

## **Administration & Finance Committee**

Thursday, October 15, 2009  
12:00 PM

VTA Conference Room B-104  
3331 North First Street  
San Jose, CA

### **AGENDA**

#### **CALL TO ORDER**

**1. ROLL CALL**

**2. PUBLIC PRESENTATIONS:**

This portion of the agenda is reserved for persons desiring to address the Committee on any matter not on the agenda. Speakers are **limited to 2 minutes**. The law does not permit Committee action or extended discussion on any item not on the agenda except under special circumstances. If Committee action is requested, the matter can be placed on a subsequent agenda. All statements that require a response will be referred to staff for reply in writing.

**3. ORDERS OF THE DAY**

#### **CONSENT AGENDA**

- 4.** Approve the Regular Meeting Minutes of September 17, 2009.
- 5.** INFORMATION ITEM – Monthly Investment Report.
- 6.** INFORMATION ITEM - Review the Monthly Legislative History Matrix.
- 7.** ACTION ITEM - Ratify the appointment of Aaron Faupell as the City of Milpitas representative on the Bicycle Pedestrian Advisory Committee (BPAC).

#### **REGULAR AGENDA**

- 8.** ACTION ITEM - Authorize the General Manager to execute on-call task order contracts with three printing firms for four to six color printing services to be utilized on an as-needed basis. Each contract shall be for a period of up to three years, with an option to extend the contract for an additional two-year term. The total amount for all three contracts shall not exceed \$1 million for a total of five years.

9. ACTION ITEM - That the Santa Clara Valley Transportation Authority (VTA) Board consider:
  1. One of the following changes to VTA's governance structure:
    - a. Reconfigure the small city groupings to include a new city group comprised of Sunnyvale, Santa Clara and Milpitas, that would appoint two Board Members and one alternate: or
    - b. Implement a new process where the VTA Policy Advisory Committee will select the five Board Members and Alternates to represent the small cities.
  2. Take no further action.

## OTHER ITEMS

10. INFORMATION ITEM – Discussion regarding FY 2010 Budget Strategies. (Verbal Report) (J. Smith)
11. Items of Concern and Referral to Administration.
12. Review Committee Work Plan.
13. Committee Staff Report. (J. Smith)
14. Chairperson's Report. (Kniss)
15. Determine Consent Agenda for the November 5, 2009 Board of Directors Regular Meeting.
16. ANNOUNCEMENTS
17. ADJOURN

**NOTE COMMITTEE MEMBERS:** In order to establish a quorum for this meeting, members are asked to call the Board Secretary's Office at (408) 321-5680 or E-mail: [bd.sec.polling@vta.org](mailto:bd.sec.polling@vta.org) before 5:00 p.m. on the day prior to the meeting. Thank you for your cooperation.

In compliance with the Americans with Disabilities Act (ADA), those requiring accommodations or accessible media for this meeting should notify the Board Secretary's Office 48 hours prior to the meeting at (408) 321-5680 or e-mail: [board.secretary@vta.org](mailto:board.secretary@vta.org), TDD (408) 321-2330. VTA's Homepage is located on the Web at: <http://www.vta.org/>.

All reports for items on the open meeting agenda are available for review in the Board Secretary's Office, 3331 North First Street, San Jose, California, (408) 321-5680, the Monday, Tuesday, and Wednesday prior to the meeting. This information is available on VTA's website at <http://www.vta.org/> and also at the meeting.

**NOTE: THE BOARD OF DIRECTORS MAY ACCEPT, REJECT OR MODIFY  
ANY ACTION RECOMMENDED ON THIS AGENDA.**



## 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



Date: September 30, 2009  
 Current Meeting: October 15, 2009  
 Board Meeting: N/A

## **BOARD MEMORANDUM**

**TO:** Santa Clara Valley Transportation Authority  
 Administration & Finance Committee

**THROUGH:** General Manager, Michael T. Burns

**FROM:** Chief Financial Officer, Joseph T. Smith

**SUBJECT:** Monthly Investment Report - August 2009

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### **FOR INFORMATION ONLY**

#### **BACKGROUND:**

Santa Clara Valley Transportation Authority funds are invested in accordance with the asset allocation and diversification strategies described in the Investment Policies amended February 5, 2009.

#### **DISCUSSION:**

##### **General Economic Conditions**

Real gross domestic product (GDP: the output of goods and services produced by labor and property located in the United States) decreased at an annual rate of 0.7% in the second quarter of 2009, according to the third estimate released by the Bureau of Economic Analysis. The much smaller decrease in real GDP in the second quarter reflects much smaller decreases in nonresidential fixed investment and exports and an increase in federal, state and local government spending.

The US economy continued to show signs of improvement but the recovery is likely to be sluggish. Though the economy is expected to grow in the third quarter, this expansion will be driven primarily by declines in inventories and increased government spending. A sustainable recovery depends upon a currently nonexistent pick-up in private demand. The Federal Reserve's Beige Book report underscored this view, indicating that though the recession appears to be easing, the US economy has yet to show broader growth.

The Institute of Supply Management (ISM) Manufacturing Index (index) spiked up to 52.9 in August from 48.9 in July, the first over-50 reading since January 2008. A reading above 50 signals expansion in the US factory sector and likely indicates a time of economic growth. If the index has a reading below 50, it tends to indicate an economic recession, especially if the trend continues over several months. This data is considered a very important and trusted economic

measure. The values for the index can be between 0 and 100.

Positive economic news is tempered by continuing job losses (albeit at a slower rate) which will continue to result in a drag in personal consumption (i.e. purchase of taxable goods). On September 4<sup>th</sup>, the Labor Department reported that the pace for job losses slowed to the lowest level in a year as employer cut 216,000 jobs in August, fewer than the 276,000 lost in July and better than the 225,000 figure analysts had been expecting. However, the report also showed that nationwide, the ranks of the unemployed swelled to 9.7%, the highest level since June 1983. Locally, the unemployment rate increased to 12.0%, up from the July 11.7%, primarily due to job losses within manufacturing industry (such as computer and electronic products).

The Federal Reserve (Fed) again kept the federal funds rate target at a range of zero to 0.25% for the fifth straight meeting on August 11<sup>th</sup> and pledged to keep it there for “an extended period.” In an upgraded assessment, the Fed said the economic barometers since its last meeting in late June suggest that “economic activity is leveling out” and conditions in financial markets also “have improved further.”

### **General Market Conditions**

The stock market have surged over the last six months as investors have welcomed a rash of improving economic news and an unprecedented amount of fiscal and monetary stimulus from the US Treasury. Since bottoming at a 12-year low in March 2009, the Dow Jones industrials have gained just shy of 50% and the S&P 500 has gained 58% as of September 16<sup>th</sup> close. Since bottoming at a six-year low, the Nasdaq has gained 68%. The small-cap stocks outperformed large-cap stocks. In terms of style, large-cap value stocks outperformed large-cap growth. The best performing sector was materials and the worst performing sector was telecommunications.

### **VTA Enterprise Funds**

Pursuant to VTA’s adopted Investment Policy, 100% of surplus assets, held in the operating portfolio, are invested in Domestic Fixed Income. Funds are split between three portfolios managed by Payden & Rygel (Payden), LAIF (State Pool - Local Agency Investment Fund) and interest bearing checking accounts.

The Payden composite portfolio and the composite benchmark both gained 0.4% total market return in the current month. On a calendar year-to-date basis, the composite portfolio outperformed the composite benchmark by 1.0% (1.3% versus 0.3%). The current yield for the Payden long-term portfolio is 3.0%, mid-term portfolio is 1.9%, and short-term portfolio is 1.4%. The current yield for funds invested in LAIF is 0.9%.

Market performance for each Payden account is summarized in the following table.

Asset Class	Money Manager	August Return	Calendar YTD	Benchmark	August Benchmark Return	Calendar YTD
Long-Term Fixed Income	Payden & Rygel	0.6%	0.3%	Barclays Cap US Govt. Intermediate Index	0.6%	-0.5%
Mid-Term Fixed Income	Payden & Rygel	0.4%	2.0%	Merrill Lynch 1 to 3 Year Treasury Index	0.4%	0.9%
Short-Term Fixed Income	Payden & Rygel	0.2%	1.7%	iMoneynet Money Market Index	0.0%	0.4%
Composite Total Return (Weighted)		0.4%	1.3%		0.4%	0.3%

### **VTA Retirees' Other Post Employment Benefits (OPEB) Trust**

VTA's adopted Investment Policy requires the following asset allocation for Retirees' OPEB funds:

<u>Asset Allocation</u>	<u>Range</u>	<u>Actual</u>	<u>Ongoing Target</u>
Domestic Fixed Income	25-60%	44%	38%
Domestic Large Cap Index	35-70%	55%	60%
Cash	0-5%	1%	2%

The Retirees' OPEB composite portfolio and the composite benchmark both gained 2.5% total market return in the current month. On a calendar year-to-date basis, the OPEB composite portfolio outperformed their composite benchmark by 2.9% (14.2% versus 11.3%). The current yield for the fixed income portfolio is 5.6%. Market performance by money manager is summarized in the following table.

Asset Class	Money Manager	August Retiree Return	Calendar YTD	Benchmark	August Benchmark Return	Calendar YTD
Fixed Income	Dodge & Cox	1.2%	10.5%	Barclays Capital US Aggregate	1.0%	4.6%
Large Cap Index	State Street	3.6%	15.0%	S&P 500	3.6%	15.0%
Composite Total Return (Weighted)		2.5%	14.2%		2.5%	11.3%

Dodge & Cox - The Fixed Income portfolio manager outperformed their benchmark by 0.2% in the current month and 5.9% on calendar year-to-date. An overweighting of corporate bonds holdings continue to perform well and contribute significantly to year-to-date excess return.

Historic Portfolio Performance (calendar year) for the last six calendar years:

Year	Performance	Year	Performance
2003	17.2%	2006	11.7%
2004	7.6%	2007	6.1%
2005	3.9%	2008	-21.0%

A 7.75% annual return assumption is used in the annual actuarial analysis for the Retiree's OPEB. The results of the actuarial analysis determine VTA's annual contribution rates. Any difference between actual investment returns and the 7.75% assumed annual return is recognized in the same year.

Inception-to-date (April 2000 to August 2009) performance is a gain of 37.1% versus the composite benchmark of 33.9%. Average composite annual return is 4.0% for Retirees' OPEB versus 3.7% for benchmarks.

### **VTA/ATU Pension Plan Assets**

It is the policy of the VTA/ATU Board of Pension to have a well-managed investment program that provides for the financial needs of the pension plan and allows the investments to be appropriately diversified and prudently invested to protect the safety of the principal while maintaining a reasonable return. Assets are invested within the following investment guidelines:

<u>Asset Allocation</u>	<u>Range</u>	<u>Actual</u>	<u>Ongoing Target</u>
Domestic Fixed Income	35-45%	37%	39%
Domestic Large-Cap Value	15-25%	21%	20%
Domestic Large-Cap Index	10-20%	15%	15%
Domestic Small-Cap Value	5-15%	10%	10%
International Equity	10-20%	17%	15%
Cash	0-5%	0%	1%

The following table provides a summary of performance by money manager for the current month and calendar year-to-date.

Asset Class	Money Manager	August VTA/ATU Return	Calendar YTD	Benchmark	August Benchmark Return	Calendar YTD
Fixed Income	Dodge & Cox	1.3%	11.0%	Barclays Capital US Aggregate	1.0%	4.6%
Large Cap Index	State Street	3.6%	15.0%	S&P 500	3.6%	15.0%
International Equity Index (Growth)	MFS	2.9%	25.9%	MSCI AC World	2.0%	25.0%
Large Cap Value Stocks	Robeco/Boston Partners	5.2%	17.6%	Russell 1000 Value	5.2%	10.6%
Small Cap Value Stocks	Brandy-Wine / WEDGE	2.6%	8.4%	Russell 2000 Value	4.7%	10.8%
Composite Total Return (Weighted)		2.9%	17.2%		2.8%	13.4%

The VTA/ATU Pension Plan composite portfolio outperformed the composite benchmark by 0.1% total market return in the current month. On a calendar year-to-date basis, the composite portfolio outperformed the composite benchmark by 3.8% (17.2% versus 13.4%). The current yield of Dodge & Cox/Fixed Income portfolio is 5.7%.

Dodge & Cox - The Fixed Income portfolio manager outperformed their benchmark by 0.3% in the current month and 6.4% on calendar year-to-date. An overweighting of corporate bonds holdings continue to perform well and contribute significantly to year-to-date excess return.

Robeco/Boston Partners - The Domestic Large Cap Value Equity manager performed in line with its benchmark with 5.2% total market return in the current month. Year-to-date, the portfolio outperformed the benchmark by 7.0%. Strong stock selection in the consumer services, consumer non-durables, and energy sectors contributed significantly to the portfolio's outperformance.

WEDGE - The Domestic Small Cap Value Equity manager underperformed their benchmark by 2.1% in the current month and 2.4% on a year-to-date basis. Stock selection in finance, basic materials, and capital goods sectors detracted from performance in August. Since inception in

April 2009, WEDGE participated in the market rally, but their focus on higher-quality securities has been a headwind, as the higher beta (riskier) and lower-quality names have driven the market. Companies in the Russell 2000 Value that have a market capitalization of \$250 million or less (deep small cap value stocks) are up almost 30% this year while those companies with a market capitalization greater than \$1 billion are down about 2% this year.

Historic Portfolio Performance for the last six calendar years:

Year	Performance	Year	Performance
2003	21.5%	2006	14.6%
2004	12.2%	2007	5.8%
2005	7.2%	2008	-19.8%

An 8% annual return assumption is used in the annual actuarial analysis for the VTA/ATU Pension Plan. The results of the actuarial analysis determine VTA's annual contribution rates. Any difference between actual investment returns and the 8% annual return assumption is amortized over a period of five years.

Inception-to-date (October 1998 to August 2009) performance is a gain of 111.3% versus the composite benchmark of 74.4%. Average composite annual return is 10.2% for ATU Pension Plan versus 6.8% for benchmarks.

### **ATU Spousal Medical Trust Fund, Dental, and Vision Plan**

Asset allocation for the ATU Spousal Medical Trust Fund (including funds for dental and vision plans) is provided for in the VTA/ATU Pension Plan Investment Policy.

<u>Asset Allocation</u>	<u>Range</u>	<u>Actual</u>	<u>Ongoing Target</u>
Domestic Fixed Income	25-60%	43%	38%
Domestic Large Cap Index	35-70%	55%	60%
Cash	0-5%	2%	2%

The ATU Spousal Medical Trust Fund composite portfolio and the composite benchmark both gained 2.5% total market return in the current month. On a calendar year-to-date basis, the composite portfolio outperformed the composite benchmark by 3.5% (14.6% versus 11.1%). The current yield for the fixed income portfolio is 5.6%.

