discussions were focused on VTA's Advisory Committees structure system, modifying the frequency of the meetings, modifying the existing structures, creating subcommittees reporting to a primary committee, appointing an ex-officio representative to share the information at each committee, and conducting joint meetings on items of mutual concern. The ACE Task Force engaged in robust discussions but did not come to a consensus on most of the items.

Vice Chairperson Gage expressed his appreciation and thanked everyone for their diligent work on the ACE Process, noting the improvement in communications between VTA's Advisory Committees and Board of Directors.

Vice Chairperson Gage expressed concern the ACE Task Force was unable to reach a consensus on several of the recommendations and directed staff to review the information to develop several options to make the ACE Task Force more efficient and effective as possible.

Vice Chairperson Gage stressed the importance for staff to develop options to address the issues then forward the information to the Board of Directors for consideration.

Alternate Board Member Moylan stated everything in the memorandum was correct but noted the ACE Task Force did in fact come to a consensus to modify the existing committee structure.

Alternate Board Member Moylan stated Aaron Morrow, Committee for Transit Accessibility (CTA) Chairperson, suggested VTA's Advisory Committee Chairpersons meet with the Board Chairperson once to review the Consolidated Board and Committee Work Plan to identify what items pertain to the committee's mission statement and responsibilities, which will reflect what committees should be merged together or have a member representation on the other Advisory Committees.

Alternate Board Member Moylan stated CTA Chairperson Morrow's suggestion was endorsed by everyone on the ACE Task Force as the solution to fix the reorganization issue.

Alternate Board Member Moylan stated the ACE Task Force did not endorse the merging of the Policy Advisory Committee (PAC) with the Technical Advisory Committee (TAC) since they serve completely different separate functions.

Alternate Board Member Moylan stated the PAC and the Citizens Advisory Committee (CAC) overlap one another; therefore, noting the Board might consider combining or merging the two committees together.

Alternate Board Member Moylan stated the ACE Task Force recommended letting the Consolidated Board and Committee Work Plan define the Advisory Committees reorganization.

Alternate Board Member Moylan noted the importance to allow VTA's Advisory Committee Chairperson's and the Board Chairperson to meet and conduct the exercise with the Consolidated Board and Committee Work Plan then forward the results to the Administration and Finance (A&F) Committee.

Vice Chairperson Gage directed staff to work with VTA's Advisory Committees to develop some options before the ACE Process update is presented to the Board.

Alternate Board Member Moylan stated the ACE Task Force's understanding was that the Consolidated Board and Committee Work Plan exercise would be conducted and the results would be forwarded to the A&F Committee.

Ms. Loft stated her understanding was VTA's Advisory Committee Chairpersons would meet periodically to review the Consolidated Board and Committee Work Plan to eliminate duplications and ensure items are received in a timely manner.

Ms. Loft noted the exercise would allow VTA's Advisory Committee Chairpersons to review and select the items that pertain to their specific roles and responsibilities. The intent of the Consolidated Board and Committee Work Plan exercise was not to determine the restructure or reorganization of VTA's Advisory Committees.

Stephen Flynn, Senior Management Analyst, reported the purpose of the Consolidated Board and Committee Work Plan exercise was for VTA's Advisory Committees to review the items in advance and determine if the items were relevant to the committee's jurisdiction.

Charlotte Powers, Citizens Advisory Committee (CAC) and 2000 Measure A Watchdog Committee (CWC) Member and Advisory Committee Enhancement (ACE) Task Force Member, stated part of the ACE Task Force mission was for VTA's Advisory Committees to work together to become familiar with the other committees responsibilities to ensure the committees were more effective and efficient.

Ms. Powers respectfully disagreed with Alternate Board Member Moylan's statement regarding the ACE Task Force members consensus to utilize the Consolidated Board and Committee Work Plan exercise to determine the restructure of VTA's Advisory Committees.

Ms. Powers stated the intent of the exercise was to determine ways to eliminate duplication and enhance communications and cooperation between VTA's Advisory Committees as well as to reduce the workload.

Ms. Powers noted each of VTA's Advisory Committee has a different mission statement, role, and responsibility, which were established to address specific items and tasks that are relevant to the committee's jurisdiction.

Ms. Powers commented the goal of the ACE Task Force was improve communications with one another, to be more effective and efficient, and work collaboratively as a group with the Consolidated Board and Committee Work Plan to create a process to eliminate duplications and ensure early involvement in the development process.

Noel Tebo, Citizens Advisory Committee (CAC) and 2000 Measure A Watchdog Committee (CWC) Chairperson, reported the CAC had two representatives serving on the ACE Task Force, noting the CAC never heard the other view about using the exercise to restructure or merge VTA's Advisory Committees.

