



ADMINISTRATION & FINANCE COMMITTEE

Thursday, May 17, 2007

County Government Center
70 West Hedding Street – Room 157
San Jose, California

SUMMARY MINUTES

1. CALLED TO ORDER at 12:04 p.m.

ROLL CALL

Members Present

Don Gage, Vice Chairperson
Breene Kerr, Chairperson
Chuck Reed
Forrest Williams

Members Absent

None

Alternates Present

None

Alternates Absent

Dominic Caserta
Judy Chirco
Pete McHugh

* Alternates do not serve unless participating as a Member.

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

2. CLOSED SESSION at 12:05 p.m.

Board Members Reed and Williams arrived at the meeting and entered Closed Session at 12:25 p.m. and a quorum was declared.

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

- 1. Name of Case: Springer, et al. v. Albright, et al.
Santa Clara Co. Superior Court Case No. 1-06-CV-072624**
- 2. Name of Case: Amalgamated Transit Union (ATU) v. Valley Transportation Authority (VTA)
Santa Clara Co. Superior Court Case No. 1-06-CV-072632**

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

VTA Designated Representatives:

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

Employee Organization:

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

- X.** Conference with Real Property Negotiator
[Government Code 54956.8]

Property: Block bounded by North First Street, North Market Street, Santa Clara Street and West St. John Street located in downtown San Jose.

Negotiator for VTA: Roberta Notrangelo, Manager of Real Estate

Negotiating parties: The Mitchell Family, Owners, acting through an exclusive listing by CB Richard Ellis.

Under negotiation: Price and terms of payment.

- X.X.** Conference with Real Property Negotiator
[Government Code 54956.8]

Property: Northerly portion of VTA's WP Milpitas line, approximately 3 miles in length

Negotiator for VTA: Roberta Notrangelo, Manager of Real Estate

Negotiating parties: Laura Giraud, Right of Way Division Manager, BART

Under negotiation: Price and terms of payment.

RECONVENED TO OPEN SESSION at 12:27 p.m.

3. CLOSED SESSION REPORT

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

- 1.** Name of Case: Springer, et al. v. Albright, et al.
Santa Clara Co. Superior Court Case No. 1-06-CV-072624

There was no reportable action taken during Closed Session.

2. Name of Case: Amalgamated Transit Union (ATU) v. Valley Transportation Authority (VTA)
Santa Clara Co. Superior Court Case No. 1-06-CV-072632

There was no reportable action taken during Closed Session.

- B.** Conference with Labor Negotiators
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Negotiating parties: Laura Giraud, Right of Way Division Manager, BART

Under negotiation: Price and terms of payment.

There was no reportable action taken during Closed Session.

4. PUBLIC PRESENTATIONS

There were no Public Presentations.

5. ORDERS OF THE DAY

Chairperson Kerr **requested** that the following Agenda Item be removed from the Consent Agenda and placed on the Regular Agenda: **Agenda Item # 7.**, Report on Santa Clara Valley Transportation Authority Investments for the Month of March and quarter ending March 2007.

Accepted the Orders of the Day.

CONSENT AGENDA

6. **Approved** the Regular Meeting Minutes of April 19, 2007.
7. **(Removed from the Consent Agenda and placed on the Regular Agenda.)**

Report on Santa Clara Valley Transportation Authority Investments for the Month of March and quarter ending March 2007.
8. **Reviewed** the Quarterly Purchasing Report.
9. **Reviewed** the Fiscal Year 2007 Quarterly Statement of Revenues and Expenses for the period ending March 31, 2007.
10. **Reviewed** the Monthly Legislative History Matrix.
11. **Reviewed** the Third Quarter FY 2007 Report of Public Liability/Property Damage and Owner Controlled Insurance Program (OCIP) Claims Activity.
12. **Reviewed** the Third Quarter FY 2007 Report of Workers' Compensation Claims and Transitional Work Program.
13. **Approved** submitting a recommendation to the Board of Directors to adopt a support position for AB 256 (Huff), AB 945 (Carter), and SB 445 (Torlakson); and further, adopt an oppose position for SB 204 (Dutton).
14. **Approved** submitting a recommendation to the Board of Directors to authorize the General Manager to submit federal Fiscal Year 2007 grant applications and execute grant agreements with the Federal Transit Administration (FTA) for Section 5307 Urbanized Area Formula; and Section 5309 New Starts, Fixed Guideway, and Bus/Bus Facility funds.

