

POLICY ADVISORY COMMITTEE

Thursday, March 8, 2007

MINUTES

1. CALL TO ORDER

The Regular Meeting of the Policy Advisory Committee (PAC) was called to order at 4:05 p.m. by Chairperson Moylan in Conference Room B-104, Valley Transportation Authority (VTA), 3331 North First Street, San Jose, California.

ROLL CALL

Members Present

Louis Becker, Alternate
Paul Correa, Alternate
Steve Glickman
Marby Lee, Alternate
Kathleen King
Evan Low
Pete McHugh
Christopher Moylan, Chairperson
Kris Wang, Vice Chairperson
Curtis Wright

Representative Cities

Los Altos
Gilroy
Los Gatos
Morgan Hill
Saratoga
Campbell
Santa Clara County Board of Supervisors
Sunnyvale
Cupertino
Monte Sereno

Members Absent

Margaret Abe-Koga
Dominic Caserta
Armando Gomez
Yoriko Kishimoto

Representative Cities

Mountain View
Santa Clara
Milpitas
Palo Alto

A quorum was not present and a Committee of the Whole was declared.

Alternate Member Louis Becker took his seat at 4:15 p.m.

2. Orders of the Day

There were no Orders of the Day.

3. Public Presentations

There were no Public Presentations.

4. Committee Staff Report

Jim Lawson, Government Affairs Manager and Staff Liaison, welcomed the newly appointed PAC members and announced that Dean J. Chu, Chairperson, VTA Board of Directors, would present the VTA Chairperson's Quarterly Report at the April 12, 2007 PAC meeting.

Mr. Lawson commented that the Citizens Advisory Committee (CAC) and serving as the 2000 Measure A Watchdog Committee has developed the 2000 Measure A Transit Improvement Program Quarterly Progress Report charting the overall financial status and progress of the transit projects that are components of the 2000 Measure A tax. The report was reviewed by the CAC at their February 7, 2007 meeting and a first draft of the quarterly report was submitted to the Board of Directors at their March 1, 2007 meeting

Mr. Lawson commented that in December 2006, the Board of Directors voted to extend the contract for state legislative advocacy services with Smith, Watts & Company for an additional three years. The Board requested that the project manager for this contract, Mark Watts, provide a presentation to the Board annually. Mr. Watts provided a report to the Board of Directors at the March 1, 2007 meeting.

Mr. Lawson commented that on February 28, 2007, the California Transportation Commission (CTC) adopted the \$4.5 billion Corridor Mobility Improvement Account (CMIA) program. The action was the first commitment of funds from the \$19.9 billion transportation infrastructure bond approved by California voters as Proposition 1B in November 2006. The statewide CMIA program includes nearly \$1.3 billion in Bay Area projects.

Mr. Lawson commented that the CTC met in Irvine, California and approved highway projects for Santa Clara County for a total of \$187 million that includes: 1) Interstate 880 HOV lanes from Route 237 to US 101 at \$72 million; 2) US 101 widening from I-280/I-680 Interchange to Capitol Expressway/Yerba Buena at \$30 million; and 3) US 101 auxiliary lanes from Route 85 to Embarcadero at \$85 million. Mr. Lawson noted that the CTC recommends solely funding the construction costs of the projects, and assumes the sponsoring agencies will fund project development costs.

Mr. Lawson commented that the following VTA nominated projects were not selected for funding: 1) US 101 widening to 6 lanes from Route 25 to Monterey Road in the South County; and 2) I-880/I-280 Interchange improvements in San Jose. Mr. Lawson thanked Board Member Chuck Reed and CAC member and Silicon Valley Leadership Group (SVLG) representative Laura Stuchinsky for their attendance and support at the CTC meeting.

Mr. Lawson stated that at the March 7, 2007 MTC Programming and Allocation Committee meeting, the Committee provided recommendations regarding the second

round of programming for the infrastructure bonds and would include the Public Transportation Modernization Improvement and Service Enhancement Account with \$1.3 billion slated for Bay Area projects. Mr. Lawson noted that transit agencies would receive revenue shares based on the amount of revenue generated and a population-based share. Under the revenue-based share VTA will receive \$123 million for capital projects, and Caltrain will receive \$42 million. The MTC will disperse the population share of \$347 million among nominated projects. The MTC nominated projects for VTA include: 1) Urban core transit corridor improvements for Bus Rapid Transit (BRT) lines # 22 and # 23 - \$45 million; 2) Lifeline funding for transit operators-\$32 million; and 3) Zero Emission Bus program-\$20 million.

