

From: Board.Secretary  
Sent: Friday, March 14, 2008 1:58 PM  
To: Board.Secretary  
Cc: Burns, Michael  
Subject: VTA Response to Westmont High School Request for Service

Attachments: Westmont High School Request for Service.pdf

VTA Board of Directors:

At the December 13, 2007 Board of Directors' meeting, Mr. Matt Kolda, Student Activities Director at Westmont High School in Campbell, addressed the Board and requested consideration of Westmont High School's service change proposal to Bus Route 60. Attached is the staff response from Chief Operating Officer Dan Smith.

Tracene Y. Crenshaw  
Acting Assistant Board Secretary  
Office of the Board Secretary  
(408) 321-5544

**DATE:** March 14, 2008

**TO:** VTA Board of Directors

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

**FROM:** Donald A. Smith, Jr.  
Chief Operating Officer

**SUBJECT:** Westmont High School Request for Service

At the December 13, 2007 VTA Board of Directors' meeting, Mr. Matt Kolda, Student Activities' Director at Westmont High School in Campbell, appeared before the Board and requested consideration of Westmont High School's service change proposal to Bus Route 60. The request was to slightly deviate and extend Line 60 to better serve the students at Westmont High School.

Following the December Board meeting, we contacted Mr. Kolda by telephone, briefly discussed his request with him, but, more importantly, wanted to alert him to the new bus service changes effective January 14, 2008. Mr. Kolda was not aware of these changes which we reviewed with him.

On January 30, 2008, we met with Mr. Kolda and other staff members at Westmont High School to discuss their service change request. We reviewed the new bus service plan that introduced Line 37 service into this area and shortened Line 60 at the Winchester Transit Center. The discussion focused on our rationale to operate Line 37 on Pollard Avenue rather than Westmont Avenue because Pollard Avenue has more potential for all day ridership whereas Westmont is in an extremely low density residential area. To illustrate, Rolling Hills Middle School is located on Pollard Avenue as is the only shopping center in the area; in contrast, Westmont High School is the only destination on Westmont Avenue.

Mr. Kolda's concern was that students who live along Winchester Avenue would not have convenient access to Westmont High School, and under the old bus service plan, students had a seven block walk from the nearest stop on Line 60. With the new bus plan, the walk is down to four blocks, but the trip now requires a transfer from Line 60 to Line 37 at the Winchester Light Rail station. Our data indicates approximately eight students use our service to access the high school.

We discussed other options Mr. Kolda can pursue absent of VTA and made a commitment to monitor the service changes and adjust schedules where feasible to better facilitate transfers between Lines 60 and 37.

From: Board.Secretary  
Sent: Friday, March 14, 2008 3:16 PM  
To: Board.Secretary  
Cc: Burns, Michael  
Subject: Auction Rate Securities & Variable Rate Demand Bonds

Attachments: Auction Rate Securities & Variable Rate Demand Bonds-3-14-08  
update.pdf

VTA Board of Directors:

Attached is a memorandum from Chief Financial Officer Joseph Smith providing an update on "Auction Rate Securities & Variable Rate Demand Bonds."

Tracene Y. Crenshaw  
Acting Assistant Board Secretary  
Office of the Board Secretary  
(408) 321-5544

## MEMORANDUM

**TO:** VTA Board of Directors

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

**DATE:** March 14, 2008

**SUBJECT:** Auction Rate Securities & Variable Rate Demand Bonds

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During the two weeks ending March 14, 2008, concern over bond insurer risk continued. This has affected VTA in two ways: continuation of higher interest rates for both 2005 and 2006 Bonds and the failed remarketing of 2005 Bonds.

For the last two weeks, VTA's average adjusted interest rates were 6.53% for the 2005 Bonds and 7.07% for the 2006 Bonds. The adjusted interest rates include liquidity fees, remarketing fees, broker-dealer fees and net payments under variable-to-fixed rate interest rate swap agreements.

Also, during the last two weeks, supply of 2005 Bonds was in excess of demand. As a result, \$4.2 million of 2005 Bonds failed to be remarketed to investors and were placed with VTA's standby liquidity bank, Depfa Bank. The inability to remarket these bonds was due to continued investor concerns that standby banks could terminate liquidity agreements due to bond insurer downgrades and insolvency.

A proposed strategy for addressing this situation will be discussed at the March 20, 2008 Administration & Finance Committee. A copy of the staff reports may be obtained at [http://www.vta.org/inside/boards/committee\\_standing/af/agendas\\_minutes/2008/03\\_mar/index.html](http://www.vta.org/inside/boards/committee_standing/af/agendas_minutes/2008/03_mar/index.html), agenda item #15 and 16.