



BOARD OF DIRECTORS MEETING

April 5, 2007

MINUTES

1. CALL TO ORDER

The Regular Meeting of the Santa Clara Valley Transportation Authority's (VTA) Board of Directors was called to order by Chairperson Chu at 5:38 p.m. in the Board of Supervisors' Chambers, County Government Center, 70 West Hedding Street, San Jose, California.

2. ROLL CALL

Members Present

Nora Campos
 Dean J. Chu, Chairperson
 David Cortese
 Don Gage
 Breene Kerr
 Liz Kniss, Vice Chairperson
 Sam Liccardo
 Laura Macias
 Chuck Reed
 Dolly Sandoval
 Greg Sellers
 Forrest Williams
 Ken Yeager, Ex-Officio

Members Absent

None

Alternates Present

Dominic Caserta

Alternates Absent

Judy Chirco
 Kathleen King
 Pete McHugh
 Roland Velasco

* Alternates do not serve unless participating as a Member.

A quorum was present.

3. **ORDERS OF THE DAY**

Chairperson Chu requested the following changes to the order of the Board of Directors Agenda: **Agenda Item #14.**, Discuss the Comprehensive Operations Analysis: Draft Proposed Service Operating Plan to be heard before **Agenda Item #13.**, Adopt a resolution authorizing the General Manager or his designee to take all necessary actions to offer, via competitive or negotiated sale, up to \$33 million of Sales Tax Revenue Refunding Bonds, 2007 Series A (2007 Refunding Bonds) to refund all or a portion of VTA's Sales Tax Revenue Refunding Bonds, 1997 Series A and to pay the costs of issuance, provided the aggregate net present value benefit equals or exceeds 3 percent.

Chairperson Chu announced that the Board meeting would be adjourned in memory of the recently deceased VTA employees Marilyn Torgersen, Antwaine Day, and Charles "Chuck" Flores.

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

4. **AWARDS AND COMMENDATIONS**

A. Employees of the Month for April 2007

Chairperson Chu presented an award and recognized Mary Lawrence, Accountant Assistant, River Oaks Administration; Jeanette Allen, Coach Operator, Cerone Operations; and Concepcion "Charlie" Huerta, Substation Maintainer, Way, Power & Signal Maintenance, as Employees of the Month for April 2007, and Cathy Hendrix, Senior Management Analyst, Protective Services, River Oaks, as Supervisor of the Quarter for the second quarter of 2007.

B. Employee of the Year for 2006

Chairperson Chu presented an award and recognized Mida Smith, Vehicle Maintenance Scheduler, North Division, as Employee of the Year for 2006.

C. Resolution of Commendation for Former Ex-Officio Board Member John McLemore

Vice Chairperson Kniss recognized Former Ex-Officio Board Member John McLemore and thanked him for his service as a VTA Ex-Officio Board Member during his six-year term on the VTA Board of Directors representing the Metropolitan Transportation Commission (MTC). Vice Chairperson Kniss noted that John McLemore has provided exemplary public service in the area of public transportation.

M/S/C (Cortese/Gage) to adopt Resolution of Commendation No. 07.04.08 for Former Ex-Officio Board Member John McLemore.

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

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

Chris Moylan, PAC Chairperson, provided a report regarding the March 10, 2007 PAC Meeting and noted the following:

- 1) PAC unanimously recommended that the Board of Directors approve a revised scope and grant amount for the City of San Jose's Auto Repair Assistance Program (ARAP) and issue a new call for projects for the Lifeline Transportation Program.
- 2) PAC unanimously agreed to invite members of the Citizens Advisory Committee to a future PAC meeting.
- 3) Received a presentation on fiduciary responsibilities.

