



BOARD OF DIRECTORS MEETING

October 5, 2006

MINUTES

1. CALLED TO ORDER

The Regular Meeting of the Santa Clara Valley Transportation Authority's (VTA) Board of Directors was called to order by Chairperson Chavez at 5:37 p.m. in the Board of Supervisors' Chambers, County Government Center, 70 West Hedding Street, San Jose, California.

2. ROLL CALL

Members Present

Jim Beall, Ex-Officio
Nora Campos
Cindy Chavez, Chairperson
Dean Chu, Vice Chairperson
Don Gage
Dennis Kennedy
Breene Kerr
Liz Kniss
John McLemore, Ex-Officio
Madison Nguyen
Greg Perry
Dolly Sandoval
Forrest Williams

Alternates Present

Jamie Matthews, Alternate

Members Absent

David Cortese

Alternates Absent

Norman Kline, Alternate
Pete McHugh, Alternate
Al Pinheiro, Alternate
Ken Yeager, Alternate

* Alternates do not serve unless participating as a Member.

A quorum was present.

The Agenda was taken out of order.

6. ORDERS OF THE DAY

Chairperson Chavez requested that the following items be placed towards the end of the Agenda: Agenda Item #3., Adjourn to Closed Session; Agenda Item #4., Closed Session Report; and Agenda Item #5., Authorize the General Manager to amend and extend the terms and conditions of a labor agreement negotiated between Santa Clara Valley Transportation Authority (VTA) and Transportation Authority Engineers and Architects Association (TAEA).

Chairperson Chavez noted staff's request to defer to the November 2, 2006 Meeting Agenda Item # 22., Designate BRIDGE Housing and Blake Hunt Ventures as the Selected Developer and Avalon Bay Corporation and ROEM Corporation as the Alternate Selected Developer for the Capitol Light Rail Transit site, to allow more time to research the issues and report the findings to the Board of Directors. Chairperson Chavez noted that staff also requested that Agenda Item 8.A., Receive a presentation from 1stAct Silicon Valley, be deferred to the January 2007 Board Meeting.

Board Member Perry inquired why Agenda Item #22 is being deferred.

Michael T. Burns, General Manager, explained that there was a motion made about Agenda Item #22 at the Administration and Finance (A&F) Committee that Suzanne Gifford, General Counsel, is still analyzing. Mr. Burns further explained that the deferral of the item would provide the opportunity for the Congestion Management Program and Planning (CMPP) Committee to discuss the item since their meeting of September 2006 was cancelled.

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

7. AWARDS AND COMMENDATIONS

A. Employees of the Month for October 2006

Chairperson Chavez presented awards to Paulette Mulligan, Accessible Services Representative, River Oaks Administration; and Eric Ozaki, Light Rail Vehicle Maintenance Foreperson, as Employees of the Month for October 2006. Paramvir Singh, Coach Operator, Cerone Division Operations, was unable to attend.

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

B. Domestic Violence Awareness Month

Board Member Campos stated that the City of San Jose and County of Santa Clara jointly hosted the Ninth Annual End Domestic Violence Walk today with the theme “Peace Begins at Home.” Board Member Campos reported that there were many agencies and citizens who supported and participated in the Walk.

Board Member Williams encouraged everyone to support the effort to end Domestic Violence. Board Member Williams noted the importance of addressing Domestic Violence as it impacts everyone from different races, social, or economic background. Board Member Williams stated that the City of San Jose is committed to end Domestic Violence and urged the VTA Board of Directors to adopt the resolution. He thanked everyone for their support.

M/S/C (Campos/Williams) to adopt Resolution No. 06.10.19 recognizing October as Domestic Violence Awareness Month.

Chairperson Chavez expressed her appreciation to VTA Staff for the support they provided over the years for the End Domestic Violence Walk. She stated that it is a great source of pride and pleasure to see VTA’s work in the community.

8. REPORT FROM THE GENERAL MANAGER

Mr. Burns provided a report regarding the following:

- He thanked Vice Chairperson Dean Chu for testifying at the Senate Transportation and Housing Committee last September 27, 2006 regarding the impact of Proposition 1B to VTA. He stated that Vice Chairperson Chu’s testimony was very thorough and well received.
- The additional auxiliary lane in Northbound Highway 17 between Camden and Hamilton is nearing completion. The project involves resurfacing all lanes in northbound direction between Camden and Hamilton. Earlier this week, the contractor had equipment failures that delayed the required 5:00 a.m. opening time for the highway, which caused considerable traffic congestion. VTA is sincerely regrets the inconvenience it caused to motorists. It is expected that the paving will begin tonight and those lanes will be restored to a smooth surface by Sunday morning.
- The second phase of the Route 152 Bridge Widening Project in Gilroy is two months ahead of schedule, with an expected completion date of early January 2007. VTA looks forward to having another ribbon cutting event as part of the program to improve conditions along Route 152.

- Mr. Burns referred to the e-mail he sent to the Board regarding the Sharks Shuttle negotiations between VTA and Sharks Management. Mr. Burns advised that VTA agreed to pay for the half of the operation cost of the shuttle, as what was done in the past. However, Sharks Management made a business decision not to renew and pay for the other half of the operating costs this time; therefore, there would be no Sharks Shuttle available during the Hockey Season. Mr. Burns emphasized that the Sharks Management did not try to leverage VTA into paying the full cost for operating the shuttle. Without the shuttle, there is still regular VTA service to HP Pavilion such as the Vasona Light Rail and Bus Routes 522 and 22. VTA will continue to maintain the offer to pay its share if the Sharks Management decides to pay for the other half.
- The Cities of Santa Clara and San Jose will be jointly hosting the Rock-and-Roll Half Marathon on Sunday morning, October 8, 2006. There will be significant impacts to VTA service due to the marathon, but VTA has made plans to mitigate the service disruptions.
- VTA will be hosting the American Public Transportation Association (APTA) Annual Conference from October 7 to October 11, 2006. Mr. Burns stated that 2,000 attendees are expected in the conference. He thanked Member Sandoval for representing the VTA Board in the Host Committee together with San Jose Mayor Ron Gonzales. Mr. Burns encouraged Board Members to participate in the Conference. He also presented a video that illustrates the diversity of VTA and Silicon Valley.