Asset Class	Money Manager	August Spousal Return	Calendar YTD	Benchmark	August Benchmark Return	Calendar YTD
Fixed Income Fund (Index Fund)	Dodge & Cox	1.2%	12.2%	Barclays Capital US Aggregate	1.0%	4.6%
Large Cap Index	State Street	3.6%	15.0%	S&P 500	3.6%	15.0%
Composite Total Return (Weighted)		2.5%	14.6%		2.5%	11.1%

Dodge & Cox - The Fixed Income portfolio manager outperformed their benchmark by 0.2% in the current month and 7.6% on calendar year-to-date. An overweighting of corporate bonds holdings continue to perform well and contribute significantly to year-to-date excess return.

### **Other Data**

The valuation of VTA's securities is provided by Interactive Data Corporation (IDC), Merrill Lynch Securities Pricing Service and Bloomberg Generic Pricing Service. These firms are the leading providers of global securities data. They offer the largest information databases with current and historical prices on securities traded in all major markets.

This report complies with VTA's adopted investment policies. Based on budgeted revenues and expenditures as well as actual transfers to/from reserves, there are sufficient funds available to meet expenditure requirements for the six months ending February 28, 2010.

Prepared By: Manny Bagnas, Investment Program Manager  
Memo No. 1870

# VTA INVESTMENT COMPOSITE PORTFOLIO PERFORMANCE

## MONEY MANAGERS' TOTAL MARKET RETURN - TRADE DATE FOR THE MONTH OF AUGUST 2009

**SUMMARY: August 31, 2009**

<u>Description</u>	<u>Total Market Value</u>		<u>August Total Market Return</u>		<u>Total Market Return</u>	
	<u>(1) Prior Month</u>	<u>Current Month</u>	<u>\$Unrealized Gain/Loss</u>	<u>%Unrealized Gain/Loss</u>	<u>VTA Calendar YTD</u>	<u>Benchmark Calendar YTD</u>
1 - Fixed Income Long-Term Investment Pool (2)	215,945,841.73	217,210,489.00	1,264,647.27	0.6%	0.3%	-0.5%
1 - Fixed Income Mid-Term Investment Pool (2)	152,408,554.63	153,020,620.00	612,065.37	0.4%	2.0%	0.9%
2 - Fixed Income Short-Term Investment Pool (2)	102,108,051.00	102,295,260.00	187,209.00	0.2%	1.7%	0.4%
3 - VTA Bond Funds with Fiscal Agents (3)	20,563,568.00	22,991,388.00	-	-	-	-
4 - Funds with LAIF Investment Pool (2)	18,300,000.00	13,600,000.00	-	-	-	-
5 - Funds with Union Bank-Congestion Management	11,146,649.00	9,964,911.00	-	-	-	-
6 - Funds with Union Bank-Measure B	30,899,516.00	30,031,990.00	-	-	-	-
7 - Funds with Union Bank DDA account (2)	2,972,141.00	4,718,874.00	-	-	-	-
<b>Total VTA Funds</b>	<b>554,344,321.36</b>	<b>553,833,532.00</b>				
1 - Retirees' OPEB - Fixed Income	47,342,809.00	47,899,886.00	557,077.00	1.2%	10.5%	4.6%
2 - Retirees' OPEB - State Street - Index	58,340,596.00	60,449,150.00	2,108,554.00	3.6%	15.0%	15.0%
<b>Total Retirees' OPEB Funds</b>	<b>105,683,405.00</b>	<b>108,349,036.00</b>				
1 - VTA/ATU Pension Fund-Fixed Income	115,214,400.00	116,729,370.00	1,514,970.00	1.3%	11.0%	4.6%
2 - VTA/ATU Pension Fund-State Street - Index	44,101,598.00	45,695,524.00	1,593,926.00	3.6%	15.0%	15.0%
3 - VTA/ATU Pension Fund- Int'l - Equity Growth	49,816,312.00	51,265,871.00	1,449,559.00	2.9%	25.9%	25.0%
4 - VTA/ATU Pension Fund-Stock Large Cap Value	60,033,477.00	63,168,118.00	3,134,641.00	5.2%	17.6%	10.6%
5 - VTA/ATU Pension Fund-Stock Small Cap Value	27,934,869.00	28,656,786.00	721,917.00	2.6%	8.4%	10.8%
<b>Total Pension Fund</b>	<b>297,100,656.00</b>	<b>305,515,669.00</b>				
1 - ATU Spousal Med Fund - Dodge & Cox - Index	4,922,127.00	4,980,308.00	58,181.00	1.2%	12.2%	4.6%
2 - ATU Spousal Med Fund-State Street - Index	6,022,062.00	6,239,712.00	217,650.00	3.6%	15.0%	15.0%
<b>Total ATU Spousal Funds</b>	<b>10,944,189.00</b>	<b>11,220,020.00</b>				
<b>Total Investments</b>	<b>968,072,571.36</b>	<b>978,918,257.00</b>				

Legend:

- (1) Total includes contributions / withdrawals made during current month.
- (2) Measure A Funds includes earnings: from Payden \$19,463,586  
LAIF \$1,065,342 and Union Bank DDA Account \$104,426
- (3) Bonds Reserves and/or Debt Service Funds

# VTA INVESTMENT COMPOSITE PORTFOLIO PERFORMANCE.

PER GENERAL LEDGER BALANCE - SETTLEMENT DATE

FOR THE MONTH OF AUGUST 2009

SUMMARY: August 31, 2009

<u>Description</u>	(1) <u>Jul-09</u> <u>Book Value</u> <u>/Cost</u>	(1) <u>Aug-09</u> <u>Book Value</u> <u>/Cost</u>	<u>Fiscal 10</u> <u>Year-to-Date</u> <u>July 09 Realized</u> <u>Earnings - \$</u>	<u>Fiscal 10</u> <u>Year-to-Date</u> <u>Aug 09 Realized</u> <u>Earnings - \$</u>	<u>Change for the Month</u> <u>Realized</u> <u>Earnings - \$</u>
<b>VTA FUNDS</b>					
1 - Fixed Income - Long-Term Investment Pool (2)	209,582,403	210,501,147	814,903	1,570,406	755,503
2 - Fixed Income - Mid-Term Investment Pool (2)	150,714,062	151,275,375	389,659	774,823	385,164
3 - Fixed Income - Short-Term Investment Pool (2)	111,462,781	101,655,701	141,420	317,545	176,125
4 - VTA Bond Funds with Fiscal Agent (3)	20,563,568	22,991,388	845	16,023	15,178
5 - Funds with LAIF Investment Pool (2)	18,300,000	13,600,000	27,559	55,118	27,559
6 - Funds with Union Bank-Congestion Management	11,146,649	9,964,911	1,538	3,050	1,512
7 - Funds with Union Bank-Measure B	30,899,516	30,031,990	4,164	8,434	4,270
8 - Funds with Union Bank Pooled DDA account (2)	2,972,141	4,718,874	0	492	492
<b>Total VTA Funds</b>	<b>555,641,120</b>	<b>544,739,386</b>	<b>1,380,088</b>	<b>2,745,891</b>	<b>1,365,803</b>
<b>RETIREES' OPEB FUNDS</b>					
1 - Retirees' OPEB -Fixed Income	45,287,899	45,529,920	195,657	402,186	206,529
2 - Retirees' OPEB -State Street - Index	78,610,619	78,610,619	0	0	0
<b>Total Retirees' OPEB Funds</b>	<b>123,898,518</b>	<b>124,140,539</b>	<b>195,657</b>	<b>402,186</b>	<b>206,529</b>
<b>ATU PENSION FUNDS</b>					
1 - VTA/ATU Pension Fund-Fixed Income	111,675,843	112,464,419	473,234	1,224,786	751,552
2 - VTA/ATU Pension Fund-State Street - Index	59,091,135	59,091,135	0	0	0
3 - VTA/ATU Pension Fund- Int'l - Equity Growth - MFS	61,108,856	61,108,856	0	0	0
4 - VTA/ATU Pension Fund-Stock Large Cap Value	57,892,013	57,849,484	-775,848	-818,441	-42,593
6 - VTA/ATU Pension Fund-Stock Small Cap Value - WEDGE	23,371,583	23,447,314	94,365	170,065	75,700
<b>Total ATU Pension Funds</b>	<b>313,139,430</b>	<b>313,961,208</b>	<b>-208,249</b>	<b>576,410</b>	<b>784,659</b>
<b>ATU SPOUSAL MEDICAL PLAN FUNDS</b>					
1 - ATU Spousal Med Fund - Dodge & Cox - Index	4,327,234	4,327,234	0	0	0
2 - ATU Spousal Med Fund-State Street - Index	8,207,187	8,207,187	0	0	0
<b>Total ATU Spousal Plan Funds</b>	<b>12,534,421</b>	<b>12,534,421</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Investments</b>	<b>1,005,213,489</b>	<b>995,375,554</b>	<b>1,367,496</b>	<b>3,724,487</b>	<b>2,356,991</b>

Legend:

(1) Total includes contributions / withdrawals made during current month.

(2) Measure A Bond Funds includes earnings: from Payden \$19,463,586 LAIF \$1,065,342, and Union Bank DDA Account \$104,426

(3) Bonds Reserves and/or Debt Service Funds



Date: September 21, 2009

Current Meeting: October 15, 2009

Board Meeting: November 5, 2009

## BOARD MEMORANDUM

**TO:** Santa Clara Valley Transportation Authority  
Administration & Finance Committee

**THROUGH:** General Manager, Michael T. Burns

**FROM:** Chief External Affairs Officer, Greta Helm

**SUBJECT:** Monthly Legislative History Matrix

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### FOR INFORMATION ONLY

#### **BACKGROUND:**

For your information, I am attaching our Monthly Legislative History Matrix, which describes the key transportation-related bills that are being considered by the California State Legislature during the 2009-10 session. It indicates the status of these measures and any adopted VTA positions with regard to them.

#### **DISCUSSION:**

The regular legislative session for 2009 ended during the early morning hours of September 12 as lawmakers determined the fate of a couple thousand bills that were still winding their way through the process. For those measures that were not sent to Gov. Arnold Schwarzenegger for his consideration, they are now “two-year” bills and can be taken up again by the Legislature when it reconvenes the regular session in January 2010.

During the course of the year, the Board of Directors adopted formal positions for 15 pieces of legislation. Of this number, 10 were approved by the Legislature and are on the Governor’s desk, with one already having been signed into law. The other five have become two-year bills. A summary of each measure follows.

**AB 112 (Beall):** This bill makes several technical changes to VTA’s enabling statutes to ensure that we have the appropriate statutory authority to work with our local jurisdictions on developing funding strategies to address their local street and road maintenance needs. Status: Signed into law, Chapter #81.

**AB 116 (Beall):** VTA partnered with the San Mateo County Transit District (SamTrans); the Alameda-Contra Costa Transit District (AC Transit); and the Golden Gate Bridge, Highway and Transportation District (Golden Gate Transit) on this measure. It raises the dollar threshold for

when VTA and the other three transit agencies must use the formal competitive bidding process to procure materials, supplies and equipment from \$25,000 to \$100,000, consistent with federal guidelines. The legislation also provides VTA, as well as SamTrans, AC Transit and Golden Gate Transit, with the option to use either low bid or best value when going through the formal bidding process for these types of procurements that exceed \$100,000. The intent of AB 116 is to improve our cost efficiencies with regard to materials, supplies and equipment contracts. Status: Governor's Office. VTA Position: Co-Sponsor.

AB 266 (Carter): This bill requires the California Transportation Commission (CTC) to develop a statewide assessment of: (a) the unfunded costs of programmed state and federally earmarked transportation projects in California; and (b) available funding for transportation purposes and unmet transportation needs on a statewide basis. The assessment also must include recommendations on how the state and local transportation agencies could address any transportation funding shortfalls and unmet needs that are identified. Under the provisions of AB 266, the CTC would be required to do this assessment every five years. Status: Two-year bill. VTA Position: Support.

AB 338 (Ma): Sponsored by the California Transit Association and BART, this legislation is intended to encourage transit-oriented development by allowing local officials to use property tax increment revenues to pay for infrastructure within transit village development districts. Status: Governor's Office. VTA Position: Support.

AB 610 (Caballero): This measure calls for the Office of Planning and Research to assist local agencies interested in pursuing public-private partnerships for local infrastructure projects. Status: Two-year bill. VTA Position: Support.

AB 672 (Bass): This legislation authorizes a regional or local agency to expend its own money for a project funded through Proposition 1B transportation infrastructure bonds with the expectation of eventual reimbursement with bond proceeds. The intent of AB 672 is to provide regional and local agencies with a tool that would help them ensure the timely delivery of their Proposition 1B bond projects. Status: Governor's Office. VTA Position: Support.

AB 729 (Evans): Sponsored by the California Transit Association, this bill extends the existing statutory authority for public transit agencies to use design-build contracting for transit capital improvement projects for another four years -- until January 1, 2015. If AB 729 is not enacted, this statutory authority will sunset on January 1, 2011. Status: Governor's Office. VTA Position: Support.

AB 744 (Torrico): Sponsored by the Metropolitan Transportation Commission (MTC), AB 744 is the legislative vehicle for authorizing the development and implementation of a regional express lane network on state highways within the nine-county Bay Area. Status: Two-year bill. VTA Position: Support.

AB 798 (Nava): Sponsored by the Treasurer's Office, this bill creates the California Transportation Financing Authority to assist local and regional agencies in obtaining financing through the issuance of revenue bonds for the construction of improvements to the state's

transportation infrastructure. The measure also allows the authority to permit local and regional agencies, as part of the financing plan for their projects, to impose tolls for the use of the facilities constructed. Status: Governor's Office. VTA Position: Support.

AB 1072 (Eng): Established as a new formula program under Proposition 1B, the Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) provides \$3.6 billion to public transit operators for transit capital projects. AB 1072 makes several important changes to this program. For example, it fixes the formula factors that would be used to allocate the remaining amount of PTMISEA funding to public transit operators. This would provide certainty to public transit operators as to the total amount of their individual formula shares and, thus, allow them to more effectively plan for how they would use their PTMISEA money. AB 1072 also calls upon each public transit operator to submit to the state an expenditure plan for its remaining formula share so that a statewide program of projects for PTMISEA can be established. This statewide program of projects would provide the Governor and the Legislature with important guidance in terms of how much money should be appropriated for PTMISEA in any given fiscal year. VTA is co-sponsoring AB 1072 with the California Transit Association. Status: Governor's Office. VTA Position: Co-Sponsor.

AB 1158 (Hayashi): This legislation adds educational facilities and other land uses that link people traveling to and from K-12 schools, community colleges and universities to the list of specified characteristics that a transit village plan may address. Status: Governor's Office. VTA Position: Support.

ACA 15 (Arambula): ACA 15 calls for placing before the voters an amendment to the California Constitution to change the voting requirement for local special taxes for transportation purposes from a two-thirds vote to a 55 percent majority vote. Status: Two-year bill. VTA Position: Support.

SB 83 (Hancock): Mirroring bills that have been introduced in the past, SB 83 authorizes countywide transportation planning agencies, including VTA, to place a measure before their voters to impose a vehicle registration surcharge to fund transportation-related projects and programs. Status: Governor's Office. VTA Position: Support.