6. REPORT FROM THE GENERAL MANAGER

Michael T. Burns, General Manager, provided a report noting the following: 1) Update on the VTA Budget preparation progress and finalization of the draft budget proposal for Fiscal Year 2008 and 2009 for the April 27, 2007 Board Workshop meeting; 2) Cancellation of the May 18, 2007 and August 17, 2007 Board of Directors Workshop Meetings; 3) Announced May 17, 2007 as Bike to Work Day and commented that the Mountain View, Diridon and Great Mall light rail stations will provide "Energizer Stations" for bicyclists with facilities to secure bicycles, provide free refreshments and give-aways to bicyclists, provide bicycling information and encouragement to bicyclists on their way to work, and he noted bicyclists would receive free public transit for the day; 4) Provided ridership updates noting that ridership continues to show improvement and in the month of February 2006 light rail ridership increased 13.7 percent, bus ridership was down slightly at 1.9 percent with a positive trend of 1.5 percent in total system ridership; 5) Response to Director Reed's open government initiative recommendations agendaized for the April 19, 2007 Administration and Finance Committee; 5) Presentation of the Joint Development Workshop data and information will take place at the April Administration and Finance Committee; and 6) Introduced federal lobbyist Susan Lent.

Susan Lent, federal lobbyist with firm Akin Gump Strauss Hauer & Feld (Akin Gump), provided a report to the Board of Directors. Ms. Lent reported that Congress passed the Fiscal Year 2008 Budget Resolution which will now begin the appropriations process. Congress has committed to move the appropriations bill forward in a timely manner.

Ms. Lent commented that in 2006, Congress was unable to pass the appropriations bills on time and thus ended with a continuing resolution that stripped out all earmarks for all programs including the transportation program. Ms. Lent noted that it is unclear what earmarks are included in the FY 2008 Appropriation Bill and what programs would be impacted.

Ms. Lent commented on the FY 2008 Federal Transportation Appropriations, noting that VTA will support a minimum appropriation level for Federal Surface Transportation Programs equal to the guaranteed spending levels authorized in Safe, Accountable,

Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). Ms. Lent noted that VTA will seek federal appropriations in FY 2008 for the Bus Rapid Transit (BRT) Corridor Alternatives Analysis; Advanced Zero Emission Bus (ZEB) Demonstration Program; Rapid 522 Capital Improvement; Highway Occupancy Toll (HOT) Lane Demonstration Project; and the Palo Alto Intermodal Transit Center.

Ms. Lent commented that members of the House Homeland Security, and Transportation and Infrastructure Committees, reached an agreement regarding the distribution and management of billions of dollars in grant fund to improve rail and mass transit security.

Member Kerr inquired if any federal funding opportunities exist for alternative fuel programs for public transit vehicles and fueling stations. Ms. Lent commented that new programs with emphasis on alternative fuel vehicles and transit research are on the horizon.

Chairperson Chu commented about the current the Supreme Court ruling regarding greenhouse gases. Chairperson Chu inquired what impact that decision would have on highway funding. Ms. Lent noted it is too soon to assess the decision but commented that SAFETEA-LU would have to grapple with environmental issues.

7. REPORT FROM THE CHAIRPERSON

Chairperson Chu provided a report highlighting: 1) The receipt of the Organizational and Financial Assessment from the Hay Group with their assessment of VTA's organization, governance and finance; 2) Received updated information from the Center for the Continuing Study of the California Economy on the projected sales tax revenue and reconvened the Project Advisory Committee, and reappointed Directors Gage, Kniss, Sandoval, Williams, and Chu to resume their roles as Committee members to return to the Board with a recommendation on the Measure A projects that recognizes the new data and creates a project scenario with no new revenue stream; 3) Discussed role of the General Manager at Board meetings; and 4) Discussion of Project Advisory Committee membership at the May Board of Directors meeting.

8. Public Presentations

Martin Bishop, Interested Citizen, congratulated Director Reed on his successful mayoral election and requested the formation of a task force to research and develop alternative securement devices for buses.

Eugene Bradley, Santa Clara Valley Transportation Authority Riders Union, commended the work of the Hay Group and expressed concern that that there were no formal announcements regarding traffic route alternatives during the recent basketball tournament in San Jose

Bob Shaw, Interested Citizen, noted his appreciation of bus operators.