Alternate Board Member Matthews left the meeting at 5:52 p.m.

Chairperson Chavez thanked VTA Staff and Board Member Sandoval for their hard work for the APTA Conference.

Board Member Sandoval stated that there is an international component of the conference that is being worked on by the City of San Jose Mayor and staff. She thanked VTA Staff, specifically Gail Collins, Bernice Alaniz, and their staff for their diligent work.

A. (Deferred)

1stAct Silicon Valley presentation

9. PUBLIC PRESENTATIONS

Mark Brodsky, Monte Sereno Mayor and VTA Policy Advisory Committee (PAC) Member, provided a PowerPoint presentation entitled, “4 years on VTA’s PAC.” Mayor Brodsky noted that VTA has been “buried under tons of paperwork” and expressed concern that VTA statistics have not changed significantly over the last four years. Mayor Brodsky stated that there is shortage of monies due to “politics driven Measure A Expenditure decisions that were not based on projected county needs, plans, or logic.” Mayor Brodsky expressed concern that VTA has bypassed all regulatory

controls for a City Hall Subway and 4000 fewer cars. Mayor Brodsky stated that money can be made available by re-opening the Major Investment Study.

Joe Brenner, International Federation of Professional and Technical Engineers (IFPTE) Local 21, stated that TAEA and Local 21 have worked diligently to negotiate a reasonable and fair collective bargaining agreement with VTA. The new tentative agreement has improvements, including the salary survey process that will help address the gap between the salaries of TAEA represented employees and the area average wage. Mr. Brenner informed the Board that the TAEA membership has ratified the tentative agreement and urged the Board to approve the agreement as well.

Rajwinder Sehdev, VTA Employee and TAEA President, advised the Board that TAEA members ratified the tentative agreement. Mr. Sehdev stated that earlier in the three-month negotiation, it showed that when compared to TAEA members of other public agencies, VTA TAEA represented employees' salary and compensation are at the bottom of the chart. Mr. Sehdev thanked VTA for recognizing this fact and for being committed to address the salary realignment and wage corrections of the TAEA members in this new agreement. However, Mr. Sehdev emphasized that VTA has not gone far enough in addressing the salary compensation issues this time, and the survey that is included in the contract will begin the basis of subsequent wage corrections to bring salary and compensation for TAEA members to at least the industry average compensation level for engineers and architects in the public sector. He stated that he looks forward to the Board's approval of the contract.

Jerry Grace, Interested Citizen, referred to Agenda Item #32, Report from the Chairperson, and stated that he is interested to find out who the VTA Board of Directors Chairperson will be for 2007. He noted that he is pleased with Member Williams' performance as Chairperson at the Capitol Corridor Joint Powers Authority. Mr. Grace wished that the Sharks Hockey Team win all the way through the season. Mr. Grace stated that he has not heard about Agenda Items #19 and #24.

Eugene Bradley, VTA Riders Union, thanked Sam Lau, Bus and Rail Transportation Deputy Director, for responding to his concerns and informing him of VTA plans to inform the riders about light rail delays in the future. Mr. Bradley reported that his colleague was pick-pocketed at VTA Bus Line #522. He stated that the cameras in the bus were not able to help identify the thief. He suggested that VTA provide warning signs about theft (i.e. pick pocket) in the bus and light rail, especially now that the holiday season is coming. He added that theft on the light rail or bus will discourage the public from taking public transportation.

Bruce Stevens, VTA Employee, expressed concern that there is no public record of staff responses to public concerns that are raised during public meetings such as the Board of Directors Meeting. He stated that his concerns regarding security have not been addressed by VTA. Mr. Stevens advised the Board that there have been three assaults to employees within a 24-hour period last month. He added that VTA is not taking care of the escalating violence in the system with the current security contract.

Chairperson Chavez stated that she will speak with Mr. Burns regarding violence in the VTA system.

10. Policy Advisory Committee (PAC) Chairperson's Report

Steve Glickman, PAC Chairperson, provided a brief report regarding the PAC Meeting on September 14, 2006, highlighting that PAC: 1) Received a report from the General Manager; 2) Reviewed and commented on the BART Economic Effects Study, 2005-06 VTA Passenger Survey, Draft Principles for the Transit Sustainability Policy and Comprehensive Operations Analysis (COA), Outreach Process for the COA, Community Bus Implementation Plan, and VTA Website Improvements and On-Line Trip Planning; 3) Will hear a presentation from Mayor Brodsky of Monte Sereno at their next meeting scheduled on October 12, 2006.

Chairperson Chavez expressed her appreciation to PAC Chairperson Glickman and the PAC Members for their work. She suggested that the 1stAct Silicon Valley Presentation be reviewed by the PAC as it relates to in-fill housing and transit-oriented development.

PAC Chairperson Glickman replied that he will encourage the future PAC Chairperson to place the item on the PAC Agenda in 2007.

CONSENT AGENDA

Chairperson Chavez noted that at the request of several public speakers and Board Members, the following Agenda Items were removed from the Consent Agenda and placed on the Regular Agenda: **Agenda Item #13.** 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 2007; **Agenda Item #16.** Approve the Regional Measure 2 Initial Project Report for the Feasibility Study of the Santa Clara Transit Center – Pedestrian/Bicycle Crossing Preferred Alternative; adopt the Implementing Agency Resolution of Project Compliance; and authorize the General Manager to execute all necessary agreements to implement the pedestrian/bicycle crossing project; and **Agenda Item #19.** Approve the 2007 Mini Short Range Transit Plan.