SB 425 (Simitian): This measure has two key provisions. First, SB 425 specifies that an employer subject to the requirement to implement a parking cash-out program may not deduct the cost of parking subsidies from its gross income for tax purposes unless it is in compliance with this requirement. This provision is intended to improve compliance with California's existing parking cash-out law. Second, in order to provide a direct incentive for small businesses to implement measures designed to reduce solo driving to and from work, this bill provides a tax credit to small businesses for qualified alternative commute expenditures, such as subsidies for vanpools, carpools and public transit passes. Status: Two-year bill. VTA Position: Support.

SB 626 (Kehoe): This legislation requires the California Public Utilities Commission (CPUC) to develop and implement policies designed to overcome the barriers associated with the widespread deployment of plug-in hybrids and electric vehicles. Status: Governor's Office. VTA Position: Support.

Even though the regular session for 2009 has come to a close, lawmakers are not entirely done for the year. Gov. Schwarzenegger already has called two special sessions to deal with tax reform and education, and could initiate a third to address the state's water situation.

Prepared By: Kurt Evans, Government Affairs Manager  
Memo No. 1869

**LEGISLATIVE HISTORY**  
**2009 – 2010 State Legislative Session**  
**September 28, 2009**

**State Assembly Bills**

State Assembly Bills	Subject	Last Amended	Status	VTA Position
<b>AB 112</b> (Beall) Santa Clara Valley Transportation Authority: Local Streets/Roads Funding	Makes several technical corrections to the enabling statutes of the Santa Clara Valley Transportation Authority (VTA) to ensure that VTA has the appropriate statutory authority to work with local jurisdictions on developing funding strategies to address their local street and road maintenance and repair needs.	3/25/09	Signed into Law: Chapter #81	Sponsor
<b>AB 116</b> (Beall) Contracts: Materials, Supplies and Equipment	Amends the enabling statutes of the Santa Clara Valley Transportation Authority (VTA) to raise the dollar threshold for when VTA must use the formal competitive bidding process to procure materials, supplies and equipment from \$25,000 to \$100,000, consistent with federal guidelines. Allows VTA to award a contract for materials, supplies or equipment exceeding \$100,000 either to the lowest responsible bidder or according to best value. For materials, supplies and equipment contracts between \$2,500 and \$100,000, requires VTA, to the extent practicable, to obtain a minimum of three written or oral quotes that permit prices and terms to be compared, and to award the contract to the lowest responsible bidder. Also includes comparable provisions for: (a) the San Mateo County Transit District (SamTrans); (b) the Alameda-Contra Costa Transit District (AC Transit); and (c) the Golden Gate Bridge, Highway and Transportation District (Golden Gate Transit).	4/21/09	Governor's Office	Sponsor
<b>AB 118</b> (Logue) Global Warming Solutions Act: Repeal	Repeals the California Global Warming Solutions Act of 2006.	As Introduced	Assembly Natural Resources Committee	
<b>AB 153</b> (Ma) California High-Speed Rail Authority	Specifies that the California High-Speed Rail Authority constitutes a "governing body" for the purpose of adopting a resolution of necessity pursuant to an eminent domain proceeding. Allows the authority to employ its own legal staff or contract with other state agencies for legal services.	As Introduced	Senate Transportation and Housing Committee	
<b>AB 231</b> (Huffman) Climate Protection Trust Fund	By March 30, 2010, requires the California Air Resources Board (CARB) to adopt a schedule of fees to be paid by the sources of greenhouse gas emissions regulated pursuant to the California Global Warming Solutions Act of 2006. Requires revenues collected pursuant to compliance mechanisms related to the implementation of the California Global Warming Solutions Act, as well as any federal climate change funds received by the state, to be deposited in the Climate Protection Trust Fund and to be made available, upon appropriation by the Legislature, for the purpose of carrying out the provisions of the act.	6/26/09	Senate Environmental Quality Committee	

State Assembly Bills	Subject	Last Amended	Status	VTA Position
<b>AB 254</b> (Jeffries) Emergency Vehicles: Payment of Tolls	Exempts emergency vehicles from any requirement to pay tolls under the following circumstances: (1) the vehicle is properly identified or marked as an emergency vehicle; (2) the vehicle is being driven while responding to an urgent or emergency call, is engaged in an urgent or emergency response, or is engaged in a fire station coverage assignment directly related to an emergency response; and (3) the driver of the vehicle determines that the use of the toll facility will likely improve the availability or response and arrival time of the emergency vehicle and its delivery of essential public safety services. Specifies that the provisions of the bill apply to a toll road, high-occupancy toll (HOT) lane, toll bridge, toll highway, a vehicular crossing for which payment of a toll or charge is required, or any other toll facility.	6/26/09	Governor's Office	
<b>AB 266</b> (Carter) Transportation Needs Assessment	Every five years, requires the California Transportation Commission (CTC) to develop an assessment of: (a) the unfunded costs of programmed state and federally earmarked transportation projects in California; and (b) available funding for transportation purposes and unmet transportation needs on a statewide basis. Requires the assessment to include recommendations on how the state and local transportation agencies may address the transportation funding shortfalls and unmet needs that are identified. Requires the results from the initial assessment to be submitted to the Legislature by March 1, 2011.	4/20/09	Senate Rules Committee	Support
<b>AB 277</b> (Ammiano) Bay Area County Traffic and Transportation Funding Act	Pursuant to the Bay Area County Traffic and Transportation Funding Act in existing law, deletes the option of specifying the membership of a county transportation authority that would administer a local sales tax in the retail transaction and use tax ordinance.	5/11/09	Vetoed by the Governor	
<b>AB 286</b> (Salas) Vehicle Theft Crimes	Extends until January 1, 2018, existing provisions that allow counties to impose a \$1 vehicle registration surcharge to fund local programs related to vehicle theft crimes.	6/23/09	Governor's Office	
<b>AB 289</b> (Galgiani) High-Speed Rail Bonds	Requires the California High-Speed Rail Authority, to the extent possible, to use bond proceeds from the Safe, Reliable High-Speed Passenger Train Bond Act for the 21 <sup>st</sup> Century to match federal economic stimulus funds made available under the American Recovery and Reinvestment Act of 2009.	8/17/09	Senate Rules Committee	

State Assembly Bills	Subject	Last Amended	Status	VTA Position
<b>AB 338</b> (Ma) Transit Village Developments: Infrastructure Financing	Allows a local government to create an infrastructure financing district and thereby use tax increment financing to pay for public facilities and amenities within a transit village development district. Recasts the area for a transit village development plan to include all land within not more than a half mile of the main entrance of a public transit station. Requires a transit village development plan utilizing an infrastructure financing district to all of the following: (a) include an increase in the stock of affordable housing or live-travel options for transit-needy groups as one of its five demonstrable public benefits; (b) use at least 20 percent of all revenues derived from the infrastructure financing district to increase, improve and preserve the supply of low- and moderate-income affordable housing in the district for a period of at least 55 years for rental housing and 45 years for owner-occupied housing; and (c) replace dwelling units at an affordable housing cost when specified dwelling units are destroyed or removed. Eliminates the requirement for voter approval for the formation of an infrastructure financing district, adoption of an infrastructure financing district plan, and the issuance of bonds for implementing an infrastructure financing district plan, if the district is being proposed to implement a transit village development plan.	6/25/09	Governor's Office	Support
<b>AB 497</b> (Block) HOV Lanes: Physicians	Allows Caltrans and local transportation authorities to permit a vehicle driven by a physician who is traveling in response to an emergency call to use high-occupancy vehicle (HOV) lanes regardless of the number of passengers in the vehicle, provided the vehicle displays an insignia approved by the California Highway Patrol (CHP) indicating that the vehicle is owned by a licensed physician. Specifies that the provisions of the bill would only apply if Caltrans determines that its application would not subject the state to a loss of federal aid for highways.	5/14/09	Senate Transportation and Housing Committee	
<b>AB 522</b> (Blumenfield) Federal Economic Stimulus Money: Proposition 1B Bond Projects	Requires the California Transportation Commission (CTC) to ensure that bond funds previously committed to Proposition 1B transportation projects remain available to the sponsoring agency for another qualifying project if money from any federal economic stimulus legislation enacted in 2009 is used to fund the project.	As Introduced	Assembly Transportation Committee	
<b>AB 569</b> (Emmerson) Meal Periods: Construction and Transportation Industries	Specifies that provisions in the Industrial Welfare Commission's wage order pertaining to meal periods do not apply to an employee in a construction occupation or a commercial driver in the transportation industry if all of the following conditions are satisfied: (1) the employee is covered by a valid collective bargaining agreement; (2) the valid collective bargaining agreement expressly provides for the wages, hours of work, and working conditions of employees; and (c) the valid collective bargaining agreement expressly provides for meal periods, final and binding arbitration of disputes concerning the application of its meal period provisions, premium wage rates for all overtime hours worked, and a regular hourly rate of pay of not less than 30 percent more than the state minimum wage rate.	9/11/09	Senate Rules Committee	

State Assembly Bills	Subject	Last Amended	Status	VTA Position
<b>AB 610</b> (Caballero) Local Infrastructure: Public-Private Partnerships	Requires the Office of Planning and Research to advise and educate local agencies and other interested stakeholders about the role that public-private partnerships can play in planning, studying, designing, financing, constructing, operating, maintaining, or managing local infrastructure projects. Requires the assistance provided by the Office of Planning and Research to include the following: (a) developing and disseminating information that would help a local governmental agency determine whether a local infrastructure project would benefit from a public-private partnership that provides an alternative financing and procurement approach; and (b) serving as a clearinghouse of information regarding the use of public-private partnerships in infrastructure projects in California and elsewhere.	As Introduced	Assembly Local Government Committee	Support
<b>AB 619</b> (Blumenfield) Federally Funded Transportation Projects	Requires Caltrans to notify the Legislature within 30 days of making a determination that a project will be delayed beyond its scheduled completion date due to state cash flow or other funding issues, if the delay places at risk federal funds, including money earmarked for the project.	As Introduced	Senate Transportation and Housing Committee	
<b>AB 628</b> (Block) Pay-By-Plate Toll Collection	Authorizes a tolling authority to charge and collect tolls using digital images of license plates.	8/26/09	Governor's Office	
<b>AB 652</b> (Skinner) Bike Racks on Buses	Authorizes the Alameda-Contra Costa Transit District (AC Transit) to install three-position bicycle racks on its buses provided that: (a) the rack does not extend more than 40 inches from the front of the bus when fully deployed; and (b) the handlebars of the bicycle being transported do not extend more than 46 inches from the front of the bus.	8/24/09	Governor's Office	
<b>AB 670</b> (Berryhill) HOV Lanes: Veterans	Allows Caltrans and local transportation authorities to permit a vehicle driven by a veteran or active duty member of the U.S. Armed Forces to use high-occupancy vehicle (HOV) lanes regardless of the number of passengers in the vehicle, provided the vehicle displays an insigne approved by the Department of Motor Vehicles (DMV). Specifies that the provisions of the bill would only apply if Caltrans determines that its application would not subject the state to a loss of federal aid for highways.	As Introduced	Assembly Transportation Committee	
<b>AB 672</b> (Bass) Proposition 1B Bond Projects: LONPs	Authorizes the lead agency for a project funded through Proposition 1B transportation infrastructure bonds to apply for a letter of no prejudice (LONP) that would allow the agency to expend its own funds for any bond-funded component of the project, subject to later reimbursement from bond proceeds under certain conditions. In the case of the State-Local Partnership Program, requires the California Transportation Commission (CTC), prior to the commencement of each funding cycle, to calculate the amount of bond funds designated for the program that have not been appropriated, and requires the CTC to establish projected targets for the distribution of those funds for purposes of planning projects for which LONPs may be issued.	6/2/09	Governor's Office	Support

State Assembly Bills	Subject	Last Amended	Status	VTA Position
<b>AB 726</b> (Nielsen) Local Roadway Rehabilitation Projects	States that local roadway rehabilitation projects are eligible for funding under the State Transportation Improvement Program (STIP).	As Introduced	Senate Transportation and Housing Committee	
<b>AB 729</b> (Evans) Design-Build Contracting: Transit Projects	Makes permanent the statutory authority for public transit agencies to use design-build contracting for capital improvement projects.	6/30/09	Governor's Office	Support
<b>AB 732</b> (Jeffries) Design-Sequencing Contracts	Extends the authority for Caltrans to use the design-sequencing method of contracting for the design and construction of not more than nine transportation projects from January 1, 2010, to July 1, 2010.	6/16/09	Senate Appropriations Committee	
<b>AB 733</b> (Galgiani) California High-Speed Rail Authority: Contracts	Allows the California High-Speed Rail Authority to consider, to the extent permitted by federal and state law, the creation of jobs in California when awarding major contracts or purchasing high-speed trains.	As Introduced	Governor's Office	

State Assembly Bills	Subject	Last Amended	Status	VTA Position
<p><b>AB 744</b> (Torrico) Bay Area Express Lane Network</p>	<p>Authorizes the Bay Area Toll Authority (BATA) to develop, acquire, administer, operate, and maintain a regional express lane network on state highways within the geographic jurisdiction of the Metropolitan Transportation Commission (MTC) in a collaborative manner with the congestion management agencies (CMAs) in the Bay Area, Caltrans and the California Highway Patrol (CHP). Creates the Bay Area Express Lane Network Project Oversight Committee to recommend policies related to the network to BATA, including an express lane development plan. Specifies that the plan would consist of the following two elements: (1) a phasing plan for the development of the express lane network, which would include a definition of the geographic boundaries of each of the express lane corridors in the network; and (2) an operational plan, which would include consistency standards for the network related to geometric design, signage, safe and simple operations, technology, pricing policies and goals, carpool occupancy requirements, hours of operation, maintenance, enforcement, marketing, tort liability, and performance standards. Requires the committee to establish corridor working groups for each express lane corridor. Requires each corridor working group to prepare a project initiation document to assess the feasibility and desirability of express lanes in the corridor, as well as to develop a corridor investment plan. Requires the corridor investment plan to consist of the following: (a) phased development of the segment of the regional express lane network within the corridor of the group; (b) carpool occupancy and fee policies; (c) local funding for the development of part or all of the segment of the network within the corridor of the group; (d) proposed reimbursement of local agencies for prior expenditures on elements of the network; (e) proposals as to which agencies would perform the work described in the corridor investment plan; (f) an examination of equity considerations; (g) a proposal for improving public transit services in the corridor; (h) an examination of safety and operations, including express lane ingress and egress; and (i) projects and programs to be funded with any net revenues generated by the corridor, giving the highest priority to projects and programs that would provide cost-effective transit. Authorizes BATA to issue revenue bonds to finance the development of the regional express lane network, and to pledge toll revenues from the Bay Area's state-owned toll bridges as a "backstop" for those bonds. Allows BATA to increase the tolls collected on those bridges if that action is necessary to meet the obligations of the revenue bonds. Allows BATA to expend toll bridge revenues on the regional express lane network provided that: (a) funding from other sources is not available; and (b) BATA projects that funding the network will not necessitate an increase in bridge toll rates or preclude BATA from upholding its contractual and statutory obligations. Requires all revenues generated by the network to be deposited in the Bay Area Express Lane Network Account, which BATA would create. Requires BATA to return 95 percent of any revenues net of operating, maintenance, financing, and administration costs to the corridors where the net revenues are generated for the purpose of funding projects and programs identified in the relevant corridor investment plan. Requires the Santa Clara Valley Transportation Authority (VTA), the Alameda County Congestion Management Agency and the Sunol Smart Carpool Lane Joint Powers Authority to enter into agreements with BATA by January 1, 2011, to provide for the transfer of their rights and obligations relative to express lane projects to BATA. Requires BATA to provide vehicle owners with the option of obtaining a FasTrak account using cash or a check, and without having to provide a name or address. Prohibits BATA from converting existing non-tolled general purpose lanes to express lanes.</p>	<p>7/15/09</p>	<p>Senate Appropriations Committee</p>	<p>Support</p>