James Wightman, Interested Citizen, inquired about the opening of the Santa Clara Light Rail Station and the extension of Line 180 to Great America.

CONSENT AGENDA

9. **Minutes of the Board of Directors' Workshop Meeting of February 16, 2007**

M/S/C (Campos/Kniss) to approve the Minutes of the Board of Directors' Workshop Meeting of February 16, 2007.

10. **Minutes of the Regular Board of Directors' Meeting of March 1, 2007**

M/S/C (Campos/Kniss) to approve the Minutes of the Regular Board of Directors' Meeting of March 1, 2007.

ADMINISTRATION AND FINANCE COMMITTEE

There were no items submitted for the Consent Agenda by the Administration and Finance Committee.

CONGESTION MANAGEMENT PROGRAM AND PLANNING COMMITTEE

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

TRANSIT PLANNING AND OPERATIONS COMMITTEE
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11. **(Removed from the Consent Agenda and placed on the Regular Agenda.)**

Approve staff recommendations to implement the first phase of the Community Bus Program to make route and service modifications within the cities of Morgan Hill and Gilroy, operate small-capacity buses on Line 13, and bring specified VTA contracted shuttle services in-house effective on July 2, 2007, coordinated with the delivery of 20 new small-capacity Community Buses and the quarterly service change process.

12. **Lifeline Transportation Program: Status update, Program Changes and Call-for-Projects**

M/S/C (Campos/Kniss) to 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.

REGULAR AGENDA

11. Community Bus Implementation Plan for July 2, 2007

Member Sellers commented that meetings have been held to further refine the proposed routes. Member Sellers commended VTA staff for their diligent hard work in refining the routes and service modifications within the Cities of Morgan Hill and Gilroy to best serve the residents of those communities.

Member Liccardo inquired if VTA would consider hybrid vehicles for Community Bus service in the next phase of vehicle acquisitions. Mr. Burns commented that VTA will consider alternative fuel vehicles for future procurements.

Member Kerr commented that he attended the Alternative Fuel Vehicle Conference and expressed concern that the proposed Community Bus fleet will consist of gasoline powered vehicles rather than diesel powered vehicles.

Member Kerr suggested that VTA analyze the cost impact of converting gas - powered vehicles to diesel powered in future Community Bus procurements.

Member Williams referenced Member Kerr's comments and expressed concern regarding the additional funds necessary to convert the vehicles. Member Williams suggested performance evaluations in terms of emissions between gasoline and diesel powered vehicles to determine cost benefits.

Mr. Burns commented that the Community Bus procurements are Board approved and the vehicles are replacing 40 - foot diesel buses. Mr. Burns commented that staff would provide an analysis regarding the fuel.

Member Gage commented that the Community Bus vehicle procurement has previously been discussed and approved by the Board. Member Gage commented that communities and residents requested quieter vehicles in their neighborhoods.

Eugene Bradley, Santa Clara Valley Transportation Authority Riders Union expressed concern about the lack of direct bus service on Line 68 from San Jose to Gavilan College.

Michael Ludwig, Interested Citizen, expressed concern about the lack of direct bus service on Line 68 from San Jose to Gavilan College.

M/S/C (Gage/Reed) to approve staff recommendations to implement the first phase of the Community Bus Program to make route and service modifications within the cities of Morgan Hill and Gilroy, operate small-capacity buses on Line 13, and bring specified VTA contracted shuttle services in-house effective on July 2, 2007, coordinated with the delivery of 20 new small-capacity Community Buses and the quarterly service change process.

The Agenda was taken out of order.