M/S/C (Gage/Kennedy) to approve the Consent Agenda, as amended.

11. Minutes of the Regular Board of Directors Meeting of August 31, 2006

M/S/C (Gage/Kennedy) to approve the Minutes of the Regular Board of Directors' Meeting of August 31, 2006.

ADMINISTRATION AND FINANCE COMMITTEE

12. Bicycle & Pedestrian Advisory Committee Reappointment

M/S/C (**Gage/Kennedy**) to ratify the reappointment of David Kobayashi to the Bicycle and Pedestrian Advisory Committee (BPAC) representing the County of Santa Clara for the term ending June 30, 2008.

13. (Removed from the Consent Agenda and placed on the Regular Agenda.)

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 2007.

14. Contract Amendment with Biggs Cardosa Associates, Inc. for Final Design and Design Support during Construction for the State Route 152/156 Project

M/S/C (**Gage/Kennedy**) to authorize the General Manager to amend the contract with Biggs Cardosa Associates, Inc. for final design and design support during construction of the State Route 152/156 Improvements, to increase the approved contract value by \$610,000 for a new total contract value of \$3,996,933 and to extend the contract term through June 2009.

15. VTA Permit Fee Schedule Changes

M/S/C (**Gage/Kennedy**) to adopt amended Permit Fee Schedules as identified in Attachment A and Attachment B, increasing the fees to be collected for Restricted Access Permits and Construction Access Permits.

CONGESTION MANAGEMENT PROGRAM AND PLANNING COMMITTEE

16. (Removed from the Consent Agenda and placed on the Regular Agenda.)

Approve the Regional Measure 2 Initial Project Report for the Feasibility Study of the Santa Clara Transit Center – Pedestrian/Bicycle Crossing Preferred Alternative; adopt the Implementing Agency Resolution of Project Compliance; and authorize the General Manager to execute all necessary agreements to implement the pedestrian/bicycle crossing project.

17. FY 2006/07 and FY 2007/08 Congestion Mitigation and Air Quality Funding for Bicycle Expenditure Program Projects

M/S/C (**Gage/Kennedy**) to approve the programming of approximately \$4.8 million in FY 2006/07 and FY 2007/08 Congestion Mitigation and Air Quality funds for six Bicycle Expenditure Program bicycle and pedestrian projects.

18. Request for Bicycle Expenditure Plan Allocation Increase from the City of Sunnyvale for the Borregas Avenue Pedestrian Overcrossing Project

M/S/C (Gage/Kennedy) to approve an increase of \$1.68 million in the Bicycle Expenditure Plan allocation for the City of Sunnyvale Borregas Avenue Pedestrian Overcrossing Project to a total of \$8.4 million.

TRANSIT PLANNING AND OPERATIONS COMMITTEE
--

19. (Removed from the Consent Agenda and placed on the Regular Agenda.)

Approve the 2007 Mini Short Range Transit Plan.

REGULAR AGENDA

13. Renewal of Benefit Contracts

Ross Signorino, Interested Citizen, stated that as a member of the Pacific Healthcare Plan, he finds that the physical, dental, and vision services that Pacific offers is very good. He added that he participated in the “End Domestic Violence Walk” and was given a t-shirt and a pen.

M/S/C (Williams/Gage) to authorize the General Manager to renew benefit contracts with Kaiser, PacificCare, Valley Health Plan, Delta Dental, Pacific Union Dental, Vision Service Plan, and Custom Benefits Administrators for VTA employees and retirees for calendar year 2007.

16. Regional Measure 2 Safe Routes to Transit Funding for the Santa Clara Transit Center Pedestrian/Bicycle Crossing Alternative

Board Member Nguyen inquired how this project would integrate into the future Santa Clara BART Station.

Carolyn Gonot, Chief Development Officer, stated that the current plan for BART includes an overpass between the Caltrain Station and BART Station. This project is specifically designed to address the safety of bicyclist and pedestrians and also to serve as a bridge from Santa Clara and San Jose. Ms. Gonot assured that VTA is working with BART to ensure that the station design is integrated. Staff is also looking at possibilities whether this type of project could be integrated in the future.

Board Member Perry expressed concern that the proposed project might perform poorly in the competitive process as the project’s nexus to the Dumbarton Bridge is not very clear. He stated that other projects that are closer or have better access to the Dumbarton Bridge and Rail System would have a better chance of getting funded. He expressed concern that the proposed project will not be eligible for the grant funds.

Ms. Gonot stated that VTA looks at a variety of projects including safe crossings at Palo Alto and staff tried to go for any sort of grant that is available for projects. She further explained that this particular project is a very high priority for the Bicycle and Pedestrian Advisory Committee (BPAC). Ms. Gonot stated that the other projects will be submitted when ready and when the project will be able to compete well for grants.

Mr. Burns clarified that the proposed project has already gone through the competitive process at Metropolitan Transportation Commission (MTC) and was awarded the \$50,000 grant to conduct a feasibility study.

Board Member Perry requested information on the nexus of the project to the Dumbarton Bridge. Ms. Gonot stated that staff will obtain clarification from MTC and provide that to the Board.

Ex-Officio Board Member McLemore stated that the project is a high priority for bicyclist and a good project for the City of Santa Clara. He added that he will find out some information regarding the issue.

Mr. Burns stated that in general, the project must fall within the Dumbarton Corridor and staff will verify that information and inform the Board.