State Assembly Bills	Subject	Last Amended	Status	VTA Position
<b>AB 782</b> (Jeffries) Sustainable Communities Strategies	<p>Provides that upon the acceptance of the California Air Resources Board (CARB) that a sustainable communities strategy or alternative planning strategy, if implemented, will achieve the greenhouse gas emissions reduction targets established by CARB, that acceptance shall be final, and no person or entity may initiate a legal action to review the propriety of CARB's acceptance. Provides that any local government agency participating in a sustainable communities strategy or alternative planning strategy that subsequently determines that a project proposed for approval within its jurisdiction is consistent with the applicable strategy, that project shall be deemed to be compliant with the California Global Warming Solutions Act of 2006 and SB 375 of 2008, and no person or entity may initiate a legal action to review the propriety of the local government agency's determination that the project is consistent with the strategy. Requires a metropolitan planning organization (MPO) preparing a sustainable communities strategy or an alternative planning strategy to create a business advisory committee to provide input on the potential impacts of the proposed strategy on business activities and the economy. Exempts all projects funded through Proposition 1B transportation infrastructure bond revenues and the federal American Recovery and Reinvestment Act of 2009, as well as projects listed in local transportation sales tax measures prior to December 31, 2010, from the consistent requirements with regard to sustainable communities strategies.</p>	As Introduced	Assembly Natural Resources Committee	

State Assembly Bills	Subject	Last Amended	Status	VTA Position
<b>AB 798</b> (Nava) California Transportation Financing Authority	<p>Creates the California Transportation Financing Authority for the purpose of increasing the construction of new capacity or improvements for the state transportation system, in a manner that is consistent with and will help meet the state’s greenhouse gas reduction goals, air quality improvement goals, and natural resource conservation goals, through the issuance of bonds backed, in whole or in part, by various transportation revenue streams. Allows a project sponsor to apply to the authority for bond financing or refinancing of a transportation project that has been approved by Caltrans and the California Transportation Commission (CTC). Prior to issuing bonds for a project, requires the authority to determine that the revenues and other moneys available for that project will be sufficient to pay debt service on the bonds, and to operate and maintain the project over the life of the bonds. Allows the authority to authorize a project sponsor or Caltrans to collect tolls as one source of financing to pay debt service, and to operate and maintain a project under the following conditions: (a) the governing body of the project sponsor, by a majority vote, has approved the imposition of tolls on users of the project, or a majority of the voters within the jurisdiction of the project sponsor has approved a ballot measure imposing the tolls; (b) each highway project for which tolls are imposed must have non-tolled alternative lanes available for public use in the same corridor as the proposed toll project; (c) for highway projects, the road segment is on the state highway system; (d) the approval of the tolls must require that the tolls be set and maintained at a level expected to be sufficient to pay debt service, as well as the operation and maintenance of the project over the life of the bonds; (e) the project’s financial pro forma must incorporate life-cycle costs for the project, including revenues to pay for operation, maintenance and rehabilitation; (f) subject to any constraints in the bond documents necessary to make the bonds marketable, excess revenues from the operation of the project must be used exclusively in the corridor from which the revenues were generated to fund acquisition, construction, improvement, maintenance, or operation of high-occupancy vehicle facilities, other transportation purposes or transit service; and (g) except for purposes of implementing congestion management mechanisms, tolls may not be set to generate more revenue than the expected cost of paying debt service on the bonds, contracts entered into by the authority or project sponsor in connection with the bonds, funding reserves, operating and maintaining the project, repair and rehabilitation of the project, and providing transportation improvements in the corridor. Allows a project sponsor of a project imposing tolls to incorporate congestion management mechanisms to regulate usage and increase mobility, accessibility and environmental benefits. Provides that nothing in the bill shall allow for: (a) the conversion of any existing non-tolled or non-user-fee, mixed-flow lanes into tolled or user-fee lanes; or (b) the imposition of a toll on any local street or road.</p>	6/24/09	Governor’s Office	Support
<b>AB 810</b> (Caballero) General Plans: Circulation and Transportation Element	<p>Renames the circulation element of local general plans the “circulation and transportation element.”</p>	As Introduced	Senate Local Government Committee	

State Assembly Bills	Subject	Last Amended	Status	VTA Position
<b>AB 823</b> (Hill) Smog Check: Vehicle Repair Assistance and Retirement Program	In the case when a motor vehicle fails a smog check inspection and is being retired from operation at a dismantler under contract with the Bureau of Automotive Repair, increases the amount of the payment that the Department of Consumer Affairs is required to make to the owner of the vehicle from \$1,500 to \$2,000. Authorizes the department to offer the vehicle owner a transit voucher in lieu of the \$2,000 payment.	9/1/09	Governor's Office	
<b>AB 878</b> (Caballero) Infrastructure Financing	Authorizes a local governmental agency to enter into an agreement with a private entity for financing for specified types of revenue-generating infrastructure projects.	4/20/09	Assembly Local Government Committee	
<b>AB 922</b> (Miller) Biodiesel Fuel Tax Exemption	Until June 30, 2014, exempts biomass-based diesel fuel produced in the state with California feedstock from the diesel fuel excise tax.	As Introduced	Assembly Revenue and Taxation Committee	
<b>AB 949</b> (Logue) State-Local Partnership Program	Expands the definition of eligible local matching funds for purposes of the Proposition 1B State-Local Partnership Program to include: (a) developer fees; (b) mineral or resource extraction fees or taxes; and (c) local or regional fees or taxes solely dedicated to transportation improvements within a county or any part thereof by voter approval or by the county board of supervisors.	As Introduced	Assembly Transportation Committee	
<b>AB 1030</b> (Blumenfield) Caltrans: Renewable Energy Projects	In consultation with Caltrans, authorizes the Institute of the Environment at the University of California-Los Angeles (UCLA) to undertake a project for mapping the renewable energy development potential of state-owned real property under the direction and control of Caltrans. Requires Caltrans to respond within 90 days to any proposal to develop a renewable energy project as to whether: (a) the property is available for sale, lease or encroachment permit; and (b) the project would be compatible with the current and projected use of that property.	7/13/09	Senate Appropriations Committee	
<b>AB 1072</b> (Eng) Proposition 1B Transit Capital Program	For the remaining Proposition 1B transit capital funds to be appropriated by the Legislature, bases a public transit operator's formula share on the operator's average of State Transit Assistance Program (STA) allocations for FY 2005, FY 2006 and FY 2007. Requires a public transit operator to submit to Caltrans an expenditure plan for its remaining formula share of Proposition 1B transit capital funds, so that a statewide program of projects can be established for purposes of guiding annual appropriations for these funds. Under terms and conditions approved by Caltrans, allows a project sponsor, in a particular fiscal year, to loan its allocation of Proposition 1B transit capital funds to another project sponsor in order to ensure that all allocations in that fiscal year are put to use. Allows a project sponsor to use a Proposition 1B transit capital funding allocation in a subsequent fiscal year to complete a project that was approved by Caltrans in a previous fiscal year.	6/18/09	Governor's Office	Co-Sponsor
<b>AB 1091</b> (Ruskin) Climate Change Adaptation Strategy	Authorizes the Natural Resources Agency to develop a Climate Change Adaptation Strategy to assess California's vulnerability to the impacts of climate change, including the impacts of projected sea-level rise, on the state's physical and natural infrastructure. Requires the strategy to be subject to a multidisciplinary review process prior to adoption to ensure that ecosystems, sensitive species, or other environmentally sensitive resources or habitats are not inadvertently put at risk or adversely impacted.	5/6/09	Assembly Appropriations Committee	

State Assembly Bills	Subject	Last Amended	Status	VTA Position
<b>AB 1104</b> (Monning) Off-Highway Motor Vehicles	Expands the period of time during which a review of a parking violation may be requested.	4/14/09	Senate Transportation and Housing Committee	
<b>AB 1135</b> (Skinner) Odometer Readings	Requires California vehicle owners to report the current odometer reading of their vehicles at the time of vehicle registration.	4/13/09	Assembly Appropriations Committee	
<b>AB 1158</b> (Hayashi) Transit Village Plans: Educational Facilities	Adds educational facilities and other land uses that provide direct linkages for people traveling to and from primary and secondary schools, community colleges and universities to the list of specified characteristics that a transit village plan may address.	6/25/09	Governor's Office	Support
<b>AB 1175</b> (Torlakson) Bay Area Toll Authority	Requires the Controller's Office to collect unpaid bridge tolls and express lane fees, as well as any relevant interest, penalties, fines, or other charges from money owed to a person or entity from state income or sales tax refunds, or winnings in the state lottery. Adds seismic safety improvement projects on the Antioch and Dumbarton Bridges to the Toll Bridge Seismic Retrofit Program. Redirects surplus cost overrun revenues to be shared between the state and the Bay Area Toll Authority (BATA) to BATA for the seismic safety improvement projects on the Antioch and Dumbarton Bridges. Requires BATA to provide all remaining necessary funds to complete those projects. Allows BATA to increase tolls on all Bay Area state-owned toll bridges for the following purposes: (a) funding the seismic safety improvement projects on the Antioch and Dumbarton Bridges; (b) meeting its obligations and covenants under any bond resolution or indenture of the authority for any outstanding toll bridge revenue bonds issued by the authority; and (c) funding the planning, design, construction, operation, maintenance, repair, replacement, rehabilitation, and seismic retrofit of the Bay Area state-owned toll bridges. Allows BATA to vary its toll structure from bridge to bridge, and to provide discounts for high-occupancy vehicles. Requires maintenance expenditures funded from toll revenues to be paid for by those toll revenues remaining after payment of all obligations of BATA that are secured by toll revenues. Requires BATA to provide vehicle owners with the option of obtaining a FasTrak account using cash or a check, and without having to provide a name or address. Requires BATA to contract with a nationally recognized independent entity with expertise in privacy issues associated with the electronic transmission and storage of data to conduct a review and an analysis of the privacy issues pertaining to FasTrak, and to report to the Legislature by January 31, 2011.	8/19/09	Governor's Office	
<b>AB 1186</b> (Blumenfield) Employee Parking	Requires that lease agreements for non-residential buildings occupied by 50 or more persons that offer parking to tenants list separately the costs for parking from other costs included in the lease.	8/18/09	Governor's Office	
<b>AB 1192</b> (Strickland) SILO/LILO Transactions	Prohibits a legislative body of a city from selling or leasing any existing public improvement to a private or public entity for the purposes of renting or leasing back, or repurchasing through installment payments that existing public improvement.	4/20/09	Assembly Local Government Committee	

State Assembly Bills	Subject	Last Amended	Status	VTA Position
<b>AB 1203</b> (Ma) Proposition 1B: Transit Security Funding	Requires the California Emergency Management Agency (Cal EMA) to administer the Proposition 1B bond funds appropriated for the Transit System Safety, Security, and Disaster Response Account, rather than the Office of Emergency Services. No later than February 1 of each year, requires Cal EMA to provide the Controller's Office with a list of the projects and sponsoring agencies eligible to receive an allocation from the account. Upon receipt of this information, requires the Controller's Office to commence any necessary actions to allocate the funds to the sponsoring agencies, including seeking the issuance of bonds for that purpose.	As Introduced	Governor's Office	
<b>AB 1321</b> (Eng) Advance Infrastructure Mitigation Program	Establishes the Advance Infrastructure Mitigation Program to be administered and implemented by the California Natural Resources Agency. In this regard, authorizes the agency to: (a) prepare, approve and implement regional advance mitigation plans for planned infrastructure projects; (b) acquire, restore, manage, monitor, and preserve lands, waterways, aquatic resources, or fisheries in accordance with a regional advance mitigation plan; (c) establish mitigation or conservation banks; (d) purchase credits at mitigation or conservation banks if it determines that they would provide biologically appropriate mitigation for planned infrastructure projects; and (e) use, or allow infrastructure planning agencies to use, mitigation credits or values created or acquired under the Advance Infrastructure Mitigation Program to fulfill the mitigation requirements of planned infrastructure projects. Specifies that the purposes of a regional advance mitigation plan are to: (1) provide effective mitigation and conservation of natural resources and natural processes on a landscape, regional or statewide scale to expedite the environmental review of planned infrastructure projects; and (2) facilitate the implementation of measures to mitigate the impacts of those projects in advance of project approval. Allows an infrastructure planning agency to identify planned infrastructure projects for the purposes of including them in a regional advance mitigation plan or for other advance mitigation under the Advance Infrastructure Mitigation Program. Specifies that the Advance Infrastructure Mitigation Program is intended to improve the efficiency and efficacy of mitigation only and is not intended to supplant the requirements of the California Environmental Quality Act (CEQA) or any other environmental law.	5/6/09	Assembly Appropriations Committee	
<b>AB 1364</b> (Evans) State Bonds: Grant Agreements	Allows any state agency that has entered into a grant agreement for the expenditure of state bond funds where the state agency or grant recipient may not be able to comply with the terms of that agreement because of the suspension of interim funding for projects and contracts by the Pooled Money Investment Board on or after December 18, 2008, to do either of the following: (a) renegotiate, modify or eliminate the deadlines and timetables for deliverables within the grant agreement in order to address the suspension; or (b) terminate the grant agreement if no grant funds have yet been delivered.	8/17/09	Governor's Office	