**CONGESTION MANAGEMENT PROGRAM AND PLANNING COMMITTEE
CHAIRPERSON'S REPORT – (See Agenda Item #20.B.)**

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

**TRANSIT PLANNING AND OPERATIONS COMMITTEE
CHAIRPERSON'S REPORT – (See Agenda Item #20.C.)**

14. Comprehensive Operations Analysis: Draft Proposed Service Operating Plan

Member Sandoval commented that the Transit Planning and Operation Committee has received a number of presentations regarding the Comprehensive Operations Analysis (COA) and announced that this presentation is the first formal proposal of service changes resulting from an in depth analysis of the current transit services. Member Sandoval commented that the COA Core Principles include: 1) Improve ridership, productivity, and effectiveness; 2) Higher farebox recovery, less reliance on subsidies; 3) Greater responsiveness to customers; and 4) Effective use of transit investment and resources.

Member Sandoval commented that meeting the needs of the community while balancing VTA's fiscal needs is challenging and the COA proposal provides the majority of VTA riders a significant improvement in transit services and strives to attract additional riders without increasing costs.

Member Sandoval commented that the COA Next Steps include: 1) Stakeholder group meetings, VTA Advisory and Standing Committees input, and public meetings scheduled for May and June; 2) Board action at the August 30, 2007 meeting; and the 3) Phase I Service Implementation is slated for January 2008.

Kevin Connolly, Transportation Planning Manager, introduced Russell Chisholm, President of the Transportation Management and Design firm and consultant on the operating analysis portion of the COA.

Mr. Chisholm provided a brief presentation highlighting: 1) Challenges; 2) Market Share; and 3) COA Proposal suggests a net decrease in vehicles but the equivalent in operating hours.

Mr. Chisholm commented that the COA is organized into 5 focus areas for the purposes of presentation highlighting: 1) Core Network; 2) Non Core Services; 3) Express/Limited Stop Services; 4) Community Bus Program; and 5) Deletion and Consolidation Candidates.

Mr. Chisholm commented that candidate deletion and consolidation routes includes:
1) Efficiency improvements in several routes, eliminate duplication or competing service;
and 2) Poor performing routes are deleted to allow for re-investment elsewhere in the system.

Board Members Gage, Cortese, Liccardo left their seats at 7:05 p.m.
Board Member Sandoval and Ex-Officio Board Member Yeager left the meeting at 7:05 p.m.

Board Members Liccardo and Cortese took their seats at 7:15 p.m.
Board Members Campos and Sellers left their seats at 7:16 p.m.
Board Members Campos, Gage, and Sellers took their seats at 7:20 p.m.

Member Liccardo asked if consolidation of services could decrease ridership. Mr. Chisholm commented that consolidation supports the Core Principles and would improve service times.

Member Liccardo inquired if the analysis takes into account future anticipated growth in a geographic area. Mr. Chisholm commented that future bus service was considered through 2015.

Member Reed commented that 8,000 housing units are proposed for North San Jose within the proximity of light rail service. Mr. Connolly commented that the North San Jose portion of the transportation system is under performing and welcomes the addition of future growth in the area.

Member Williams inquired if the analysis would include factors on how to raise farebox recovery to 25 percent. Mr. Chisholm commented that 25 percent farebox recovery is not an unreasonable expectation for the system. Mr. Burns commented that the 20 to 25 percent farebox recovery ratio is a goal to work toward when looking to improve transit services and ridership.

Member Macias commented that the COA is a continuous process with no guarantees and noted this is a brave first step to improve public transit service for the communities. She added that the concept of customer amenities for transit riders should include: 1) Real time information system; 2) Kiosks; 3) Adaptable routes; and 4) Maintaining the direct bus route that serves Valley Medical Center as a vital service to the community.

Member Cortese commented that a serious commitment goal to achieve 20 to 25 percent farebox recovery should be realized.

The following individuals addressed the Board of Directors:

Aaron Morrow, Interested Citizen, expressed concern that the deletion of Bus Line 85 to Valley Medical Center will greatly impact the community.

Michael Ludwig, Interested Citizen recommended that many public outreach meetings be held to collect public opinions on the COA and expressed concern that there will be

ample transfer times between community buses in Morgan Hill and Gilroy to meet Bus Line 68.