Mr. Lawson noted that four public meetings were held in February regarding the SVRTC-BART Extension Supplemental Environmental Impact Report (SEIR).

Mr. Lawson commented that over the past four months VTA staff completed a successful planning process for Community Bus services in Morgan Hill and Gilroy. The process included meetings with city staff and elected officials, presentations at council meetings, and meetings with local community stakeholders. Mr. Lawson noted that the comments and recommendations received from those meetings were taken under consideration in the finalization of the initial staff proposal. Community Bus service to Morgan Hill and Gilroy will commence on July 2, 2007. Mr. Lawson further noted that per the agreement with the Amalgamated Transit Union (ATU) regarding Community Bus service VTA will begin operating the currently outsourced DASH shuttle July 2007.

Mr. Lawson informed the Committee that Jeff Funk, Deputy Director of Construction, has resigned and will join a private construction company in San Diego. Mr. Funk was instrumental in delivering highway improvement projects that were components of the 1996 Measure B Program.

Mr. Lawson reported that the Board of Directors awarded the Highway 152/156 Interchange construction bid to RGW Construction for \$17.3 million and the proposed groundbreaking is scheduled for April 4, 2007.

Member Glickman inquired about the status of the Zero Emission Bus program. Mr. Lawson commented that additional information is being compiled and analyzed and will be forwarded to the Committee.

Member McHugh took his seat at 4:30 p.m.

5. Chairperson's Report

Chairperson Moylan provided the Committee with his proposal for revisions to the PAC Bylaws.

Jim Lawson, Government Affairs Manager and Staff Liaison, commented that staff will add the discussion of the PAC Bylaws to the Work Plan for the April 12, 2007 PAC meeting

Member Wright took his seat at 4:44 p.m. and a quorum was declared.

Member Wright inquired about the proposed fare policy for the Los Gatos Community Bus. Mr. Lawson clarified that the Los Gatos Community Bus service operated as a free fare pilot program. Mr. Lawson noted that at the termination of the pilot program in July 2007, VTA will apply the fare policy to the Los Gatos Community Bus service. Mr. Lawson commented that if cities and/or community groups desire the free-fare service, VTA will require a contribution meeting the 20-25 percent farebox recovery goal established by the Board of Directors. Mr. Lawson noted the concept is based on the similar approach of other jointly funded shuttle type services such as the Dash, Airport Flyer, Great America, and River Oaks where employers, participating agencies, and/or grants support at least 25 percent of the route operating expenses.

Member Wang took her seat at 4:55 p.m.

6. City Grouping Report.

There was no City Grouping Report.

**BUSINESS REFERRED TO COMMITTEE BY THE BOARD OF DIRECTORS/
GENERAL MANAGER**

CONSENT

7. Minutes of February 8, 2007

M/S/C (Glickman/McHugh) to approve the Minutes of February 8, 2007.

REGULAR

8. Lifeline Transportation Program: Status Update, Program Changes and Call-For-Projects

John Ristow, Deputy Director Programming and Planning, provided an overview of the Lifeline Transportation Program: Status, Update, Program Changes, and Call-for-Projects.

Mr. Ristow provided a history of the Lifeline Transportation Program. He noted the Federal Congestion Management and Air Quality (CMAQ), Job Access and Reverse Committee (JARC), and State Transit Assistance grants fund the program.

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

Mr. Ristow commented that after grant applicants and their projects had been approved, the Federal Transit Administration (FTA) proposed new guidelines that clearly prohibited using JARC funds to subsidize transit passes. Because the VTA Community Partnership Transportation project was exclusively dedicated to subsidizing transit passes, this project

was withdrawn from the program. The withdrawal of this project provides \$1million of grant funding available for new projects.

Mr. Ristow commented that the City of San Jose's Housing Services Partnership contained both a transportation assistance/transit pass subsidy component and an Auto Repair Assistance Program (ARAP) element. In response to the FTA guidelines, the City proposed revising the project scope to eliminate the transit pass subsidy element, increase the level of ARAP services, and reduce the grant amount to \$75,000.

