

**ADMINISTRATION & FINANCE COMMITTEE**

Thursday, February 17, 2011

**MINUTES**

**CALL TO ORDER**

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

**1. ROLL CALL**

| <b>Attendee Name</b> | <b>Title</b>           | <b>Status</b> |
|----------------------|------------------------|---------------|
| Ash Kalra            | Board Member           | Present       |
| Liz Kniss            | Chairperson            | Present       |
| Chuck Reed           | Board Member           | Absent        |
| Perry Woodward       | Board Member           | Present       |
| Nancy Pyle           | Alternate Board Member | NA            |
| Pete McHugh          | Alternate Board Member | NA            |
| George Shirakawa     | Alternate Board Member | NA            |

\* 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**

There were no Orders of the Day.

**CONSENT AGENDA**

**4. Regular Meeting Minutes of October 21, 2010**

M/S/C (Kalra/Woodward) to approve the Regular Meeting Minutes of October 21, 2010.

**5. Regular Meeting Minutes of January 20, 2011**

M/S/C (Kalra/Woodward) to approve the Regular Meeting Minutes of January 20, 2011.

**6. Monthly Investment Report – December 2010**

M/S/C (Kalra/Woodward) to review the Report on Santa Clara Valley Transportation Authority Investments for the month of December 2010.

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

7. **Quarterly Purchasing Report – October 1 through December 31, 2010**

M/S/C (Kalra/Woodward) to review the Quarterly Purchasing Report – October 1 through December 31, 2010.

8. **Second Quarter FY 2011 Public Liability/Property Damage Claims Activity Report**

M/S/C (Kalra/Woodward) to review the Second Quarter FY 2011 Public Liability/Property Damage Claims Activity Report.

9. **Second Quarter FY 2011 Report of Workers' Compensation Claims and Transitional Work Program**

M/S/C (Kalra/Woodward) to review the Second Quarter FY 2011 Report of Workers' Compensation Claims and Transitional Work Program.

10. **2010 Year End Attendance Report**

M/S/C (Kalra/Woodward) to review the 2010 Year End Attendance Report for the VTA Board of Directors, Ad-Hoc Committees, Board Standing Committees, and Board Advisory Committees.

11. **Amend the VTA Administrative Code to Reflect Revised Small City Governance Structure**

M/S/C (Kalra/Woodward) to adopt a resolution amending the VTA Administrative Code to incorporate the recently approved governance structure changes reconfiguring the existing small city groupings to include a new city group comprised of Sunnyvale, Santa Clara and Milpitas, to be effective January 2012.

## **REGULAR AGENDA**

12. **Elect Standing Committee Vice Chairperson**

Chairperson Kniss opened the nominations from the floor for the position of Administration and Finance Committee Vice Chairperson for 2011.

Vice Chairperson Woodward nominated Member Kalra for the position of Administration and Finance Committee Vice Chairperson for 2011.

M/S/C (Woodward/Kniss) to close the nominations and elect Member Kalra as Administration and Finance (A&F) Committee Vice Chairperson for 2011, on a white ballot.

13. **Adoption of Express Bus Business Plan**

Michael T. Burns, General Manager, stated the Express Bus Business Plan is an opportunity to increase ridership on the express buses by offering commuter oriented amenities such as, Wi-Fi, luggage racks, high backed reclining seats, and other attractive services.

Kevin Connolly, Transportation Planning Manager, provided a presentation entitled, "VTA Express Bus Business Plan," and discussed: 1) Study Goals; 2) Existing Express Bus Network; 3) Express Bus Ridership 2005 – 2010; 4) Service Design Guidelines 2010; 5) Study Design; 6) Express Bus Outreach Efforts; 7) Online Survey Companies and Commute Mode; 8) Importance of Schedule - Passenger Survey; 9) Importance -

Perception of Express Bus Services; 10) Market Segmentation Data; 11) Largest Private Bus Operations; 12) VTA Express vs. Employer Operators; 13) Private Employer Vehicles; 14) VTA Express Vehicles; 15) Amenities favored by survey respondents; 16) Business Plan Recommendations; 17) Express Bus Implementation; 18) Ridership, Fare Revenue, and Operating Costs; 19) Service Design Guidelines, 2010 vs. 2015; and 20) Proposed New Network.

Mr. Connolly commented on the following Express Bus Business Plan recommendations to implement a repositioned Express Bus Service for Santa Clara County:

- Utilizes a specialized freeway express vehicle;
- Opens up new markets with new BART connecting service to Evergreen, Cupertino, and the Mountain View Shoreline area;
- Suggests deletions of underperforming lines and conversion of existing express bus lines;
- Recommends a change order for the existing Gillig vehicle procurement and receive 20 of the 35 vehicles needed for the system by the end of 2011;
- Implements a fare increase for the new Express Services; and
- Implements a repositioned Express Bus network in three phases.