Eugene Bradley, Santa Clara Valley Transportation Authority Riders Union, expressed concern regarding Bus Line 85 noting the line serves Valley Medical Center and San Jose City College. Mr. Bradley expressed concern regarding bus service to DeAnza and Foothill Colleges has not been addressed.

Nick Perry, Interested Citizen, expressed concern regarding deletion of services and route changes.

Ross Signorino, Interested Citizen, commended the Hay Group Report and inquired about farebox recovery goals in other communities.

Member Sellers commented that ample transfer time between Community Bus service and Bus Line 68 has been coordinated for the communities of Morgan Hill and Gilroy.

On order of Chairperson Chu, the Board of Directors, discussed the Comprehensive Operations Analysis (COA): Draft Proposed Service Operating Plan.

OTHER ITEMS

17. Presentation on the Proposed California High-Speed Train System

Rod Diridon, Executive Director of the Mineta Transportation Institute (MTI), provided a PowerPoint presentation entitled, "Asia Rail 2006" highlighting: 1) High speed ground transportation systems and technologies in Asia; and 2) Future intermediate and high speed rail corridor designations in the United States.

Mr. Diridon noted that California's leaders continue to acknowledge that high-speed trains are an important element of California's future by approving \$14.3 million in funding for the California High-Speed Rail Authority's (CHSRA/Authority) 2006-2007 budget, including \$13 million to begin project implementation.

Mr. Diridon commented that the economic impacts include: 1) Generation of an estimated 450,000 job-years of employment; 2) Construction spending is estimated to generate in present value \$11 billion in personal income, \$28 billion in industrial output, and \$871 million in tax revenue; and 3) Benefits by California Industries: Construction \$10.4 billion, Services \$6.6 billion and Manufacturing \$2.7 billion. Mr. Diridon noted that the system will generate thousands of permanent jobs through the ongoing operations of high-speed trains.

Chairperson Chu commented that he is a member of the Silicon Valley High-Speed Rail Coalition and a Commissioner on the Metropolitan Transit Commission (MTC).

Member Liccardo expressed concern that Silicon Valley is depicted solely as a spur connection in the proposed High-Speed rail corridor.

Member Reed asked if the analysis included a connection to BART in San Jose. Mr. Diridon responded that Santa Clara County the analysis did not include this connection.

Member Campos thanked Mr. Diridon for the presentation and noted the importance for the Board to continue to advocate that the residents of Santa Clara County are not forgotten in regards to High-Speed Rail decisions for the region.

Member Williams asked if there was on analysis of financial benefits of going through San Jose. Mr. Diridon responded that Santa Clara County will have to strongly advocate for a High-Speed Rail stop in San Jose.

On order of Chairperson Chu, the Board of Directors, received a Presentation on the Proposed California High-Speed Train System by the California High-Speed Rail Authority (CHRSA).

Board Member Cortese left his seat at 8:15 p.m.
Board Member Cortese took his seat at 8:20 p.m.
Board Member Gage left the meeting at 8:32 p.m.
Board Member Campos left her seat at 8:33 p.m.
Board Member Kerr left his seat at 8:35 p.m.

Board Members Campos and Kerr took their seats at 8:40 p.m.

15. Organizational Assessment Implementation Support

Mr. Burns reported that in August 2006, the Board of Directors approved a contract with the Hay Group to conduct an Organizational and Financial Assessment of VTA. Mr. Burns noted that VTA undertook this assessment at its own initiative in an effort to identify areas needing improvement and noted this type of performance review is a fairly common undertaking in the private sector and is considered a best business practice. Mr. Burns reported that the Hay Group findings and recommendations fall into three primary areas: Governance, Organization Structure, and Financial Management.

Mr. Burns commented that he proposed to engage the lead consultant from the Organizational Assessment team, Karen Antion, to provide continuing support to VTA as the Hay Group's recommendations are reviewed, priorities are set, and to begin the implementation of changes in policies and procedures. Mr. Burns commented that Ms. Antion will work with the Administration and Finance Committee to prioritize the recommendations identified in the Organizational and Financial Assessment and will provide progress reports to the entire Board on a quarterly basis.