State Assembly Bills	Subject	Last Amended	Status	VTA Position
<b>AB 1375</b> (Galgiani) California High-Speed Rail Authority	<p>Creates the Department of High-Speed Trains within the Business, Transportation and Housing Agency. Requires the California High-Speed Rail Authority to establish policies directing the development and implementation of high-speed train service that is fully integrated with the state's existing intercity rail and bus network, consisting of interlinked conventional and high-speed train lines and associated feeder buses. Further specifies that the intercity network in turn shall be fully coordinated and connected with commuter train lines and urban transit systems developed by local agencies, through the use of common station facilities whenever possible. Requires the Department of High-Speed Trains to implement these policies. Requires the authority to do all of the following: (1) select the routes of the high-speed train system; (2) determine the priority of construction of the various segments of the high-speed train system; (3) serve as the governing body of the Department of High-Speed Trains; (4) adopt criteria for the awarding of franchises; and (5) set fares or establish guidelines for the setting of fares. By October 1 of each year, requires the authority to adopt and submit to the Governor and the Legislature a high-speed train program that would cover a period of six fiscal years. Requires the program to include a listing of all capital improvement projects that are expected to require an appropriation in the annual Budget Act, including federal, state, local, and private funds, during the following six fiscal years. Requires the director of the Department of High-Speed Trains to be appointed by the authority. Requires the department to do all of the following: (1) conduct engineering and other studies related to the selection and acquisition of rights-of-way, and the selection of a franchisee; (2) evaluate alternative high-speed train technologies, systems and operators, and select an appropriate high-speed train system; (3) award franchises consistent with criteria adopted by the authority; (4) select a proposed franchisee, a proposed route and proposed terminal sites; (5) prepare a detailed financing plan, including any necessary taxes, fees or bonds to pay for the construction of the high-speed train system; (6) enter into contracts for the design, construction and operation of the high-speed train system; (7) acquire rights-of-way through purchase or eminent domain; (8) enter into cooperative or joint development agreements with local governments or private entities; (9) subject to the approval of the authority, issue debt secured by pledges of state funds, federal grants or project revenues; (10) relocate highways and utilities; (11) plan, construct and operate the high-speed train system; (12) acquire, sell and lease passenger rail rolling stock, power units and associated equipment; and (13) acquire, lease, design, construct, and improve track lines and related facilities.</p>	As Introduced	Assembly Appropriations Committee	
<b>AB 1404</b> (De Leon) Global Warming Solutions Act: Compliance Offsets	<p>If the California Air Resources Board (CARB) allows the use of market-based compliance mechanisms pursuant to the California Global Warming Solutions Act of 2006, requires the board to limit the use of compliance offsets to no more than 10 percent of the greenhouse gas emission reductions expected from market mechanisms during the compliance period.</p>	9/4/09	Governor's Office	

State Assembly Bills	Subject	Last Amended	Status	VTA Position
<b>AB 1405</b> (De Leon) Global Warming Solutions Act: Community Benefits Fund	Requires the California Air Resources Board (CARB) to deposit a minimum of 30 percent of the fee revenues generated under the California Global Warming Solutions Act of 2006 in the Community Benefits Fund. Requires the revenues in the fund to be used solely in the most impacted and disadvantaged communities in the state to accelerate greenhouse gas emission reductions or mitigate direct health impacts of climate change in those communities. Requires the revenues in the fund to be used to provide competitive grants for projects that do any of the following: (a) reduce greenhouse gas emissions while achieving co-benefits such as reductions in other air pollutants, diversification of clean energy sources, and improving energy efficiency; (b) minimize health impacts caused by climate change; (c) assist small businesses to reduce their greenhouse gas emissions; (d) reduce greenhouse gas emissions by the installation or replacement of equipment; (e) improvements to mass transit that reduce greenhouse gas emissions; (f) clean distributed electricity generation systems that reduce greenhouse gas emissions; (g) energy efficiency upgrades for schools, senior centers or low-income housing that reduce greenhouse gas emissions; or (h) emergency preparedness for extreme weather events caused by climate change. Requires CARB to adopt a methodology to identify the most impacted and disadvantaged communities by June 30, 2010.	9/1/09	Senate Floor	
<b>AB 1431</b> (Hill) Port of Oakland: Emission Reduction Strategies	Requires the Port of Oakland and entities involved in goods movement at that port to establish emission reduction strategies that are no less stringent than those employed at the Ports of Los Angeles and Long Beach.	4/14/09	Assembly Transportation Committee	
<b>AB 1464</b> (Smyth) Bicycle Routes of National, State or Regional Significance	Authorizes Caltrans to establish a process for identifying and promoting bicycle routes of national, state or regional significance. Allows Caltrans to establish a process whereby local bicycle organizations, private entities, or state or local government entities may nominate a route for inclusion in the system of bicycle routes of national, state or regional significance. Authorizes Caltrans to develop criteria for the design, placement and installation of signs relative to bicycle routes of national, state or regional significance. Allows the applicants or nominating entities to pay the costs for purchasing, erecting and maintaining the signs, as determined by Caltrans. Allows these costs to be reimbursed by Caltrans.	6/30/09	Governor's Office	
<b>AB 1500</b> (Lieu) HOV Lanes: Low-Emission Vehicles	Unless pre-empted by federal law, extends the authorization for low-emission vehicles to use high-occupancy vehicle (HOV) lanes regardless of the number of vehicle occupants from January 1, 2011, to January 1, 2014.	7/14/09	Senate Floor	
<b>AB 1502</b> (Eng) HOV Lanes: Low-Emission and Hybrid Vehicles	Unless pre-empted by federal law, extends the authorization for certain low-emission vehicles to use high-occupancy vehicle (HOV) lanes regardless of the number of vehicle occupants from January 1, 2011, to January 1, 2017. However, retains the January 1, 2011, sunset date for hybrid vehicles.	As Introduced	Assembly Transportation Committee	

State Assembly Bills	Subject	Last Amended	Status	VTA Position
<b>ACA 3</b> (Blakeslee) State General Obligation Bonds	Calls for placing before the voters an amendment to the California Constitution to require an initiative measure authorizing the issuance of state general obligation bonds in a total amount exceeding \$1 billion to either provide additional tax or fee revenues, eliminate existing programs or both as necessary to fully fund the bonds in order to be placed on the ballot.	6/16/09	Assembly Floor	
<b>ACA 5</b> (Calderon) State General Obligation Bonds	Calls for placing before the voters an amendment to the California Constitution to require an initiative measure authorizing the issuance of state general obligation bonds to be approved by a 55 percent majority of the electorate.	7/14/09	Assembly Floor	
<b>ACA 9</b> (Huffman) Local Governments: Special Taxes	Calls for placing before the voters an amendment to the California Constitution to allow a local agency to impose, extend or increase any special tax if the tax is approved by its electorate by a 55 percent majority. Also allows a local agency to incur indebtedness in the form of general obligation bonds to fund any of the following: (a) the construction, reconstruction, rehabilitation, or replacement of public infrastructure improvements, and facilities or buildings used primarily to provide sheriff, police or fire protection services to the public; (b) affordable housing; and (c) the acquisition or lease of real estate for public infrastructure improvements, public safety facilities or buildings, and affordable housing, if the bond issuance is approved by its electorate by a 55 percent majority. Creates an exception to the 1 percent limit for property tax assessments if the revenues are being used to pay bonded indebtedness, approved by a 55 percent majority vote, to fund any of the following: (a) the construction, reconstruction, rehabilitation, or replacement of public infrastructure improvements, and facilities or buildings used primarily to provide sheriff, police or fire protection services to the public; (b) affordable housing; and (c) the acquisition or lease of real estate for public infrastructure improvements, public safety facilities or buildings, and affordable housing.	6/26/09	Assembly Floor	
<b>ACA 13</b> (Hernandez) Initiatives	Calls for placing before the voters an amendment to the California Constitution regarding statewide initiative measures. Specifically, requires the Secretary of State's Office to transmit a copy of an initiative measure to the Legislature prior to certification of the voter signatures that were collected to qualify the measure for the ballot. Allows the Legislature to amend the initiative measure by concurrent resolution in a manner consistent with its intent if the proponents accept the amendments. If the Legislature returns the initiative measure to the Secretary of State's Office within 30 legislative session days after it has been transmitted to the Legislature and the measure is certified to have been signed by the requisite number of voters, requires the Secretary of State's Office to place the measure, including any proposed amendments, on the ballot. If the Legislature does not return the initiative measure to the Secretary of State's Office within 30 legislative session days after it has been transmitted to the Legislature, requires the Secretary of State's Office to place the measure on the ballot only if it is certified to have been signed by the requisite number of voters. Allows an initiative measure transmitted to the Legislature that only proposes a statute to be introduced in the Legislature as a bill. Provides that if such a bill is enacted and the proponents of the initiative measure accept any amendments of the Legislature, then the Secretary of State's Office shall not submit the initiative measure to the voters.	9/4/09	Assembly Floor	

State Assembly Bills	Subject	Last Amended	Status	VTA Position
<b>ACA 15</b> (Arambula) Local Governments: Transportation Special Taxes	Calls for placing before the voters an amendment to the California Constitution to allow a local agency to impose, extend or increase a special tax for the purpose of providing funding for local transportation projects if the tax is approved by its electorate by a 55 percent majority.	As Introduced	Assembly Floor	Support
<b>ACA 16</b> (Nestande) State General Obligation Bonds	Calls for placing before the voters an amendment to the California Constitution to allow the Legislature to approve general obligation bond measures only for the purpose of funding long-term infrastructure. Defines “long-term infrastructure” to mean any of the following: (a) the acquisition of land, including easements, rights-of-way and other interests in land; (b) the construction or acquisition of improvements to land, including structures and equipment integral to the operation of those structures; and (c) the construction or acquisition of roadways and water conveyances.	As Introduced	Assembly Appropriations Committee	
<b>ACR 14</b> (Niello) Global Warming Solutions Act: Economic Analysis	Prior to any regulatory action being taken consistent with the scoping plan for the California Global Warming Solutions Act of 2006, requires the California Air Resources Board (CARB) to perform an economic analysis that would give the state a more complete and accurate picture of the costs and benefits of the act’s implementation. Calls upon the governor to use the authority granted by the act to adjust any applicable deadlines for regulations.	3/27/09	Assembly Natural Resources Committee	
<b>ACR 77</b> (Swanson) Global Warming Solutions Act: Job Creation	Urges the California Air Resources Board (CARB) to meet the statutory requirements of the California Global Warming Solutions Act of 2006 by ensuring that its analysis of the emission reduction measures as proposed in its scoping plan and related rulemaking includes the following: (1) an analysis of the projected employment impacts of the proposed measures by sector in each of the years leading up to 2020 and beyond that specifies the potential for green collar jobs to be located in California or outside the state; (2) identification of the types of jobs that will be created in California, the industry sectors where the jobs will be created, and the wage and benefit levels expected for those workers; (3) identification of the types of jobs that may be lost in California and the industry sectors where the jobs may be lost; and (4) a plan for providing California workers with training programs for new green technology jobs that are different from the traditional jobs in energy, transportation and construction.	9/1/09	Enacted by the Legislature	

## State Senate Bills

State Senate Bills	Subject	Last Amended	Status	VTA Position
<b>SB 10</b> (Leno) Local Vehicle Assessment	Authorizes counties and San Francisco to impose a voter-approved local vehicle assessment at a rate not to exceed 2 percent of the market value of each motor vehicle or trailer coach registered within their respective jurisdictions for general revenue purposes if: (a) the board of supervisors approves an ordinance to that effect by a two-thirds vote; and (b) the assessment is approved by a majority vote of the electorate. Specifies that the bill is not to be construed to supplant any funds that the state apportions to counties and San Francisco, including those apportioned under the Vehicle License Fee Law.	7/8/09	Assembly Appropriations Committee	
<b>SB 31</b> (Pavley) Global Warming Solutions Act: Compliance Revenues	Requires any revenues collected pursuant to the implementation of the California Global Warming Solutions Act of 2006 that are adopted by the California Air Resources Board (CARB) to be deposited in the Air Pollution Control Fund. Allows these revenues to be used for: (a) renewable energy and energy efficiency programs that reduce greenhouse gas emissions, particularly those programs focusing on low-income consumers; (b) investments in technologies to reduce greenhouse gas emissions, especially technologies that provide pollution reduction co-benefits; and (c) green jobs development and training that will reduce greenhouse gas emissions.	5/5/09	Senate Floor	
<b>SB 83</b> (Hancock) Vehicle Registration Surcharge	Authorizes a countywide transportation planning agency to place a measure before its voters to impose an annual surcharge of up to \$10 on each motor vehicle registered within its county to fund transportation-related programs and projects. Provides that the ballot measure must be approved by a simple majority vote of the county's electorate before such a surcharge could be imposed. Requires the governing board of the countywide transportation planning agency to: (a) adopt a resolution by a majority vote to put the surcharge on the ballot; (b) make a finding of fact by a majority vote that the programs and projects to be funded with surcharge revenues have a relationship or benefit to the persons who will be paying the surcharge, and are consistent with the applicable Regional Transportation Plan (RTP); and (c) adopt an expenditure plan programming the surcharge revenues to transportation-related programs and projects that have a relationship or benefit to the persons paying the surcharge. Specifies that the programs and projects included in the expenditure plan may serve the following purposes: (a) providing matching dollars for funding made available for transportation programs and projects from state general obligation bonds; (b) creating or sustaining congestion mitigation programs and projects; and (c) creating or sustaining pollution mitigation programs and projects. If requested by a countywide transportation planning agency, requires the Department of Motor Vehicles to collect the surcharge approved by the voters upon the registration or renewal of any motor vehicle in the applicable county, except for those vehicles that are expressly exempt from the payment of registration fees. Requires the countywide transportation planning agency to pay for the initial set-up and programming costs identified by the Department of Motor Vehicles through a direct contract with the department. Allows the countywide transportation planning agency to be reimbursed for these costs through the initial revenues generated by the surcharge.	9/4/09	Governor's Office	Support

State Senate Bills	Subject	Last Amended	Status	VTA Position
<b>SB 104</b> (Oropeza) Global Warming Solutions Act: Definition of Greenhouse Gases	Subjects nitrogen trifluoride and any other gas designated as a greenhouse gas by the United Nations Framework Convention on Climate Change to the regulatory framework established in the California Global Warming Solutions Act of 2006. Requires the California Air Resources Board (CARB) to adopt emission limits and reduction measures for a gas designated as a greenhouse gas by the United Nations Framework Convention on Climate Change or by CARB within two years of the designation.	9/4/09	Governor's Office	
<b>SB 124</b> (Oropeza) Air Pollution: Vehicle Idling at Schools	Increases the minimum civil penalty for violating administrative regulations adopted by the California Air Resources Board (CARB) limiting the idling of school buses, transit buses and other commercial vehicles near schools.	8/27/09	Governor's Office	
<b>SB 128</b> (Padilla) California Climate Change Institute	Creates the California Climate Change Institute to: (a) identify and support climate change research and education to be undertaken at academic and research institutions and laboratories throughout the state; (b) oversee, coordinate and manage a non-duplicative, targeted research and development program for the purposes of achieving the state's targets for reducing greenhouse gas emissions and mitigating the effects of those emissions; (c) develop effective model education pathways, training, model curriculum, and professional development necessary for emerging green technologies and industries; and (d) ensure that its climate change research is conducted in a manner that is targeted and non-duplicative of other research programs. Specifies that the provisions of the bill would be implemented only to the extent that sufficient funds are appropriated by the Legislature for its purposes.	4/2/09	Senate Appropriations Committee	
<b>SB 295</b> (Dutton) Global Warming Solutions Act: Peer-Reviewed Study	Requires the California Air Resources Board (CARB) to complete a peer-reviewed study to re-evaluate the costs and benefits included in its scoping plan prepared pursuant to the California Global Warming Solutions Act of 2006. Requires this additional study to include all of the following: (1) estimates of the actual costs in every year and for every sector of the economy of the recommendations identified in the scoping plan; (2) estimates of overall costs and savings, as well as the cost-effectiveness of the reductions identified in the scoping plan; (3) estimates of the timing of capital investments, annual expenditures to repay those investments, and the resulting cost savings; (4) sensitivity of the results to changes in key inputs, including energy price forecasts, and estimates of measure costs and savings; (5) impacts on small businesses; (6) the current state of California's economy; (7) the impact of increased federal funding for green technology as a result of the American Recovery and Reinvestment Act of 2009; (8) estimates of the greenhouse gas emission reductions, and annualized costs and savings that would result if the emission targets were raised and lowered for at least five measures in the scoping plan. Requires CARB to provide this study to the Legislature by October 1, 2009. Requires CARB to report to the Legislature by November 1, 2009, on whether the study will lead to changes to the scoping plan.	5/13/09	Senate Environmental Quality Committee	