M/S/C (Kerr/Gage) on a vote of 10 ayes to 1 no to 0 abstentions to approve the Regional Measure 2 Initial Project Report for the Feasibility Study of the Santa Clara Transit Center – Pedestrian/Bicycle Crossing Preferred Alternative; adopt the Implementing Agency Resolution of Project Compliance; and authorize the General Manager to execute all necessary agreements to implement the pedestrian/bicycle crossing project. Board Member Perry opposed.

19. 2007 Mini Short Range Transit Plan

Mr. Bradley expressed concern that the Mini Short Range Transit Plan (SRTP) only assumed that a new tax will be approved by voters. Mr. Bradley stated that the Mini SRTP is incomplete, as it doesn't address issues such as the need for additional revenue such as a new sales tax for VTA. He urged the Board to reject the Mini SRTP until such time that it includes a no new sales tax scenario. He stated that VTA should be cognizant of the fact that voters did not approve the new sales tax that was on the June 2006 ballot.

Mr. Grace inquired if VTA had a report about the Mini SRTP.

Board Member Sandoval explained that the item was discussed and received at the Transit Planning & Operations (TP&O) Committee meeting, where Mr. Grace was in attendance. She stated that the Mini SRTP is a new requirement of MTC that the VTA Board needs to approve and file to MTC annually.

Board Member Kniss referred to Page 2 of 2 of the Board Memorandum and stated that she has the same concerns as Mr. Bradley raised. She stated that the plan is not realistic.

Board Member Perry referred to Chapter 1, Page 2 and inquired about the annual increase and decrease of ridership in the last 10 or 20 years.

Ms. Gonot stated that she doesn't have the numbers on hand but noted that it was decreasing up until this year.

Upon inquiry of Board Member Perry, Ms. Gonot stated that the wage escalation of 3.5 percent includes wage and benefits. Board Member Perry further inquired if the total benefits only been increasing 3 percent over the last 10 to 15 years.

Mr. Burns responded that during the discussion of the Expenditure Plan, the ten-year historical data showed that VTA was within the three percent range but had significant peaks and valleys. However, in the recent years, it clearly showed that the benefits have exceeded 3.5 percent. Mr. Burns stated that one of the purposes of the Mini SRTP is to incorporate these types of changes on an annual basis.

Board Member Perry commented that his understanding was that over the last 10 years, VTA's cost grew well over 3.5 percent. Board Member Perry referred to the new tax assumption and inquired when that tax will be collected.

Mr. Burns clarified that the assumption in the Mini SRTP is revenue equivalent to a ½ cent sales tax that could be a new ½ cent sales tax or revenue from other sources.

Board Member Perry urged the Board to reject the Mini SRTP since there is no identified source for the \$75 million a year that is assumed in the Mini SRTP that will be collected within the next 20 months.

Board Member Kerr expressed concern that the assumptions were not adjusted since hearing from the voters in June 2006. He indicated that it is time for VTA to consider pay-as-you-go plans and other plans for the future in a realistic manner. He urged the Board to reject the Mini SRTP since it is unrealistic and out of date.

Board Member Kniss concurred with Board Member Kerr's comments but suggested that the approval of the document be deferred for a month to provide the opportunity for staff to come up with answers. She stated that she and other Board Members think that there is no other means of revenue but noted that she is willing to listen to alternatives that staff could provide. She added that she was "incredibly burned" by the rejection of a new tax by voters in the June 2006 election.

Board Member Kerr noted that based on his observation, the voters would most likely not pass a new tax measure in the near future. He stated that it may be prudent to consider some alternatives to the current Expenditure Plan.

Board Member Kniss stated that the General Manager should be given the opportunity to come back and provide alternatives.

Mr. Burns stated that there will be no changes in 30 days. He emphasized the importance of reviewing the Expenditure Plan annually. Mr. Burns stated that the Mini SRTP is a planning document that needs to be submitted to MTC on annual basis. Mr. Burns explained that staff needs direction from the Board as to what projects should be funded with Measure A. The Mini SRTP includes the Board approved Expenditure Plan.

Chairperson Chavez provided background information and stated that the Board passed the Expenditure Plan in June 2006 and until changed, that will be the framework that staff will use to respond to queries or requirements from different local, regional, state, and federal agencies. Chairperson Chavez referred to the Mini SRTP and inquired if there is a timing issue related to the approval of the Mini SRTP and further inquired about the implications of voting on the Mini SRTP tonight.

Ms. Gonot stated that the Mini SRTP is a new requirement from MTC. It needs to be approved by the Board this month so that VTA could submit it to MTC and go forward with the projects that VTA currently have.

Upon inquiry of Chairperson Chavez, Ms. Gonot explained that staff had a very tight timeframe to develop the Mini SRTP. In fact, this new requirement by MTC came out in the Summer. The Mini SRTP will be completed every year, and the full SRTP will be completed every four years. VTA is scheduled to update the full SRTP by next year.

Chairperson Chavez inquired about the consequences of not meeting the deadline for submittal of the Mini SRTP to MTC. Ms. Gonot stated that the last SRTP submitted to MTC stated "To Be Determined" on the Measure A projects since the Expenditure Plan was being deliberated at that time. The Expenditure Plan was incorporated into the Mini SRTP so that VTA would have a framework for Measure A. Ms. Gonot assured that as the Expenditure Plan is updated, the changes will be incorporated into the SRTP as well.

Chairperson Chavez asked if VTA would miss opportunities for applying for grants or monies at the regional level if the Board chooses to do more work and make changes to the Mini SRTP.

Ms. Gonot stated that she would need to get more clarification because current discussions with MTC and Federal Transit Administration (FTA) suggest that they would like to see the Measure A Projects included in the Plan. MTC and FTA also understands that what is in the Expenditure Plan is a revenue equal to a ½ cent sales tax, that is why it's noted on a separate chapter. Ms. Gonot explained that those dollars are not included in the regular Capital Improvement Plan that is noted in Chapter 2.