Member Kniss expressed concern with the recommended compensation amount proposed for Ms. Antion's services. Mr. Burns commented that within the recommendation Ms. Antion will engage the services of additional sub-consultants as subject matter experts on an as-needed basis as those areas are identified.

Member Macias inquired about the length of time Ms. Antion would provide support to VTA to implement the changes assessed by the Hay Group. Mr. Burns commented that VTA would use the services of Ms. Antion for approximately one year.

Member Liccardo proposed an interim amount of approximately \$100,000 to \$150,000 as compensation to Ms. Antion for a two-month period with a report to the Board at the end of that period identifying more detailed, specifics of the proposed scope of work.

Member Kerr commented that the Administration and Finance Committee will begin working on the Hay Group Organizational and Financial Assessment recommendations in May.

Member Kniss expressed concern with the lack of a detailed outline indicating the scope of work expected with the consultant's contract.

Member Cortese commented that in contract negotiations best practices would include descriptive indications of the scope of work and would include conditions for termination of the contract.

Aaron Morrow, Interested Citizen, expressed concern regarding the amount identified to negotiate and execute a contract with Karen Antion Consulting, LLC.

M/S/C (Liccardo/Kniss) on a vote of 7 ayes to 3 noes to 0 abstentions to authorize the General Manager to negotiate and execute a contract with Karen Antion Consulting, LLC, to provide professional services in support of the implementation of recommendations contained in the Organizational and Financial Assessment of the Santa Clara Valley Transportation Authority, for an amount up to \$150,000 with a more detailed scope of work to be submitted to the Board of Directors at their June 7, 2007 meeting. Members Macias, Sellers, and Cortese voted no.

16. Financial Management Services

Mr. Burns commented on the importance of having a Chief Financial Officer (CFO) and noted that there were serious financial and managerial issues that were mentioned in the Assessment that need the immediate attention of a CFO. Mr. Burns stated that it would be more effective to bring in a financial expert to act as an interim CFO to review and implement the recommendations of the Assessment. Mr. Burns stated that Jerry Mikolajczyk, proposed Interim CFO, is very qualified and experienced.

Vice Chairperson Kniss expressed concern about the contract amount and asked about the cost of hiring a permanent CFO. She also inquired about the rationale for the 39-week retention period. Mr. Burns responded that the annual compensation for a permanent CFO will amount to approximately \$200,000. He added that the 39-week period brings the interim until the end of the year, and allows VTA time to recruit a permanent CFO.

Board Member Macias commented that Mr. Mikolajczyk does not have transit experience. Mr. Burns replied that transit experience in the financial area is not a significant part of the qualification. He added that having someone not from the transit industry may benefit VTA because things will be looked at differently. Mr. Burns noted that he appreciated the fact that Mr. Mikolajczyk has extensive project experience in his background. This is particularly helpful because VTA has numerous projects.

Board Member Liccardo expressed concern about Mr. Mikolajczyk's lack of public sector experience. He inquired if there are potential issues due to the fact that Mr. Mikolajczyk's education and experience were more in Canada and not in the United States.

Mr. Burns replied that Mr. Mikolajczyk's work in Canada is very transferable and he has worked in the United States. Mr. Mikolajczyk is very knowledgeable in the Governmental Accounting Standards Board (GASB) and has done work on Sarbanes-Oxley implementations in private companies.

Board Member Williams expressed concern regarding the compensation amount recommended for a 39-week period. He inquired about the return on investment for VTA, if the Interim CFO is hired at the recommended rate. Mr. Burns replied that he does not have a quantitative analysis that would provide an answer for Board Member Williams' question. Mr. Burns expressed concern about VTA not having a CFO that will address the serious concerns identified by the Assessment in the financial area of VTA. He added that the Interim CFO will develop programs, strategies, and processes, and will provide a level of confidence that VTA is addressing the serious issues.

Board Member Williams expressed concern that there are no measures to evaluate the yield of hiring an Interim CFO at this contract amount.