State Senate Bills	Subject	Last Amended	Status	VTA Position
<b>SB 391</b> (Liu) California Transportation Plan	<p>Requires Caltrans to update the California Transportation Plan by December 31, 2015, and every five years thereafter. Requires the plan to address how the state would achieve maximum feasible emissions reductions in order to attain a statewide reduction of greenhouse gas emissions to 1990 levels by 2020 as required by the California Global Warming Solutions Act of 2006, and 80 percent below 1990 levels by 2050. Requires the plan to identify the statewide integrated multimodal transportation system needed to achieve these results. Requires the plan to consider all of the following subject areas with regard to the movement of people and freight: (a) mobility and accessibility; (b) integration and connectivity; (c) efficient system management and operation; (d) existing system preservation; (e) safety and security; (f) economic development, including productivity and efficiency; and (g) environmental protection and quality of life. Requires Caltrans to complete an interim report by December 31, 2012. Requires this interim report to include: (a) a list and overview of all sustainable communities strategies and alternative planning strategies that have been prepared; and (b) an assessment of how the implementation of these sustainable communities strategies and alternative planning strategies would influence the configuration of the statewide integrated multimodal transportation system.</p>	5/4/09	Governor's Office	
<b>SB 406</b> (DeSaulnier) Regional Blueprint Plans	<p>Requires the Planning Advisory and Assistance Council to: (a) work with regional agencies, such as metropolitan planning organizations (MPOs) and councils of governments (COGs), as well as with cities and counties to facilitate the implementation of regional blueprint plans; and (b) develop and propose recommendations to facilitate the coordination between regional blueprint plans, state growth and infrastructure funding plans, and programs that facilitate the implementation of regional blueprint plans. Authorizes an MPO, COG, or county transportation commission and subregional COG jointly preparing a subregional sustainable communities strategy to impose a vehicle registration surcharge of \$1 or \$2 solely to: (a) develop a regional blueprint plan or sustainable communities strategy to identify land-use strategies to reduce the use of motor vehicles in its jurisdiction and thereby achieve the greenhouse gas emission reduction target specified in the California Global Warming Solutions Act of 2006; and (b) implement a sustainable communities strategy or regional blueprint plan that achieves the greenhouse gas emission reduction target specified in the act. In the Bay Area, requires the surcharge to be jointly imposed by the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG), and the revenues from the surcharge to be divided in accordance with an agreement between those two entities. If the surcharge exceeds \$1, requires all amounts above \$1 in a jurisdiction with a population greater than 300,000 to be used to provide grants to cities and counties for planning and projects related to the implementation of a regional blueprint plan. Requires 5 percent of the surcharge revenues to be transmitted to the Planning Advisory and Assistance Council. Allows an MPO, COG, or county transportation commission and subregional COG jointly preparing a subregional sustainable communities strategy to divide the revenues from the surcharge with the local air quality management district. Requires any surcharge revenues received by a local air quality management district to be used to assist local and regional governments in reducing greenhouse gas emissions.</p>	9/4/09	Governor's Office	

State Senate Bills	Subject	Last Amended	Status	VTA Position
<b>SB 409</b> (Ducheny) Department of Railroads	<p>Creates the Department of Railroads within the California Business, Transportation and Housing Agency. Specifies that the department would be overseen by a director to be appointed by the governor and confirmed by the Senate. Transfers to the department all state programs and responsibilities related to the following: (1) intercity passenger rail; (2) high-speed rail; (3) rail goods movement; and (4) rail-highway grade crossings and separations. Creates the Division of Railroad-Highway Grade Separation and Grade Crossing Protection within the department. Requires the department to conduct an analysis of the state's freight rail transportation system every two years. Requires the department to coordinate regional planning efforts throughout the state relative to rail transportation. Specifies that the department shall be the only state agency eligible to apply for and receive grant and loan funds from the federal government or other sources for intercity rail, high-speed rail and freight rail purposes. Establishes the California High-Speed Rail Authority as a division of the department. Requires the chief of this division to be nominated by the director of the Department of Railroads and approved by High-Speed Rail Authority. Requires one of the appointments to the High-Speed Rail Authority to be the director of the Department of Railroads. Requires the director of the Department of Railroads to serve as the chair of the High-Speed Rail Authority.</p>	5/21/09	Senate Floor	
<b>SB 425</b> (Simitian) Transportation Demand Management Strategies	<p>Authorizes the Franchise Tax Board to deny a deduction for parking as a business expense if the employer is not in compliance with state parking cash-out requirements. Requires any revenues generated by disallowed deductions to be allocated as a tax credit to small business to help them implement and maintain qualified commute trip reduction measures.</p>	7/23/09	Senate Appropriations Committee	Support
<b>SB 455</b> (Lowenthal) California High-Speed Rail Authority	<p>Requires the five gubernatorial appointments to the California High-Speed Rail Authority to be confirmed by the Senate. Exempts the High-Speed Rail Authority from the following: (a) various statutory provisions related to the acquisition and disposal of property requiring the approval of the Department of Finance; (b) securing the approval of the Department of Finance or the State Public Works Board when expending funds appropriated for capital outlay purposes; and (c) securing the approval of the Department of General Services when acquiring an easement or right-of-way. Prohibits the Department of General Services from: (a) granting easements across the property of the High-Speed Rail Authority; and (b) maintaining an inventory of the property owned by the authority. Authorizes the High-Speed Rail Authority to negotiate, in the name of the state, access to rights-of-way that it owns. Requires any capital investment made by the High-Speed Rail Authority for Phase 1 of the high-speed train project to be consistent with one or more of the following criteria: (a) enhances railroad access to stations and terminals, with priority being given to those stations and terminals that serve the largest employment centers; (b) improves travel times, service reliability, safety, and service frequency for existing commuter and intercity passenger train services; or (c) improves connections from the San Joaquin Valley to Southern California, or from the San Joaquin Valley to the Bay Area. Requires changes in contracts entered into by the High-Speed Rail Authority to be approved by its governing board. Requires the High-Speed Rail Authority to create an overall schedule with delivery milestones for all aspects of the high-speed train project.</p>	4/16/09	Assembly Floor	

State Senate Bills	Subject	Last Amended	Status	VTA Position
<b>SB 474</b> (Ducheny) Innovative Contracting and Financing Pilot Programs	Requires the California Transportation Commission (CTC) to provide an annual consolidated report to the Legislature on the progress of the following pilot programs authorized under current law: (1) public-private partnerships; (2) design-build; and (3) design-sequencing. Within 90 days after the award of a contract or after entering into any agreement for a pilot program involving public-private partnerships, design-build or design-sequencing under current law, requires the lead agency for the project to make a finding that the use of the alternative contracting or financing method will provide any of the following benefits to the public when compared to a traditional contracting or financing method: (a) accelerates the project completion date; (b) produces savings in personnel or financial resources; (c) results in lower costs to the users of the facility developed under the method; or (d) brings financial resources to the project that would not otherwise be available. If the lead agency on a project is not the owner of the facility, requires the owner of the facility to concur with the finding.	8/24/09	Assembly Desk	
<b>SB 476</b> (Correa) CEQA: Non-Compliance Allegations	Clarifies provisions of the California Environmental Quality Act (CEQA) that prescribe when and how a person may bring an action or a proceeding against a project before a public entity.	4/30/09	Assembly Natural Resources Committee	
<b>SB 485</b> (Wright) SHOPP Funding	Enacts the State Highway Operation and Protection Program Emergency Funding Act. States the intent of the Legislature to provide adequate funding to meet the needs of the State Highway Operation and Protection Program (SHOPP) in FY 2010.	As Introduced	Senate Transportation and Housing Committee	

State Senate Bills	Subject	Last Amended	Status	VTA Position
<b>SB 518</b> (Lowenthal) Parking	<p>Beginning January 1, 2011, prohibits state funds from being used, directly or indirectly, to subsidize the construction or operations of parking. Establishes a menu of parking policy reforms with a point score for each reform. By January 1, 2012, authorizes cities and counties within a region covered by a metropolitan planning organization (MPO) to adopt and implement measures from the menu that achieve a total score of at least 20 points. Includes reforms relating to the following as part of the menu: (a) eliminating or reducing minimum parking requirements and/or establishing maximum parking requirements in local zoning ordinances; (b) allowing greater development potential on existing parking lots; (c) requiring that parking costs be unbundled from rent costs in residential or commercial leases; (d) requiring that all new employment contracts charge the full cost of employer-provided parking; (e) requiring employers to offer public transit passes to employees on a pre-tax basis; (f) setting parking meter rates at market rate; (g) installing meters in areas with parking shortages; (h) establishing parking benefit districts to direct new revenues from meters or meter rate increases to the community from which they come; (i) allowing commuters to use surplus spaces in residential permit areas for a price; and (j) dedicating parking revenues to programs that reduce parking demand, including public transit, transportation demand management, and bicycle and pedestrian infrastructure. Requires the California Air Resources Board (CARB) to consider making a city or county that adopts and implements measures that exceed a total score of 20 points eligible to receive carbon reduction credits through its cap-and-trade program for those measures that exceed the 20-point threshold if the granting of those credits does not result in increasing the overall cap on emissions. Requires a city or county that adopts at least 50 points of reforms to receive a 5 percent scoring bonus for any state competitive loan or grant program related to housing, transportation or economic development, or that is funded by a general obligation bond approved by the voters on or after January 1, 2010. Allows any funding apportioned to cities or counties from the Highway Users Tax Account to be expended for implementing transportation demand management measures. Authorizes a local entity to dedicate any portion of the revenues collected from parking meter zones to parking benefit districts or programs that reduce parking demand, including public transit, transportation demand management, or bicycle and pedestrian infrastructure improvements and promotion.</p>	5/28/09	Senate Floor	
<b>SB 526</b> (Ashburn) Intercity Rail: Altamont Pass Extension	<p>Requires Caltrans to enter into negotiations with the relevant operating freight and passenger commuter railroads for the purpose of developing a service plan and an operating agreement for the extension of at least one San Joaquin Corridor intercity passenger train using the Altamont Corridor to and from San Francisco.</p>	4/2/09	Senate Appropriations Committee	
<b>SB 527</b> (Kehoe) Bicycles	<p>Prohibits a person from operating a bicycle on a highway if he or she is riding other than upon or astride a permanent and regular seat attached to the bicycle, unless the bicycle was designed by the manufacturer to be ridden without a seat.</p>	5/6/09	Governor's Office	
<b>SB 528</b> (Negrete McLeod) Public-Private Partnerships: Lessee Compensation	<p>Prohibits a lease agreement related to a public-private partnership for a transportation facility that is entered into on or after January 1, 2010, from providing for compensation to the private entity for the adverse effects on toll revenues resulting from the development, operation or lease of competing transportation projects.</p>	As Introduced	Senate Transportation and Housing Committee	

State Senate Bills	Subject	Last Amended	Status	VTA Position
<b>SB 535</b> (Yee) HOV Lanes: Low-Emission and Fuel-Efficient Vehicles	Unless pre-empted by federal law, indefinitely extends the authorization for vehicles that meet California's super ultra-low exhaust emission standard and the federal inherently low-emission evaporative emission standard to use high-occupancy vehicle (HOV) lanes regardless of the number of vehicle occupants. In addition, allows certain highly fuel-efficient vehicles to travel in HOV lanes without the required number of passengers, beginning in 2011. However, retains the January 1, 2011, sunset date for hybrid vehicles.	9/4/09	Assembly Floor	
<b>SB 555</b> (Kehoe) Eminent Domain: Conservation Easements	Revises eminent domain law to establish requirements for the acquisition of property subject to a conservation easement. Requires the person seeking to acquire the property through eminent domain to give the holder of the conservation easement a notice containing specified information and an opportunity to comment on the acquisition. Requires the holder of the conservation easement to provide notice of the proposed acquisition to each public entity that helped fund the purchase of the easement or that imposed conditions on the approval or permitting of a project that were satisfied, in whole or in part, by the easement. Requires the person seeking to acquire the property subject to a conservation easement to respond to any comments in writing. Specifies that the holder of a conservation easement is entitled to compensation under eminent domain law.	9/3/09	Governor's Office	
<b>SB 560</b> (Ashburn) Sustainable Communities Strategies	Provides that greenhouse gas emission credits for cities and counties that site and permit commercial wind, solar and biomass projects may be used as credit in the formation of a sustainable communities strategy or an alternative planning strategy. Provides that transportation trips outside of federal lands that are directly related to activities of a federal or state military installation shall not be included in the emissions inventory otherwise required to be considered to achieve any reductions in greenhouse gas emissions.	As Introduced	Senate Environmental Quality Committee	
<b>SB 575</b> (Steinberg) Sustainable Communities Strategies	Makes technical changes to several provisions under the Sustainable Communities and Climate Protection Act of 2008, including: (a) the rezoning requirements under housing element law; and (b) housing element due dates. In addition, requires Caltrans to maintain and publish a current schedule of the estimated regional transportation plan (RTP) adoption dates, and a current schedule of the estimated and actual housing element due dates on its Internet Web site.	8/17/09	Governor's Office	