Vice Chairperson Gage directed staff to take the item back and begin working to develop options to address the issues.

Mr. Burns responded that staff will go back to the ACE Task Force to work through the issue; however, if the task force is unable to come to a consensus on the recommendation then staff will develop recommendations to present to the A&F Committee then forward the information for consideration to the Board of Directors.

On order of Chairperson Kniss and there being no objection, the Committee received an update and provided direction regarding efforts to enhance the Advisory Committee process.

OTHER ITEMS

17. Items of Concern and Referral to Administration

There were no Items of Concern and Referral to Administration.

18. Committee Work Plan

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

19. Committee Staff Report

Joe Smith, Chief Financial Officer, reported due to the downgrade of Ambac Assurance Corporation (Ambac), swap insurer on VTA's interest rate swaps, VTA is now subject to collateral posting requirements on all interest rate swaps, pursuant to a defined schedule contained in each swap agreement. The schedule identifies a threshold level given various VTA long term debt ratings and market values of swaps. Swap counterparties are required to notify VTA of any requirement to post collateral.

Mr. Smith reported because interest rates have declined since the execution of the swap, the interest rate swap for the 2008 Measure A Swap with Citibank has a negative fair market value of \$16.6 million as of August 31, 2009. On September 1, 2009, VTA received a notice to post collateral for the 2008 Measure A Swap with Citibank. The amount of collateral required to be posted is the amount in excess of the threshold \$15 million; therefore, the net collateral requirement for VTA was \$1.6 million.

On September 2, 2009, VTA transferred a US Treasury Security with a face value of \$2 million from Union Bank to Citibank in order to comply with the collateral posting requirements. The amount of collateral required will be adjusted on the first of each month based on the current market value of the swap. If the market value falls below the \$15 million threshold, any posted collateral will be returned to VTA.

Mr. Smith noted during the time the collateral is posted with Citibank, VTA will continue to earn any interest and capital gains and/or losses associated with the security. As of September 18, 2009, the market value of the Citibank swap is negative \$15.9 million.

20. Chairperson's Report

There was no Chairperson's Report.

21. Determine Consent Agenda for the October 1, 2009 Board Meeting

CONSENT: Agenda Item #9. Adopt a resolution adopting ICMA Retirement Corporation's (ICMA-RC) Model Plan Document for the 457(b) Governmental Deferred Compensation Plan and Trust, to replace the current customized VTA Plan Document; Authorize VTA staff to make changes to non-optional provisions whenever ICMA-RC amends its Model Plan Document to ensure compliance with Internal Revenue Service (IRS) laws and regulations; and further, Authorize VTA's Deferred Compensation Committee to make determinations regarding the acceptance or rejection of optional provisions that may become available in the future and to instruct staff to make such changes;

Agenda Item #10. Authorize the General Manager to renew benefit contracts with Kaiser, PacifiCare, Valley Health Plan, Delta Dental, Pacific Union Dental, Vision Service Plan, and Custom Benefits Administrators for VTA employees and retirees for calendar year 2010 and approve the selection of CIGNA as the new provider for life and long-term disability benefits;

Agenda Item # 13. Recommend that the VTA Board of Directors adopt a support position for H.R. 2746 (Carnahan), which allows all public transit agencies to use a portion of their federal Section 5307 Urbanized Area (UZA) formula funds for operating purposes; and

Agenda Item #14. Adopt a resolution amending the bylaws of the Citizens Advisory

Committee to incorporate the additional duties specified by the 2008 Measure D ballot and amending the VTA Administrative Code to be consistent therewith.

REGULAR: Agenda Item #11. Recommend that the VTA Board of Directors: 1) Certify that the Initial Study for the January 2010 Transit Service Reduction Plan (Project): a. Meets the requirements of the California Environmental Quality Act (CEQA); b. Represents the independent judgment of VTA as the Lead Agency; and c. Was presented to the VTA Board for review and consideration; 2) Adopt a Negative Declaration based on the consideration of the Initial Study, comments received and responses to those comments; and further, 3) Approve the Transit Service Reduction Plan, which will take effect on January 11, 2010; and

Agenda Item #12. Review and accept the Fiscal Year 2009 Quarterly Statement of Revenues and Expenses for the period ending June 30, 2009.

22. Announcements

There were no Announcements.

23. ADJOURNMENT

On order of Chairperson Kniss and there being no objection, the meeting was adjourned at 1:35 p.m.

Respectfully submitted,

Michelle M. Garza, Board Assistant
VTA Office of the Board Secretary