Board Member Kennedy stated that the Mini SRTP was rushed because staff only had a short timeframe to complete the document. He suggested that the Mini SRTP be approved with some qualification that states that VTA recognizes that the document was created to finish the deadline and note that the Mini SRTP is not a finished product. When VTA develops the full SRTP, it will have the opportunity to gather the necessary information and address the issues that have been raised at tonight's meeting.

Board Member Gage cautioned that if projects are not submitted to MTC, the "project wish list" would not be funded. Moreover, the non-submittal of the document may jeopardize opportunities for funding that may become available from the bond measure in November 2006, and VTA could lose significant amount of money. He stated that VTA would not compromise anything if it puts out its "wish list" to MTC and noted that he is confident that staff would do its diligent work to regularly inform the Board about what projects can or cannot be done. He recommended that the Mini SRTP be adopted tonight and that staff provide status reports on a quarterly basis.

Ex-Officio Board Member McLemore stated that MTC realizes that VTA has difficulty setting priorities because of the gaps between what VTA wants to do and the lack of funding. Other Counties are requesting MTC to allocate VTA's funding to them, but MTC's stand is that VTA has more money as compared to other counties to support the projects VTA puts forward. Ex-Officio Board Member McLemore stated every few months there are new funding opportunities such as the June 2006 election, which failed but there is also the November 2006 State Bonds. If the November 2006 elections are successful, it would have a tremendous impact on transportation that would benefit VTA. Ex-Officio Board Member McLemore strongly recommended that the Board adopt the Mini SRTP.

Board Member Perry motioned to: 1) Approve the 2007 Mini SRTP with qualifications, as noted by Member Kennedy; 2) Direct staff to come back with whatever alternatives there are for that ½ cent or \$75 million/year that is missing; and 3) Direct staff to prepare a no new revenue scenario.

Board Member Kniss stated that she feels very uncomfortable with moving the Mini SRTP forward because the ballot measure was not approved by the voters in June 2006.

Mr. Burns noted that staff presented the no new revenue scenario earlier in the Expenditure Plan process and it was not well received. He noted staff could go back and take a look at what has been done before, make current adjustments, and put together a plan that has a no new revenue assumption.

Board Member Gage commented that the Board should not expect to get a no new revenue scenario in 30 days since it would not be possible for staff to come up with that plan in such a short time. He asked Mr. Burns for a realistic timeframe to complete the plan.

Chairperson Chavez suggested that the Board strategically think about the processes used to answer these types of inquiries. She expressed concern that it might not be appropriate for staff to respond today and stated that the Board should commit time to consider all the project priority issues and concerns.

Board Member Gage stated that the issue on the table is a policy decision that should be made by the Board. He stated that the Board needs to set the policy, review the issues, then make a decision so that staff can have a clear policy direction as to where and how to proceed. Board Member Gage stressed the importance of forwarding the Mini SRTP to MTC because not doing so jeopardizes projects.

Board Member Sandoval stated that she would not affirmatively vote on the motion if Board Member Kennedy's concerns are stipulated in a letter mainly because the Mini SRTP is a planning document. She stated that MTC should have VTA's "wish list" without any qualifications. She requested that Board Member Perry remove the "qualifier" from his motion. Board Member Sandoval stated that she feels that it is not feasible for staff to complete no new sales tax scenario in within 30 to 90 days, although she is interested to see that plan. She stated that VTA is currently doing its COA and stressed the importance of really looking into VTA operations and capital improvement plans so that it could better prioritize projects.

Board Member Kerr concurred with Board Member Sandoval and Gage's comments. He noted that the Board needs to look at policy changes based on income. He suggested sending this discussion to the PAC and PAC can make recommendations for the Board to consider. He further suggested that after Board adoption, it should be sent back to staff so that staff can work on the details.

Ex-Officio Board Member McLemore stated that at the MTC level, they look at the Regional Transportation Plan, the long-term plan of all projects from nine counties. In the Regional Plan, there are footnotes so that the plan could be revised at the time stated in the footnote.

Board Member Perry referred to Board Member Sandoval's comments and noted that he is willing to take out the comments from the motion. Member Perry revised his motion to: 1) approve the Mini SRTP, without any qualifications; 2) create a sub-committee that will examine a range of what VTA can do with the existing revenue and create a no new revenue scenario/s within 90 days. He proposed the following Board Members to participate in the sub-committee: Perry, Cortese, and Gage. Board Member Perry stated that he only recommends three people since the people he recommended will represent the whole County.

Board Member Kniss requested that Board Member Perry simplify and separate his motion into two parts: first to approve the Mini SRTP and then make another motion after the first one has been approved.

Board Member Perry refused to separate the motion because he stated that he is not comfortable in voting for the Mini SRTP given the revenue assumptions. He proposed that the second part of his motion be voted on first, then the first part be voted second.

M/S/F (Perry/Kniss) on a vote of 4 ayes, 7 noes, and 0 abstention to: 1) Approve the 2007 Mini SRTP with qualification of a letter representing Board Member Kennedy's concerns; 2) Direct staff to come back with alternatives to find \$75 million; and 3) Direct staff to prepare a no new revenue scenario. Board Members Campos, Chavez, Gage, Kerr, Nguyen, Sandoval, and Williams opposed.

Board Member Gage motioned to approve the 2007 Mini SRTP.

Board Member Kennedy stated that per MTC Commissioner McLemore, it is possible to submit the Mini SRTP and develop an amendment and submit that as well. He expressed his interest in seeing the second effort of submitting an amendment.

Chairperson Chavez clarified that the motion on the floor is only to approve the 2007 Mini SRTP and Member Kennedy's concerns could be addressed with other actions.