Mr. Ristow noted that the Lifeline Transportation 2007 Call-for-Projects Schedule includes: 1) Issue Call-for-Projects-April 6, 2007; 2) Workshop for applicants-May 14, 2007; 3) Application deadline-June 25, 2007; 4) JLTC reviews projects; 5) "Final Recommendation" letter to bidders; 6) Program of projects Approved by VTA Board of Directors, and the Santa Clara County Board of Supervisors-August 7, 2007; 7) VTA and County submittal of projects to MTC; and 8) MTC approval of projects (tentative).

M/S/C (McHugh/Glickman) to review and recommend that the VTA Board of Directors approve a revised scope and grant amount for the City of San Jose's Auto Repair Assistance Program (ARAP) in the amount of \$75,000 and issue a new Call-for Projects (CFP) for the Lifeline Transportation Program.

9. Meeting with Citizens Advisory Committee

Member Glickman suggested inviting the members of the Citizens Advisory Committee (CAC) to a meeting of the PAC.

Jim Lawson, Government Affairs Manager and Staff Liaison, suggested that the Citizens Watchdog Committee for the 2000 Measure A Transit Improvement Program provide a presentation regarding the 2000 Measure A Transit Improvement Program Quarterly Progress Report.

M/S/C (Glickman/Wright) to invite the Citizens Advisory Committee (CAC) to a PAC meeting.

10. FYTD 2007 Second Quarter Transit Operations Performance Report (July 1, 2006 - December 31, 2006)

Joonie Tolosa, Senior Management Analyst, presented a report highlighting: 1) Ridership Forecasts and Actuals; 2) Ridership Summary; 3) Key Performance Indicators; 4) Farebox Recovery; 5) Revenue and Expenditure Summary; and 6) Paratransit Accessible Services Operating Statistics.

On Order of Chairperson Moylan, there being no objection the Committee reviewed the FYTD 2007 Second Quarter Transit Operations Performance Report (July 1, 2006 - December 31, 2006).

11. Fiduciary Responsibilities

Jim Lawson, Government Affairs Manager and Staff Liaison, provided a brief overview of the Fiduciary Responsibilities information from the February 16, 2007 Board of Directors Workshop meeting. Mr. Lawson referenced the PowerPoint presentation provided by Kathryn Pett, Attorney with Snell and Wilmer LLP and former General Counsel of the Utah Transit Authority titled “Discharging Your Fiduciary Duty as a VTA Board Member, Reconciling Conflict When Responsibilities Diverge” highlighting the following: 1) Fiduciary Responsibility; 2) Duty of Loyalty General; 3) Duty of Loyalty to Not Further Personal Interests; 4) Duty of Loyalty to District as a Whole; 5) Duty of Loyalty Disclosure of Conflict; 6) Duty of Loyalty Discharging Duty of Loyalty; 7) Duty of Care General; 8) Duty of Care Acting in Best Interest of Agency; and, 9) Duty of Care Discharging Duty of Care.

Mr. Lawson highlighted a situation described by Ms. Pett in which an appointing municipality appointed a Utah Transit Authority Board member and instructed him to stop all expenditures for light rail projects. He noted that the way to address the situation is to discharge the duty of care and take the necessary steps to educate oneself about the specific issues. Mr. Lawson noted that this scenario requires discharging the duty of loyalty and to formulate a decision based on one’s independent judgment and in a manner reasonably believed to be in the best interest of the agency.

On Order of Chairperson Moylan, there being no objection the Committee reviewed the Fiduciary Responsibilities information from the February 16, 2007 Board of Directors Workshop meeting.

OTHER

12. Committee Work Plan

Member Glickman volunteered to provide a City Transportation presentation for the month of May from the Town of Los Gatos.

Member Low volunteered to provide a City Transportation presentation for the month of June from the City of Campbell.

Member Glickman suggested staff provide information to the PAC regarding transit-governing agencies in the County.

Member King suggested the PAC discuss paper reduction strategies for VTA.

On Order of Chairperson Moylan, there being no objection, the Committee reviewed the Revised Committee Work Plan.

13. Announcements

There were no Announcements.

14. ADJOURNMENT

On order of Chairperson Moylan, there being no objection, the meeting was adjourned at 5:37 p.m.

Respectfully submitted,

Jacqueline F. Golzio, Board Assistant
VTA Board of Directors