State Senate Bills	Subject	Last Amended	Status	VTA Position
<b>SB 626</b> (Kehoe) Plug-In Hybrids and Electric Vehicles	Requires the California Public Utilities Commission (CPUC) to evaluate policies to develop infrastructure sufficient to overcome any barriers to the widespread deployment and use of plug-in hybrids and electric vehicles. By July 1, 2011, requires the CPUC to adopt rules to address all of the following: (1) the impacts on the state's electrical infrastructure of the widespread use of plug-in hybrids and electric vehicles, and the role and development of public charging infrastructure; (2) the impact of plug-in hybrids and electric vehicles on grid stability and the integration of renewable energy resources; (3) the technological advances that are needed to ensure the widespread use of plug-in hybrids and electric vehicles, and what role the state should take to support the development of this technology; (4) the existing code and permit requirements that will impact the widespread use of plug-in hybrids and electric vehicles; (5) any recommended changes to existing legal impediments to the widespread use of plug-in hybrids and electric vehicles; (6) the role the state should take to ensure that technologies employed in plug-in hybrids and electric vehicles work in a harmonious manner and across service territories; and (7) the impact of the widespread use of plug-in hybrids and electric vehicles on achieving the state's greenhouse gas emission reduction goals pursuant to the California Global Warming Solutions Act of 2006, and what steps should be taken to address possibly shifting emission reduction responsibilities from the transportation sector to the electrical industry.	7/1/09	Governor's Office	Support
<b>SB 632</b> (Lowenthal) Ports: Infrastructure Needs	Beginning January 1, 2010, requires the ports of Long Beach, Los Angeles and Oakland to assess their infrastructure and air quality improvement needs, including projects that improve the efficiency of the movement of cargo, and that reduce the congestion impacts and pollution associated with the movement of cargo. Requires these assessments to include the total costs of the infrastructure and air quality improvements, possible funding options for these projects, and estimated timelines for their implementation. Requires each port to provide this assessment to the Legislature by July 1, 2010.	4/30/09	Assembly Floor	
<b>SB 716</b> (Wolk) TDA: Farmworker Vanpool Services	For counties that had a population of less than 500,000 as of the 1970 census, but that have a population of 500,000 or more as of the 2000 census or at a subsequent census, requires Transportation Development Act (TDA) funds apportioned to the urbanized areas of those counties to be used solely for public transit and paratransit purposes, as well as for bicycle projects. However, for TDA money apportioned to the non-urbanized areas of those counties, allows these funds to remain available for local street/road purposes and to be used for the acquisition or lease of vans and related equipment for a farmworker vanpool program, if there is a finding by the relevant transportation planning agency that there are no unmet transit needs that are reasonable to meet. Furthermore, for counties with a population of less than 500,000, allows TDA funds to be used for the acquisition or lease of vans and related equipment for a farmworker vanpool program, if there is a finding by the relevant transportation planning agency that there are no unmet transit needs that are reasonable to meet.	9/3/09	Governor's Office	

State Senate Bills	Subject	Last Amended	Status	VTA Position
<b>SB 721</b> (Steinberg) Climate Action Team	<p>Creates the Climate Action Team consisting of the following representation: (a) secretary of the California Environmental Protection Agency; (b) secretary of the Natural Resources Agency; (c) chairperson of the California Air Resources Board (CARB); (d) chairperson of the Energy Resources Conservation and Development Commission; (e) president of the California Public Utilities Commission (CPUC); (f) secretary of the Business, Transportation and Housing Agency; (g) secretary of the Department of Food and Agriculture; (h) secretary of the Department of Consumer Affairs; and (i) secretary of the Labor and Workforce Development Agency. Consistent with the California Global Warming Solutions Act of 2006, requires the Climate Action Team to coordinate the state's overall climate change policy. Requires the Climate Action Team to prepare and adopt a strategic research, development, demonstration, and deployment plan that identifies funds to be expended to: (1) assist in bringing California clean technologies into the marketplace that provide quantifiable reductions in greenhouse gas emissions; (2) encourage behavior changes or changes in consumer preferences that assist California in meeting its climate change targets and requirements; and (3) identify and forecast the impacts of climate change, and identify and research methods to mitigate and adapt to those impacts. Requires the Climate Action Team to coordinate with the Natural Resources Agency to prepare and adopt a climate change impact mitigation and adaptation plan that includes all of the following: (1) an assessment of the current state of climate change impact analysis, and an identification of potential climate change impacts that should be included in decision-making related to the management of natural resources or investment in infrastructure; (2) a process for integrating climate change impact information into the planning and decision-making of state agencies as appropriate; (3) the identification of additional research and research priorities that could assist and improve state decision-making in future years; (4) an evaluation of each sector's contribution toward meeting the greenhouse gas emission reduction targets established by the Global Warming Solutions Act of 2006; and (5) a review of the best available scientific information regarding projected climate change impacts, risk analysis and best management practices developed to date.</p>	4/23/09	Senate Appropriations Committee	
<b>SB 728</b> (Lowenthal) Parking Cash-Out Program	<p>Allows cities, counties and air districts to establish, by ordinance or resolution, a penalty or other mechanism to ensure compliance with the state's parking cash-out law.</p>	8/20/09	Governor's Office	

State Senate Bills	Subject	Last Amended	Status	VTA Position
<b>SB 783</b> (Asburn) High-Speed Rail: Business Plan	No later than January 1, 2012, and every two years thereafter, requires the California High-Speed Rail Authority to prepare, publish, adopt, and submit to the Legislature a business plan. Requires the business plan to identify all of the following: (1) the type of service that the authority anticipates it will develop, such as local, express, commuter, regional, or interregional; (2) a description of the primary benefits that high-speed rail will provide; (3) a forecast of the anticipated patronage, operating and maintenance costs, and capital costs for the high-speed train system; (4) an estimate and description of the total anticipated federal, state, local, and other funds that the authority intends to access to fund the construction and operation of the high-speed train system; and (5) the proposed chronology for the construction of the eligible corridors of the high-speed train system. In addition, requires the plan to include the following elements: (a) using the most recent patronage forecast for the high-speed rail system, develop a forecast of the expected patronage and service levels for the Phase 1 corridor (San Francisco/San Jose to Los Angeles/Anaheim), and by each segment or combination of segments for which a project-level environmental analysis is being prepared for Phase 1; (b) based on the patronage forecast, develop alternative financial pro formas for the different levels of service, and identify the operating break-even points for each alternative; (c) identify the expected schedule for completing environmental review, and initiating and completing construction for each segment of Phase 1; (d) identify the source of federal, state and local funds available for the project that will augment funds from the high-speed rail bond measure, and the level of confidence for obtaining each type of funding; (e) identify written agreements with public or private entities to fund components of the high-speed rail system and any impediments to the completion of the system, such as the inability to gain access to existing railroad rights-of-way; and (f) identify alternative public-private development strategies for the implementation of Phase 1.	7/2/09	Governor's Office	
<b>SCA 3</b> (Wyland) Proposition 42 Suspensions	Calls for placing before the voters an amendment to the California Constitution to eliminate the ability of the Governor and the Legislature to suspend the transfer of gasoline sales tax revenues pursuant to Proposition 42 from the General Fund to the Transportation Investment Fund (TIF). Prohibits the loaning of TIF revenues under any circumstances. Prohibits the enactment of a statute that would reduce the extent to which gasoline sales tax revenues are deposited into the General Fund for transfer to the TIF for transportation purposes.	As Introduced	Senate Revenue and Taxation Committee	
<b>SCA 5</b> (Hancock) State Budget	Calls for placing before the voters an amendment to the California Constitution to allow for General Fund appropriations in the state budget bill to be enacted by the Legislature with a majority vote.	As Introduced	Senate Floor	
<b>SCA 10</b> (Ducheny) Constitutional Amendments	Calls for placing before the voters an amendment to the California Constitution regarding statewide initiative measures. Specifically, requires the Secretary of State's Office to transmit a copy of an initiative measure certified for the ballot to both the Senate and Assembly no later than 176 days prior to the election at which the measure is to be considered by the electorate. Within 30 days, allows the Legislature to propose an amended form of the initiative measure by adopting a concurrent resolution. If the sponsors of the initiative measure accept the proposed amendments, requires the Legislature's proposal to appear on the ballot in place of the certified initiative measure. If the amended form proposed by the Legislature is not accepted, requires information regarding the proposed amended form to be included in the ballot materials related to the initiative measure.	8/17/09	Senate Floor	

State Senate Bills	Subject	Last Amended	Status	VTA Position
<b>SCA 14</b> (Ducheny) Ballot Initiative Costs	Calls for placing before the voters an amendment to the California Constitution regarding the costs associated with statewide initiative measures. Specifically, prohibits an initiative measure that would result in a net increase in state or local government costs other than costs attributable to the issuance, sale or repayment of bonds from being placed on the ballot unless the Legislative Analyst's Office and the Department of Finance jointly determine that the initiative measure provides for additional revenues in an amount that would meet or exceed the net increase in costs.	8/17/09	Senate Floor	

**CALIFORNIA STATE LEGISLATURE  
2009 Regular Session Calendar**

<b>DAY</b>	<b>JANUARY</b>
1	Statutes signed into law in 2008 take effect.
5	Legislature reconvenes.
10	Budget must be submitted by the Governor to the Legislature on or before this date.
30	Last day to submit bill requests to the Legislative Counsel's Office.

<b>DAY</b>	<b>FEBRUARY</b>
27	Last day for bills to be introduced.

<b>DAY</b>	<b>APRIL</b>
2	Spring Recess begins upon adjournment.
13	Legislature reconvenes from Spring Recess.

<b>DAY</b>	<b>MAY</b>
1	Last day for policy committees to hear and report fiscal bills introduced in their house.
15	Last day for policy committees to hear and report to the floor non-fiscal bills introduced in their house.
29	Last day for fiscal committees to hear and report to the floor bills introduced in their house.

<b>DAY</b>	<b>JUNE</b>
5	Last day for bills to be passed out of their house of origin.
15	Budget must be passed by midnight.

<b>DAY</b>	<b>JULY</b>
10	Last day for policy committees to hear and report bills introduced in the other house.
17	Summer Recess begins upon adjournment, provided that the budget bill has been enacted.

<b>DAY</b>	<b>AUGUST</b>
17	Legislature reconvenes from Summer Recess.
28	Last day for fiscal committees to hear and report to the floor bills introduced in the other house.

<b>DAY</b>	<b>SEPTEMBER</b>
4	Last day to amend bills on the Assembly and Senate floors.
11	Last day for each house to pass bills. Interim Recess begins at the end of this day's session

<b>DAY</b>	<b>OCTOBER</b>
11	Last day for the Governor to sign or veto bills passed by the Legislature before September 11, and in his possession after September 11.

<b>DAY</b>	<b>JANUARY 2010</b>
4	Legislature reconvenes.



Date: October 7, 2009  
 Current Meeting: October 15, 2009  
 Board Meeting: November 5, 2009

## BOARD MEMORANDUM

**TO:** Santa Clara Valley Transportation Authority  
 Administration & Finance Committee

**THROUGH:** General Manager, Michael T. Burns

**FROM:** Chief CMA Officer, John Ristow

**SUBJECT:** Bicycle & Pedestrian Advisory Committee (BPAC) Member Appointment

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**Policy-Related Action:** No

**Government Code Section 84308 Applies:** No

## ACTION ITEM

### **RECOMMENDATION:**

Ratify the appointment of Aaron Faupell as the City of Milpitas representative on the Bicycle Pedestrian Advisory Committee (BPAC).

### **BACKGROUND:**

The Bicycle & Pedestrian Advisory Committee (BPAC) advises the VTA Board of Directors on planning and funding for bicycle and pedestrian projects and issues. The BPAC consists of 16 voting members, one appointed by each of VTA's 16 Member Agencies (the 15 cities in the county and the County of Santa Clara), and one non-voting ex-officio member from the Silicon Valley Bicycle Coalition.

The BPAC bylaws specify that each Member Agency appoints one representative to the BPAC and that the SVBC appoints one representative and one alternate. The bylaws also specify that the appointment term is two years and that members may be appointed to successive terms. Committee members must live or work in Santa Clara County during their term. Voting members of the Committee must also be a representative of the Member Agency's local bicycle advisory committee or, for Member Agencies without a local bicycle advisory committee, their representative must be an individual who lives or works in the local jurisdiction and is interested in bicycle or pedestrian issues. BPAC members are precluded from representing a Member Agency that is their employer.

In accordance with the bylaws, the process to fill BPAC vacancies is that VTA staff notifies the appointing authority of the vacancy and current membership requirements. The appointing authority then appoints one member for the designated membership position. For vacancies

occurring in mid-term, the bylaws specify that they be filled for the remainder of the term by the appointing authority. In both cases, the VTA Board must ratify the appointment.

**DISCUSSION:**

At the September 1, 2009 City Council meeting, the City of Milpitas appointed Aaron Faupell to serve as the City of Milpitas representative on the VTA BPAC (Attachment A). Mr. Faupell has lived in Milpitas for eight years and is a long time recreational and utilitarian cyclist; he often commutes to work from Milpitas to Sunnyvale and Santa Clara by bicycle.

Mr. Faupell began his bicycle advocacy many years ago when he was involved in a car accident while riding his bicycle. Since then, he has become an active member in several organizations including Responsible Organized Mountain Pedalers (ROMP), International Mountain Bicycling Organization (IMBA) and the Silicon Valley Bicycle Coalition (SVBC). Over the past year as a member of the Milpitas BPAC, Mr. Faupell contributed to the completion of the new city bikeways map and the update of the Bicycle Master Plan.

Due to Mr. Faupell's qualifications, experience and knowledge of bicycle and pedestrian issues, staff recommends that the Board ratify this appointment.

**ALTERNATIVES:**

The Board could choose to not to ratify this appointment.

**FISCAL IMPACT:**

There is no fiscal impact as a result of this action.

Prepared by: Aiko Cuenco  
Memo No. 2208



# CITY OF MILPITAS

455 EAST CALAVERAS BOULEVARD, MILPITAS, CA 95035-5479  
GENERAL INFORMATION: 408-586-3000 [www.ci.milpitas.ca.gov](http://www.ci.milpitas.ca.gov)

September 30, 2009

Santa Clara Valley Transportation Authority  
Attn: Mr. John Ristow  
Chief CMA Officer  
3331 North First Street, Building B-2  
San Jose, CA 95134

**RE: BICYCLE & PEDESTRIAN ADVISORY COMMITTEE APPOINTMENT**

Dear Mr. Ristow:

I am writing to inform the VTA that Mr. Aaron Faupell was appointed by the Milpitas City Council to serve as the Milpitas representative on the VTA's Bicycle & Pedestrian Advisory Committee.

Mr. Faupell is a member of the Milpitas Bicycle Pedestrian Advisory Commission and has served on the Commission for one year. Mr. Faupell is a resident of Milpitas and has been an active member of the Milpitas Commission.

If you have any questions or additional information is required, please contact me by phone at 586-3001 or e-mail to [mlavelle@ci.milpitas.ca.gov](mailto:mlavelle@ci.milpitas.ca.gov).

Sincerely,

Mary Lavelle, CMC  
Milpitas City Clerk

c: City Council  
City Manager  
Staff Janice Spuller

Mr. Aaron Faupell  
735 London Drive  
Milpitas, CA 95035



Date: October 7, 2009  
 Current Meeting: October 15, 2009  
 Board Meeting: November 5, 2009

## BOARD MEMORANDUM

**TO:** Santa Clara Valley Transportation Authority  
 Administration & Finance Committee

**THROUGH:** General Manager, Michael T. Burns

**FROM:** Chief External Affairs Officer, Greta Helm

**SUBJECT:** Contract Award: Four to Six Color Offset Printing Services

**Policy-Related Action:** No

**Government Code Section 84308 Applies:** Yes

## ACTION ITEM

### RECOMMENDATION:

Authorize the General Manager to execute on-call task order contracts with three printing firms for four to six color printing services to be utilized on an as-needed basis. Each contract shall be for a period of up to three years, with an option to extend the contract for an additional two-year term. The total amount for all three contracts shall not exceed \$1 million for a total of five years.