Board Member Kerr requested legal clarification on the formation of a committee. Ms. Gifford suggested that the formation of the committee be agendaized for the Board of Directors' Regular Meeting in November 2006 to provide the public adequate notice.

Board Member Kerr stated that he wanted to make sure that the motion would also state what the Board would like to do.

Board Member Gage suggested that the Board address this issue by making a referral to staff.

Board Member Kerr suggested a friendly amendment to approve the plan and in the same motion to put a footnote to indicate: 1) that the Mini SRTP is under study and would possibly have an amendment; 2) that the Board will set up a committee to study the Mini SRTP.

NOTE: M/S/F MEANS MOTION SECONDED AND FAILED.

Board Member Gage suggested that the Board vote on this item and then make a referral to staff to agendaize for the November 2, 2006 meeting the formation of a committee. Board Member Gage reiterated that staff is working under the policy that the Board had set before. He concurred with Board Member Kerr's comments and stated that the Mini SRTP should be reviewed by a policy committee to provide the appropriate guidance and set priorities.

M/S/C (Gage/Williams) to approve the 2007 Mini Short Range Transit Plan with the referral to add an item to the November 2, 2006 Regular Board of Directors Meeting to set-up a committee.

**ADMINISTRATION AND FINANCE COMMITTEE
CHAIRPERSON'S REPORT – (See Agenda Item #27.A.)**

20. State Legislative Positions: Proposition 1C

Board Member Perry stated that he will be opposing the item because subsidies do not work if production is restricted. He noted that Proposition 1C will not help the people it intends to help.

Board Member Kniss and Chairperson Chavez urged the Board to support the motion.

M/S/C (Gage/Williams) on a vote of 10 ayes to 1 no to 0 abstentions to adopt a support position for Proposition 1C, which authorizes the state to sell \$2.85 billion in general obligation bonds to fund affordable housing programs, incentives for infill development in urban areas and transit-oriented development opportunities. Proposition 1C appears on the November 2006 general election ballot and requires a majority vote in order to be approved. Board Member Perry opposed.

21. State Legislative Positions: Proposition 90

Board Member Gage commented that Proposition 90 is harmful for VTA and would be a significant burden to the County as it will increase costs of purchasing right of way.

Board Member Kerr noted that there are other repercussions to Proposition 90 including the inability of local communities to require open space easements.

Mr. Bradley expressed support for VTA's opposition to Proposition 90 and noted his concurrence to Board Member Gage's comments.

M/S/C (Williams/Kniss) to adopt an oppose position for Proposition 90, which amends the California Constitution to limit the ability of local and state governmental entities to acquire private property through the use of eminent domain. Proposition 90 appears on the November 2006 ballot and requires a majority vote in order to be approved.

22. (Deferred)

Designate BRIDGE Housing and Blake Hunt Ventures as the Selected Developer and Avalon Bay Corporation and ROEM Corporation as the Alternate Selected Developer for the Capitol Light Rail Transit site.

**CONGESTION MANAGEMENT PROGRAM AND PLANNING COMMITTEE
CHAIRPERSON'S REPORT – (See Agenda Item #27.B.)**

There were no items submitted for the Regular Agenda by the Congestion Management Program and Planning Committee.

Board Member Kennedy left the meeting at 7:23 p.m.

**TRANSIT PLANNING AND OPERATIONS COMMITTEE
CHAIRPERSON'S REPORT – (See Agenda Item #27.C.)**

23. Community Bus Procurement

Mr. Bradley inquired about the specific model that will be purchased and inquired if it has been tested to ensure that there will be no service defects that will cause inconvenience to passengers.

Mr. Burns responded that the model of the buses that will be purchased will be the same as the first 20 that was purchased. He noted that staff can provide Mr. Bradley with the specific off-the-shelf model and its specifications.

M/S/C (Gage/Sandoval) to augment the FY 2007 Capital Budget by \$5,300,000 and authorize the General Manager to purchase up to 25 additional small-capacity buses and support equipment in the amount of \$5,300,000 using a contract awarded by the State of California pursuant to Public Contract Code Section 20301, which requires all capital expenditures over \$25,000 to be let to the lowest responsible bidder, and Public Contract Code Section 10299(a), which authorizes local agencies to contract with suppliers awarded contracts by the State without further competitive bidding.

24. Core Principles for the Transit Sustainability Policy and Comprehensive Operations Analysis

Board Member Sandoval stated that the TP&O Committee, PAC, and the Citizens Advisory Committee (CAC) reviewed the Core Principles and recommended a couple of changes. At the TP&O meeting, there was extensive discussion regarding the definition of who are VTA's clients and this definition will hopefully come out after the further examination of VTA's ridership.

Chris Augenstein, Transportation Planning Manager, provided a PowerPoint presentation entitled, "VTA TSP/COA Core Principles." He provided the background and the purpose of the Core Principles. He briefly discussed the comments from the TP&O, CAC and PAC, noting that the CAC and PAC requested a stronger statement about the roles of land use and ridership. The PAC expressed concern about the possible effect on transit-dependent riders, while the TP&O had discussion about who the riders are and split out marketing efforts. He discussed the Goals of the Core Principles and briefly discussed each of the five core principles: Financial Sustainability, Capital Investment, Customer Focus, Competitive Transit, and System Integration. He also discussed the TSP/COA

next steps and proposed schedule, noting that the TSP process will go through the Committees in October 2006, Service Design Guidelines will go through Committees in November 2006, TSP Board Adoption in December 2006, COA initial service recommendations will in early 2007, Draft COA Service and Operations Plan by April 2007, and Phase I implementation by July 2007. He concluded that the Core Principles are mainly aimed to guide VTA in planning and implementing better projects, investing the public's money wisely, and increasing transit demand.