Vice Chairperson Kalra noted the value and effort to change the image of riding the bus to encourage individuals who have never ridden before.

### **Public Comment**

Tammy Dhanota, Chief Steward of Services Employees International Union (SEIU), Local 521, inquired if surveys have been conducted on where the individuals are traveling. Mr. Connolly responded in the affirmative, noting staff is aware of their general travel patterns.

Chairperson Kniss noted the significance to incorporate and factor in the glamour aspect of utilizing the new Express Bus. Mr. Connolly responded the intent is for the riders to be aware of the Express Bus experience.

Chairperson Kniss stressed the importance to include the cost benefit of the new Express Bus Business Plan in the memorandum.

**M/S/C (Woodward/Kalra)** to approve submitting a recommendation to the Board of Directors to adopt the Express Bus Business Plan as a basis for service changes in 2012, 2015 and 2018 repositioning VTA Express Service as a more attractive alternative in key commute markets to increase ridership and begin the process of gaining strategic input from VTA customers.

### **14. Fiscal Year 2011 Quarterly Statement of Revenues and Expenses for the Period Ending December 31, 2010**

Carol Lawson, Fiscal Resources Manager, reported the Fiscal Year (FY) to date Total Revenues were above budget estimates by \$16.5 million due to favorable variances in State Transit Assistance (STA) and Sales Tax based accounts, such as the 1976 Half-Cent Sales Tax, Transportation Development Act (TDA), and Measure A Sales Tax Operating Assistance. The Sales Tax based revenues accounted for a collective surplus of \$10.1 million over budget estimates.

Ms. Lawson continued the overall FY to date Total Expenses were \$7.6 million below budget driven by favorable variances in Professional and Special Services, Other Services, Paratransit Services, Caltrain, and Debt Services.

Ms. Lawson stated that revenues exceeded budgeted projections by \$16.5 million while the expenses were \$7.6 million below budget estimates for an overall positive variance of revenues over expenses of \$24 million, noting the positive result is attributed to hard work and sacrifices within the organization.

Mr. Burns stated all VTA's employees worked diligently to address the financial challenges and will continue to work together.

Chairperson Kniss expressed appreciation and acknowledge Mr. Burns and staff for their diligent work and effort to address VTA's financial challenges.

**M/S/C (Woodward/Kalra)** to approve submitting a recommendation to the Board of Directors to review and accept the Fiscal Year 2011 Quarterly Statement of Revenues and Expenses for the period ending December 31, 2010.

**15. Monthly Legislative History Matrix**

Kurt Evans, Government Affairs Manager, commented on the Governor's Proposed Budget that attempts to address an 18-month budget gap estimated at \$25.4 billion by recommending \$12.5 billion in spending reductions; \$12 billion in revenue extensions and modifications; \$1.9 billion in fund shifts and loans; and a \$1 billion reserve.

The Governor's Proposed Budget embraces the conceptual framework that was developed by the transportation community to address the impacts of Proposition 22 and 26 on the transportation funding swap and to ensure that the goals of the swap for the General Fund and transportation are achieved.

Mr. Evans reported that the Governor's proposed spending plan assumes that all statutory changes to apply budget actions will be adopted by the Legislature by March, which would allow the necessary ballot measures to be placed on a June Special Election ballot.

**M/S/C (Woodward/Kalra)** to review the Monthly Legislative History Matrix.

**OTHER ITEMS**

**16. Items of Concern and Referral to Administration**

There were no Items of Concern and Referral to Administration.

**17. Committee Work Plan**

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

**18. Committee Staff Report**

There was no Committee Staff Report.

**19. Chairperson's Report**

There was no Chairperson's Report.

**20. Determine Consent Agenda for the March 3, 2011 Board of Directors Meeting**

**CONSENT: Agenda Item #11.** Adopt a resolution amending the VTA Administrative Code to incorporate the recently approved governance structure changes reconfiguring the existing small city groupings to include a new city group comprised of Sunnyvale, Santa Clara and Milpitas, to be effective January 2012.

**REGULAR: Agenda Item #13.** Adopt the Express Bus Business Plan as a basis for service changes in 2012, 2015 and 2018 repositioning VTA Express Service as a more attractive alternative in key commute markets to increase ridership and begin the process of gaining strategic input from VTA customers; and

**Agenda Item #14.** Review and accept the Fiscal Year 2011 Quarterly Statement of Revenues and Expenses for the period ending December 31, 2010.

**21. Announcements**

Mr. Burns announced the New Starts Program has recommended the Silicon Valley Berryessa Extension project for a Full Funding Grant Agreement (FFGA). He noted the President's proposed budget also recommended the SVBX project for a FFGA and \$130 million in funding for federal fiscal year 2012.

**22. ADJOURNMENT**

**On order of Chairperson Kniss** and there being no objection, the Committee meeting was adjourned at 1:39 p.m.

Respectfully submitted,

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