Mr. Burns noted that evaluation measures can be determined later. He noted that this is his best assessment and recommendation for VTA as it currently exists.

Board Member Kerr suggested a compromise to extend the ability to terminate the contract through the A&F Committee. He noted that a compromise is needed to allow VTA to reboot the Finance Department and move forward.

Board Member Reed noted that VTA is in crisis because it does not have a CFO. He noted that the General Manager would need a CFO so that he can address other important issues within the organization. He commented that since VTA is in a crunch, it increases the price.

Eugene Bradley, Anta Clara Valley Transportation Authority Riders Union, asked why the Board did not discuss the possibility of finding someone within VTA that could step up and take the CFO role. He expressed opposition for this item and expressed concern on spending tax dollars on someone who has very little or no public sector experience.

Chairperson Chu noted that there is no one presently at VTA that could assume the role as CFO.

Vice Chairperson Kniss noted that she will accept Mr. Burns' recommendation and hopes that Mr. Mikolajczyk has the skill set that Mr. Burns has described. She noted that she looks forward to interacting with the Interim CFO on a regular basis.

Board Member Kerr referred to Agenda Item #13 – Refunding of Bonds and requested that Mr. Burns make a comment on how difficult it was to market the bonds without a CFO.

Mr. Burns noted that members of the financial community who were very concerned about some of the findings of the Assessment. Mr. Burns reported that members of the financial community supported the fact that VTA was moving quickly to hire a skilled Interim CFO. He added that the value of having a person of this caliber in the position and taking the actions necessary to address the issues in the Assessment will payoff times with regard to how VTA is treated in the financial market.

Board Member Williams thanked Mr. Burns for his explanation and expressed support for the recommendation.

M/S/C (Kniss/Reed) to authorize the General Manager to execute a contract with AccountAbilities, Inc., to provide professional services, including a senior financial manager, to implement financial management recommendations contained in the Organizational and Financial Assessment of the Santa Clara Valley Transportation Authority. Professional financial management services will be provided for a period of up to 39 weeks and for an amount up to \$530,400, from April 9, 2007, through January 4, 2008. Services may be terminated at any time at the discretion of the General Manager.

REGULAR AGENDA (continued)

ADMINISTRATION AND FINANCE COMMITTEE CHAIRPERSON'S REPORT – (See Agenda Item #20.A.)

13. Sales Tax Revenue Refunding Bonds, 2007 Series A

Board Member Kerr noted that the A&F Committee recommends approval of this item as it complies with the Board of Directors' guidelines for re-issuing bond and takes advantage of the current interest rate market.

Upon inquiry of Board Member Reed, Mr. Burns verified that VTA provided full disclosure to the financial community as part of the issuance.

M/S/C (Kniss/Reed) to adopt Resolution No. 07.04.09 to authorize the General Manager or his designee to take all necessary actions to offer, via competitive or negotiated sale, up to \$33 million of Sales Tax Revenue Refunding Bonds, 2007 Series A (2007 Refunding Bonds) to refund all or a portion of VTA's Sales Tax Revenue Refunding Bonds, 1997 Series A and to pay the costs of issuance, provided the aggregate net present value benefit equals or exceeds 3 percent.

Board Member Cortese left the meeting at 9:32 p.m.

OTHER ITEMS (continued)

18. ITEMS OF CONCERN AND REFERRAL TO ADMINISTRATION

There were no Items of Concern and Referral to Administration.

19. MONTHLY LEGISLATIVE HISTORY MATRIX

On order of Chairperson Chu, there being no objection, the Monthly Legislative History Matrix was accepted as contained in the Agenda Packet.

20. SUMMARY MINUTES FROM STANDING COMMITTEES

A. Administration and Finance Committee

On order of Chairperson Chu, there being no objection, the March 15, 2007 Administration and Finance Committee Summary Minutes was accepted as contained in the Agenda Packet.