Board Member Perry noted that the tie between land use and transit should be strengthened. He added that VTA should have a standard such as "an X amount of density is needed to add a bus line or increase service." He noted that such a standard will give communities the impression that if they plan responsibly and follow smart growth principles on densities near transit stations, VTA will respond by moving them up the queue in the provision of transit services. He noted that it will also strengthen the hand of local officials who are trying to promote smart growth in their cities.

Mr. Augenstein noted that the land use and transit connection is stated under the Capital Improvement of the Core Principles. He also referred to the Community Design Transportation (CDT) Guidelines that the VTA Board and Cities adopted, which contains guidelines on what densities support transit. Mr. Augenstein explained that Member Perry's concerns will be addressed later in the process, as the TSP goes through the Service Design Guidelines, which will be discussed at the Committees this month.

Chairperson Chavez inquired about the reason why land use was not specifically drawn out, considering the emphasis that has been given to it over the years by VTA.

Mr. Augenstein responded that VTA did not want to presume land use decisions for cities. He noted that VTA is all about ridership. There is direct reciprocal relationship to ridership and land use as land use is an important component of ridership generation.

Chairperson Chavez referred to the extensive discussion and work about Transit Oriented Development (TOD) to ensure that there is buy-in from all cities. She expressed concern that if the language is too esoteric, it would not create the cultured approach VTA had for TOD.

Mr. Augenstein thanked Chairperson Chavez for her comments and noted that as a recommendation, staff can add in the Capital Improvement section, or to another section, a reference to the city councils' and VTA Board's adopted CDT.

Board Member Perry reiterated his comment that there needs to be more clarity on the land use and transit connection, stating that if cities/communities plan for transit use, VTA will move them up the queue for transit provision.

Board Member Kerr commented that the TSP/COA Core Principles is a wonderful document. He commented that if it were used to review the Expenditure Plan, it would probably create good results.

Board Member Campos commented that the Core Principles should be compared to the RIDE Taskforce's work as the RIDE Taskforce's work was mainly to increase ridership. She inquired how the Core Principles would affect new projects.

Mr. Augenstein responded that the Core Principles will be the tool that staff would use to evaluate new projects and formulate recommendations for the Board to consider.

Board Member Campos inquired if the TSP/COA Core Principles will take in consideration and make exceptions to areas that are not necessarily dense in housing but dense in population.

Mr. Augenstein stated that there will be service design guidelines and criteria that will consider those types of issues.

Board Member Sandoval noted that some areas of the County were not built as densely as it is now and that is mainly because of the time it was built. In the planning process, densities, population, and other issues will be considered aside from the TOD. She added that as the TSP/COA goes through the process, the more specific TOD issues will be worked on.

Mr. Burns advised the Board that the TSP and COA's components will be presented to the Board over the next couple of months.

Chairperson Chavez commented that the TOD principles and guidelines should be revisited and refreshed as there are more ideas that are emerging in the nation and in other parts of the world.

M/S/C (Sandoval/Gage) to adopt the Transit Sustainability Policy (TSP) and Comprehensive Operations Analysis (COA) Core Principles.

Mr. Bradley inquired how the performance standards will be enforced. He expressed concern that some of the current TOD's are not transit oriented as the convenience stores are too far from the development or there are too many parking spaces.

Mr. Augenstein referred to Mr. Bradley's questions and noted that the service design guidelines and more information will be presented to the committees and the Board within the next couple of months.

Mr. Grace commented that VTA did a good job and the idea of having a TSP/COA is a great idea. He noted that Caltrain safety issues should be addressed.

Board Member Perry commented that the Board should examine how this information can be used in a more meaningful way. He referred to cost per hour and stated that the performance standards on VTA's operations should be examined as well.

Chairperson Chavez noted that the on-going Organizational and Financial Assessment will lay the groundwork for discussion regarding Member Perry's concerns next year.

OTHER ITEMS

25. ITEMS OF CONCERN AND REFERRAL TO ADMINISTRATION

Board Member Kerr referred to Agenda Item #22 that is deferred to the November 2006 meeting and requested that he be briefed on the discussion at the A&F Committee regarding the selection criteria and sustainable development.

Chairperson Chavez referred to Board Member Kerr's comments and noted that the criteria on how projects are evaluated should be discussed as well as the General Counsel's opinion.

Mr. Burns noted that the discussion at the A&F Committee included adding local preference and environmental impact as potential changes to the criteria. Mr. Burns noted that since there are concerns about looking at the entire policy, staff will bring the information to the Board for discussion within the next 30 to 60 days.

Vice Chairperson Chu requested that comments from the TP&O Committee be incorporated in the Board Memorandum as well as the comments that will be received regarding the item at the CMPP meeting in October 2006.

26. MONTHLY LEGISLATIVE HISTORY MATRIX

On order of Chairperson Chavez, there being no objection, the Legislative Report was accepted as contained in the Agenda Packet.

27. SUMMARY MINUTES FROM STANDING COMMITTEES

A. Administration and Finance Committee

On order of Chairperson Chavez, there being no objection, the Administration and Finance Committee Report was accepted as contained in the Agenda Packet.

B. Congestion Management Program and Planning Committee

On order of Chairperson Chavez, there being no objection, the Congestion Management Program and Planning Committee Report was accepted as contained in the Agenda Packet.

C. Transit Planning and Operations Committee

On order of Chairperson Chavez, there being no objection, the Transit Planning and Operations Committee Report was accepted as contained in the Agenda Packet.

28. REPORTS FROM AD HOC COMMITTEES

Ridership Initiative to Develop Energy-Efficiency (RIDE) Task Force

Board Member Campos reported that staff completed the Final RIDE Task Force report and it will be forwarded to the committees in October 2006 for Board consideration in November 2006.