### BACKGROUND:

The estimated request is based on previous budget expenditures over the last ten years of printed collateral required to support operations planning and construction. VTA produces agency required materials, transit and project information, and community relations and promotional materials in four to six color (full color) offset printing for various VTA departments. These printed publications communicate varied information about VTA services and projects to our riders and the general public.

Yearly printed examples include the VTA bus & light rail service changes (32,000 pieces), light rail station posters (1,500 pieces), VTA Transportation Handbook, Eco Pass & Residential Eco Pass promotional collateral, VTA Bus & Rail folded map (50,000 pieces) and shelter map (2,400 pieces), Santa Clara County Bikeways map (30,000 pieces) and VTA bus and light rail cut-outs. Examples printed to support funding requirements include the VTA Short Range Transit Plan, VTA Legislative Program brochure, capital project newsletters (100,000 pieces) and support materials and construction updates.

In order to meet the demands for full color printing cost-effectively, a multi-year contract is proposed. The task order contract would encompass a group of pre-qualified vendors to fulfill

VTA's four to six color offset printing needs. With this approach, VTA could consistently secure the services of a qualified vendor for multiple and simultaneous projects.

### **DISCUSSION:**

VTA Contracts and Materials Management Department solicited vendors through the Request for Proposals (RFP) process in July 2009. Proposals were solicited from 22 firms, 13 of which are based in Santa Clara County. All potential vendors were invited and encouraged to attend a pre-proposal conference held on August 7, 2009. Representatives from eight firms attended the pre-proposal conference.

Nine proposals were received and evaluated by a review board consisting of representatives from Contract Administration and Marketing & Communications. Respondents included:

- American Lithographers - Hayward, CA
- Benjamin Litho, Inc. - San Jose, CA
- Essence Printing, Inc. - So. San Francisco, CA
- Fong Brothers Printing, Inc. - Brisbane, CA
- Fong & Fong Printers & Lithographers - Sacramento, CA
- ImageX - Pleasanton, CA
- Imperial Printing - Campbell, CA
- Lahlouh, Inc. - Burlingame, CA
- Malone & Company - San Jose, CA

The review board evaluated the proposals according to a pre-established set of criteria, including qualifications of the firm, staffing, project understanding and approach, and price. Six firms were invited for interviews between September 2 & 3, 2009 to present their company experience and project team, provide additional information and printed samples for discussion, and answer questions from the review board.

The review board is recommending American Lithographers, Fong Brothers Printing, Inc., and ImageX for this contract, with each vendor receiving the same contract terms. The review board rated these firms to be the overall best candidates based on professional qualification, staffing, project understanding and approach, and competitive pricing.

It is anticipated that the agreements resulting from this solicitation, if awarded, will be "Task Order" agreements. These agreements are anticipated to commence on January 1, 2010 and expire January 1, 2013, with an option for an additional two-year term. The two-year extension (if applicable) would commence on January 2, 2013 and continue through January 2, 2015.

### **ALTERNATIVES:**

If the Board of Directors should choose not to award these contracts through the RFP process, then VTA would have to place individual purchase orders for each requirement. This could not be done in as timely a manner as having on-call service contracts with pre-negotiated commercial terms. VTA does not have the internal resources to produce multi-color offset

printing.

**FISCAL IMPACT:**

This action will authorize up to \$1 million for full color offset printing for a period of three years with an optional two-year extension. Task orders issued against these contracts will be charged against the VTA Transit Operating Budget or the appropriate capital project. Sufficient appropriation for the proposed scope of work for the current fiscal year is available in the FY10 Adopted VTA Transit Fund Operating Budget and individual capital projects where applicable. Appropriation for the remainder of the contract period will be included in subsequent biennial budget appropriation requests.

VTA continues to efficiently produce one and two color materials. However, should there be a need for four to six color print materials, VTA will have contracts in place to complete these types of projects.

**SMALL BUSINESS ENTERPRISE (SBE) PARTICIPATION:**

Based on the limited and specialized nature of the subcontracting opportunities in these contracts, an SBE goal of 5% was established for these contracts. All three of the selected firms have proposed to meet or exceed the 5% goal.

Prepared by: Helen Bellitto, Creative Services Manager  
Memo No. 2239

## ATTACHMENT

**Listing of Recommended Prime and Sub-Consultants**  
Four to Six Color Offset Printing

<b>American Lithographers</b>	<b>Prime</b>	<b>Charlene Petersen</b>	<b>Hayward, CA</b>
<b>Fong Brothers Printing, Inc.</b>	<b>Prime</b>	<b>Nancy Bryant</b>	<b>Brisbane, CA</b>
<b>ImageX</b>	<b>Prime</b>	<b>Glen Douglas</b>	<b>Pleasanton, CA</b>
A&M Printing	Sub-Consultant	Amy Chan	Pleasanton, CA
Atinta	Sub-Consultant	Armando Pena	Hayward, CA
Easy Color	Sub-Consultant	Russell Bender	Fremont, CA
Moquin Press	Sub-Consultant	Greg Moquin	Belmont, CA
Pinnacle Press	Sub-Consultant	Jason Kim	Santa Clara, CA



Date: October 6, 2009  
 Current Meeting: October 15, 2009  
 Board Meeting: November 5, 2009

## **BOARD MEMORANDUM**

**TO:** Santa Clara Valley Transportation Authority  
 Administration & Finance Committee

**THROUGH:** General Manager, Michael T. Burns

**FROM:** Senior Policy Advisor, Jim Lawson

**SUBJECT:** VTA Governance

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**Policy-Related Action:** Yes

**Government Code Section 84308 Applies:** No

## **ACTION ITEM**

### **RECOMMENDATION:**

That the Santa Clara Valley Transportation Authority (VTA) Board consider:

1. One of the following changes to VTA's governance structure:
  - a. Reconfigure the small city groupings to include a new city group comprised of Sunnyvale, Santa Clara and Milpitas, that would appoint two Board Members and one alternate: or
  - b. Implement a new process where the VTA Policy Advisory Committee will select the five Board Members and Alternates to represent the small cities.
2. Take no further action.

### **BACKGROUND:**

VTA engaged the Hay Group to conduct a comprehensive Organization and Financial Assessment (Assessment) in 2007. As a result of the Assessment, VTA received recommendations designed to strengthen VTA's governance, financial management and organizational effectiveness.

In the area of governance, the Assessment identified Board turnover as a critical challenge to

VTA's governance structure. Turnover is particularly high for the small city groupings. The Assessment recommended that the Board examine alternatives to lengthen the term of office for Directors and to work with appointing authorities to ensure that eligibility to serve on the Board include appropriate qualifications and that there is enough time left in the elected official's term of office so they do not "term out" during their tenure as a Director.

To address these issues, as well as concerns regarding the geographical configuration of the small city groupings, Director Sellers was asked to work with VTA staff and outside consultant to develop recommendations for the Board's consideration.

The recommendations were presented to the Policy Advisory Committee (PAC), the Citizens Advisory Committee (CAC) and several city councils. At the May 1, 2008 Board of Directors meeting, the Board approved the following recommendations\*:

1. Eliminate the concept of city groups selecting their representative(s) through a rotation process. Each of the city groups will "select" their representative(s) to serve as a Director on the VTA Board.
2. VTA Directors will still serve two-year terms. However, the appointing authorities will be encouraged to reappoint representatives to consecutive terms.
3. Include a process for selecting VTA Directors within the city groups. VTA Directors should have the required experience and qualifications in transportation.

\*These constitute recommendations only. The groups are autonomous and are simply required to notify VTA of their selections.

At the request of Director Casas, the Board deferred taking action on a fourth recommendation which would have amended the Joint Powers Agreement that created the small city groups until the August 7, 2008 Board of Directors meeting. This allowed Director Casas and Director Sellers additional time to work together as the Governance Committee to discuss the recommendation and determine if there are additional governance alternatives the Board should consider.

The two members of the governance committee invited two members of the Policy Advisory Committee (PAC) and two members of the Citizens Advisory Committee (CAC) to participate in the committee's activities. They met regularly in the spring and early summer of 2008 and developed an alternative recommendation for the Board to consider. Member Casas supported the alternative recommendation (Selection by PAC) and Member Sellers continued to support the original recommendation (Reconfigure Small City Groupings).

At the August 7, 2008 VTA Board of Directors meeting, the Board appointed the Administration and Finance (A&F) Committee to take up the issue and make a recommendation to the Board on the proposed changes to VTA's governance.

The A&F Committee discussed the issue at its August 21, 2008 meeting. The Committee requested that staff return with a summary of several different approaches to VTA's governance as well as the necessary legal steps required to implement any of the proposals.

At the October 16, 2008 A&F Committee meeting, the committee agreed to revisit the item in one year. In the interim, the city groups were requested to decide for themselves how they will make their appointments to the Board in-lieu of the board rotation schedule.

Staff provided updates to the committee in April and August of this year reporting on how the city groups were planning to select their members. At the August committee meeting, there was a robust discussion on the challenges with the current structure and the proposed alternatives. Milpitas Mayor Robert Livengood stated that the current MGM city grouping was not working and that he supported the concept of creating a new group with Milpitas, Santa Clara and Sunnyvale. The committee requested that staff send the transcript of the committee's discussion to the potentially impacted cities for any feedback and to return to the committee in October to consider changes to the governance structure.

### **DISCUSSION:**

Below is a summary of the two alternatives for the Board's consideration. A summary of the two alternatives is included in Attachment A.

#### **Reconfiguring the Small City Groupings**

This alternative was developed by Member Sellers working with VTA's consultant and staff. This alternative is the original staff recommendation that was forwarded to the Board at their May 2008 meeting.

This alternative will reconfigure the existing small city groupings and add one new group based on geographic proximity and common regional interests to create groups based on communities of interest within the county.

The current configuration was based primarily on population and secondarily on geography. VTA's history and Directors' experience has shown that cities that are geographically proximate have very similar issues, challenges and opportunities. The following recommendation groups cities based on geographic proximity and areas of common interest:

- a. North West - One seat comprised of Los Altos, Los Altos Hills, Mountain View

and Palo Alto. The population of the region is approximately 176,593.

- b. North East - Two seats comprised of Milpitas, Santa Clara and Sunnyvale. The population of the region is approximately 326,885.
- c. South County - One seat comprised of Gilroy and Morgan Hill. The population of the region is approximately 91,322.
- d. West Valley - One seat comprised of Campbell, Cupertino, Los Gatos, Monte Sereno and Saratoga. The population of the region is approximately 162,055.

The groupings for the City of San Jose and Santa Clara County would remain unchanged.

The population estimates are provided by the California Department of Finance - January 1, 2008 and 2009.

### **Selection by VTA Policy Advisory Committee (PAC)**

This alternative was developed through the Governance Subcommittee, which was comprised of Members Sellers and Casas. Members Sellers and Casas invited two members of the CAC and two members of the PAC to participate in their meetings. The two board members comprising the governance committee were split in their support of this alternative with the CAC and PAC representatives supporting this approach

Under this alternative, PAC members (other than San Jose and the County) will hold an election to appoint five board members and three alternates to represent the small cities. The election will be held in December of every odd year and the new members will begin serving two-year terms the following January. The election would be by population weighted, rank ordered voting as detailed below.

Each city may submit one nominee. The nominee must be an incumbent council member whose council term would allow them to serve the entire two-year term of the Board of Directors. Furthermore, each nominee must meet one of the following criteria:

- At least one year's service on the Transit District Board (the VTA Board or the County Board of Supervisors prior to 1994).
- At least one year's service on a policy advisory committee that reports to the Transit District Board (the PAC, CAC or the County Transportation Commission).
- Any other transportation policy credential that has been approved in advance by the VTA Board as meeting the intent of the legislation.

Election to the Board would be accomplished by ranked-choice voting, using written ballots that display all nominee names, the city represented by the voting member, and that member's selections in order of preference.

Each PAC member, not including the members representing San Jose and Santa Clara County, shall vote by ranking his or her top five choices in order. A voting member must fill out all five choices in order for the ballot to be counted.

Each first-choice candidate will be awarded five points multiplied by the population of the voting member's city in units of 1,000 (rounded to the nearest thousand). Each second-choice candidate will be awarded four points multiplied by population, and so on.

The five candidates with the largest number of points shall be appointed to the Director positions, and the next three candidates, in rank order, shall serve as VTA Board Alternates.

A VTA Board Governance Committee would be convened after this procedure has been in place for ten years in order to evaluate the fairness of the selection process and the quality of the Board members chosen.

Next Steps:

If either of these alternatives is approved, staff will return to the Board with a recommended amendment to the Joint Powers Agreement for the Administration of the Santa Clara County Congestion Management Program dated December 1, 1994, which Agreement established the current city groupings. Upon approval of the amendment by a majority of the cities representing a majority of the population and the County Board of Supervisors, staff will return with proposed amendments to the Administrative Code to implement the procedures.

**ALTERNATIVES:**

The Board could modify the recommendations presented.

**FISCAL IMPACT:**

There is no fiscal impact with the proposed changes to the governance structure.

Prepared by: Scott Haywood  
Memo No. 2244

## Summary of Governance Alternatives

### Current Small City Groups

<i>West Valley</i> <i>1 Member &amp; 1 Alternate</i>	<i>North County</i> <i>3 Members &amp; 1 Alternate</i>	<i>MGM</i> <i>1 Member &amp; 1 Alternate</i>
Campbell	Los Altos	Gilroy
Cupertino	Los Altos Hills	Milpitas
Los Gatos	Mountain View	Morgan Hill
Monte Sereno	Palo Alto	
Saratoga	Santa Clara	
	Sunnyvale	

### Option 1 a. - Proposed Reconfigured City Groups

<i>West Valley</i> <i>1 Member &amp; 1 Alternate</i>	<i>North West</i> <i>1 Member &amp; 1 Alternate</i>	<i>North East</i> <i>2 Members &amp; 1 Alternate</i>	<i>South County</i> <i>1 Member &amp; 1 Alternate</i>
Campbell	Los Altos	Milpitas	Gilroy
Cupertino	Los Altos Hills	Santa Clara	Morgan Hill
Los Gatos	Mountain View	Sunnyvale	
Monte Sereno	Palo Alto		
Saratoga			

### Option 1b. – Policy Advisory Committee (PAC) Selects Directors

<i>Small Cities</i> <i>5 Member &amp; 3 Alternates</i>		
Campbell	Milpitas	Saratoga
Cupertino	Monte Sereno	Sunnyvale
Gilroy	Morgan Hill	
Los Altos	Mountain View	
Los Altos Hills	Palo Alto	
Los Gatos	Santa Clara	

- Directors selected by PAC members by rank-choice, weighted voting.
- Weighted voting will be determined by population of each PAC member's city.
- Replaces small city groupings.
- Nominees will be required to meet qualification criteria set by the Board.