B. Congestion Management Program and Planning Committee

On order of Chairperson Chu, there being no objection, the March 15, 2007 Congestion Management Program and Planning Committee Summary Minutes was accepted as contained in the Agenda Packet.

C. Transit Planning and Operations Committee

On order of Chairperson Chu, there being no objection, the March 21, 2007 Transit Planning and Operations Committee Summary Minutes was accepted as contained in the Agenda Packet.

21. REPORTS (UNAPPROVED MINUTES) FROM ADVISORY COMMITTEES

A. Committee for Transit Accessibility (CTA)

On order of Chairperson Chu, there being no objection, the March 7, 2007 Committee for Transit Accessibility Minutes was accepted as contained in the Agenda Packet.

B. Citizens Advisory Committee (CAC)

On order of Chairperson Chu, there being no objection, the March 7, 2007 Citizens Advisory Committee Minutes was accepted as contained in the Agenda Packet.

C. Bicycle & Pedestrian Advisory Committee (BPAC)

On order of Chairperson Chu, there being no objection, the March 7, 2007 Bicycle & Pedestrian Advisory Committee Minutes were accepted as contained in the Agenda Packet.

D. Technical Advisory Committee (TAC)

On order of Chairperson Chu, there being no objection, the March 8, 2007 Technical Advisory Committee Minutes was accepted as contained in the Agenda Packet.

E. Policy Advisory Committee (PAC)

On order of Chairperson Chu, there being no objection, the March 8, 2007 Policy Advisory Committee Minutes was accepted as contained in the Agenda Packet.

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

Chairperson Chu advised the Board of Directors that the Reports from the Joint Powers Boards (JPBs) & Regional Commissions were placed on the dais.

A. Peninsula Corridor JPB

On order of Chairperson Chu, there being no objection, the Peninsula Corridor JPB Report was received.

B. Capitol Corridor JPB

There was no report from the Capitol Corridor JPB.

C. Dumbarton Rail Corridor Policy Committee

There was no report from the Dumbarton Rail Corridor Policy Committee.

D. Metropolitan Transportation Commission (MTC)

On order of Chairperson Chu, there being no objection, the Metropolitan Transportation Commission (MTC) Report was received.

23. REPORTS FROM VTA POLICY ADVISORY BOARDS (PABs)

A. Vasona Light Rail PAB

There was no report from the Vasona Light Rail PAB.

B. Silicon Valley Rapid Transit Corridor PAB

There was no report from the Silicon Valley Rapid Transit Corridor PAB.

C. Downtown East Valley PAB

On order of Chairperson Chu, there being no objection, the Downtown East Valley PAB report was received.

D. Highway PAB – South

There was no report from the Highway PAB - South Policy Advisory Committee.

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

On order of Chairperson Chu, there being no objection, the I-680 Sunol SMART Carpool Lane Policy Advisory Committee report was received.

24. ADJOURNED TO CLOSED SESSION at 9:39 p.m.

Existing Litigation - Conference with General Counsel
[Government Code Section 54956.9(a)]

Name of Case: Bernabe Guillen v. Santa Clara Valley Transportation Authority
Superior Court Case No. 106CV059751

RECONVENED TO OPEN SESSION at 9:45 p.m.

25. CLOSED SESSION REPORT

Existing Litigation - Conference with General Counsel
[Government Code Section 54956.9(a)]

Name of Case: Bernabe Guillen v. Santa Clara Valley Transportation Authority
Superior Court Case No. 106CV059751

Suzanne Gifford, General Counsel, reported that the Board of Directors convened in Closed Session and approved a settlement and details of the settlement would be available for public review when agreed to by the other party.

26. ANNOUNCEMENTS

There were no Announcements.

27. ADJOURNMENT

On order of Vice Chairperson Chu, there being no objection, the meeting was adjourned in Memory of Marilyn Torgerson, Antwaine Day, and Charles "Chuck" Flores at 9:46 p.m.

Respectfully Submitted,

Jacqueline F. Golzio, Board Assistant
VTA Board of Directors