On order of Chairperson Chavez, there being no objection, the Ridership Initiative to Develop Energy-Efficiency (RIDE) Task Force Report was accepted.

29. REPORTS (UNAPPROVED MINUTES) FROM ADVISORY COMMITTEES

A. Committee for Transit Accessibility (CTA)

On order of Chairperson Chavez, there being no objection, the Committee for Transit Accessibility (CTA) Report was accepted as contained in the Agenda Packet.

B. Citizens Advisory Committee (CAC)

On order of Chairperson Chavez, there being no objection, the Citizens Advisory Committee (CAC) Report was accepted as contained in the Agenda Packet.

C. Bicycle & Pedestrian Advisory Committee (BPAC)

There was no report from the BPAC.

D. Technical Advisory Committee (TAC)

On order of Chairperson Chavez, there being no objection, the Technical Advisory Committee (TAC) Report was accepted as contained in the Agenda Packet.

E. Policy Advisory Committee (PAC)

On order of Chairperson Chavez, there being no objection, the Policy Advisory Committee (PAC) Report was accepted as contained in the Agenda Packet.

30. REPORTS FROM JOINT POWERS BOARDS (JPBs) & REGIONAL COMMISSIONS

Chairperson Chavez advised the Board Members that the Joint Powers Boards (JPBs) & Regional Commissions Reports are on the dais.

A. Peninsula Corridor JPB

B. Capitol Corridor JPB

C. Dumbarton Rail Corridor Policy Committee

D. Metropolitan Transportation Commission (MTC)

31. REPORTS FROM VTA POLICY ADVISORY BOARDS (PABs) & TASK FORCE

A. Vasona Light Rail PAB

There was no report from the Vasona Light Rail PAB.

B. Silicon Valley Rapid Transit Corridor PAB

On order of Chairperson Chavez, there being no objection, the Silicon Valley Rapid Transit Corridor PAB Report was accepted.

C. Downtown East Valley PAB

There was no report from the Downtown East Valley PAB.

D. Highway PAB – South

There was no report from the Highway PAB – South.

E. I-680 Sunol SMART Carpool Lane Policy Advisory Committee

There was no report from the I-680 Sunol SMART Carpool Lane Policy Advisory Committee.

32. REPORT FROM CHAIRPERSON

Mr. Grace wished the new Chairperson good luck.

Chairperson Chavez appointed Board Members Sandoval, Williams, and Kennedy as the Nominating Committee for the election of Chairperson and Vice-Chairperson for the 2007 Board of Directors. She noted that the Nominating Committee will provide its report on the November 2006 meeting and the Elections will take place in December 2006.

33. ANNOUNCEMENTS

There were no Announcements.

Ex-Officio Board Member McLemore left the meeting at 7:58 p.m.

3. ADJOURNED TO CLOSED SESSION at 7:58 p.m.

- A.** Existing Litigation - Conference with Legal Counsel
[Government Code Section 54956.9(a)]

Name of Case: Jerilyn North v. Santa Clara Valley Transportation Authority and
Jon Grissom
(Santa Clara County Superior Court Case Number 1-06-CV-058344)

- B.** Conference with Labor Negotiators
[Government Code Section 54957.6]

VTA Designated Representatives:
Roger Contreras, Chief Financial Officer
Bill Lopez, Chief Administrative Officer
Robert Escobar, Manager, Office of Employee Relations

Employee Organization:
Transportation Authority Engineers and Architects (TAEA)

- C.** Conference with Labor Negotiators
[Government Code Section 54957.6]

VTA Designated Representatives:
Roger Contreras, Chief Financial Officer
Bill Lopez, Chief Administrative Officer
Robert Escobar, Manager, Office of Employee Relations

Employee Organization:
American Federation of State, County, and Municipal Employees (AFSCME)

RECONVENED TO OPEN SESSION at 8:20 p.m.

4. CLOSED SESSION REPORT

- A.** Existing Litigation - Conference with Legal Counsel
[Government Code Section 54956.9(a)]

Name of Case: Jerilyn North v. Santa Clara Valley Transportation Authority and Jon Grissom (Santa Clara County Superior Court Case Number 1-06-CV-058344)

Ms. Gifford noted that there was no reportable action taken during Closed Session.

- B.** Conference with Labor Negotiators
[Government Code Section 54957.6]

VTA Designated Representatives:

Roger Contreras, Chief Financial Officer
Bill Lopez, Chief Administrative Officer
Robert Escobar, Manager, Office of Employee Relations

Employee Organization:

Transportation Authority Engineers and Architects (TAEA)

Ms. Gifford noted that there was no reportable action taken during Closed Session.

- C.** Conference with Labor Negotiators
[Government Code Section 54957.6]

VTA Designated Representatives:

Roger Contreras, Chief Financial Officer
Bill Lopez, Chief Administrative Officer
Robert Escobar, Manager, Office of Employee Relations

Employee Organization:

American Federation of State, County, and Municipal Employees (AFSCME)

Ms. Gifford noted that there was no reportable action taken during Closed Session.

5. Approval of the Labor Agreement Between Santa Clara Valley Transportation Authority and Transportation Authority Engineers and Architects Association (TAEA)

M/S/C (Williams/Campos) on a vote of 9 ayes, 1 no, and 0 abstention to authorize the General Manager to amend and extend the terms and conditions of a labor agreement negotiated between Santa Clara Valley Transportation Authority (VTA) and Transportation Authority Engineers and Architects Association (TAEA). Board Member Perry opposed.

34. ADJOURNMENT

On order of Chairperson Chavez, there being no objection, the meeting was adjourned at 8:23 p.m.

Respectfully submitted,

Elaine F. Baltao, Board Assistant
VTA Board of Directors