15. **Approved** submitting a recommendation to the Board of Directors to adopt a resolution authorizing the filing of an annual claim to the Metropolitan Transportation Commission (MTC) for allocation of FY 2008 Transportation Development Act (TDA) and State Transit Assistance (STA) funds.
16. **Approved** submitting a recommendation to the Board of Directors to authorize staff to submit an application for \$1 million in Transportation, Community and System Preservation (TCSP) Program funds (§1117 of Pub L. 109-59) for conceptual engineering and environmental clearance for the realignment of State Route 152, and if successful in obtaining funds, authorize the General Manager to enter into all necessary agreements with Caltrans and/or the Federal Highway Administration (FHWA) to accept the grant.
17. **Approved** submitting a recommendation to the Board of Directors to authorize the General Manager to execute an agreement with MFS Investment Management (MFS) and terminate the agreement with Pyramis Global Advisors (Pyramis) for the management of the International Growth Equity Index Fund portfolio of the Valley Transportation Authority (VTA)/Amalgamated Transit Union (ATU) Pension Plan assets.
18. **Approved** submitting a recommendation to the Board of Directors to authorize staff to submit applications to the “Intelligent Transportation Systems Operational Testing to Mitigate Congestion” (ITS-OTMC), “Value Pricing Pilot (VPPP) Program” and the “Discretionary Bus and Bus Facilities Program” grant programs for the Silicon Valley Comprehensive Mobility Initiative. Authorize the General Manager to enter into all necessary agreements with the Federal Highway Administration (FHWA), the Federal Transit Administration (FTA), Caltrans and Metropolitan Transportation Commission (MTC) to accept and use these grants.

The Agenda was taken out of order.

REGULAR AGENDA

7. **Received** on a vote of 3 Ayes to 0 Noes to 1 Abstention the Report on Santa Clara Valley Transportation Authority Investments for the Month of March and quarter ending March 2007. Board Member Reed abstained.
19. **Approved** submitting a recommendation to the Board of Directors to review and recommend that the VTA Board of Directors approve the following actions: 1) Invoke an exemption under CEQA, P.R.C. §21083 and CEQA Guidelines Section 15061(b)(3) for the purpose of establishing and modifying fares; and 2) Adopt a resolution establishing rates and fares for VTA bus, light rail, and paratransit services effective July 1, 2007.
20. **Approved** submitting a recommendation to the Board of Directors to review and recommend that the VTA Board of Directors approve the Recommended Biennial Budget for the Fiscal Years 2008 and 2009.

Edward Mason, Interested Citizen, **addressed** the Committee.

31. Consider the following amendments to the Policy Advisory Committee (PAC) bylaws proposed by the PAC: 1) Amend the quorum requirement from “presence of 9 members” (majority of total authorized membership) to “presence of a majority of filled membership positions” and 2) Change the votes required to pass an item from “majority of total authorized membership” to “majority of quorum”; and further, advise staff which, if any, of these proposed or other modifications to the PAC bylaws the Board wants submitted for formal adoption at a subsequent meeting.

Approved on a vote of 3 Ayes to 1 Noes to 0 Abstentions to submit a recommendation to the Board of Directors to not make any changes to the Policy Advisory Committee (PAC) bylaws. Chairperson Kerr opposed.

(Agenda Item #31 continued and heard after Agenda Item #29 later on the Agenda.)

21. **Approved** submitting a recommendation to the Board of Directors to amend the authorization granted to the General Manager on October 7, 2004 to execute task order contracts for the preparation of environmental compliance documents and other environmental support services for highway, transit, and related facility project and approve an increase in the total value for all agreements from \$2,400,000 to \$4,800,000.
22. **Approved** submitting a recommendation to the Board of Directors to authorize the General Manager to execute a Five-Year Lease with Bright Horizons Children’s Center for occupancy of the Tamien Child Care Center at a rental rate of \$75,000 per year with two-percent annual increases and a six-month termination notice.
23. **Approved** submitting a recommendation to the Board of Directors to authorize the General Manager to negotiate and execute a contract with Mark Thomas & Company to provide preliminary engineering, environmental planning and final design services for the I-880 Improvements (State Route 237 to US 101) project for a total contract value not to exceed \$7,500,000 and an initial contract term through August 31, 2011.
24. **Approved** submitting a recommendation to the Board of Directors to authorize the General Manager to negotiate and execute a contract with HMH Engineers to provide preliminary engineering, environmental planning and final design services for the US 101 Operational Improvements Project (I-280/680 to Tully Road), for a total contract value not to exceed \$6,000,000 and an initial contract term through December 31, 2009.
25. **Approved** submitting a recommendation to the Board of Directors to authorize the General Manager to negotiate and execute a contract with URS Corporation to provide preliminary engineering and environmental planning services for the US 101 Improvements Project – State Route 85 to Embarcadero Road, for a total contract value not to exceed \$2,500,000 and an initial contract term through December 31, 2009.
26. **Approved** submitting a recommendation to the Board of Directors to authorize the General Manager to execute a contract amendment with Mark Thomas & Company, Inc. for Preliminary Engineering and Environmental Document services for the I-280/I-880/Stevens Creek Interchange Project, increasing the approved contract value by \$2,330,000 for a new contract value of \$2,816,025; and extending the term of the contract through December 31, 2010.

27. **Approved** submitting a recommendation to the Board of Directors to authorize the General Manager to negotiate and execute a contract amendment with URS Corporation increasing the contract value by \$3,900,000 to perform preliminary engineering and environmental services for the US 101 Widening Project, from Monterey Road to State Route 129 for a total contract value of \$4,650,000 and extending the contract term through August 31, 2010.
28. **Approved** submitting a recommendation to the Board of Directors to approve amendments to the Santa Clara Valley Transportation Authority (VTA) - Amalgamated Transit Union (ATU) Pension Plan.
29. **Approved** submitting a recommendation to the Board of Directors to adopt a resolution designating positions from which VTA's appointees to the Santa Clara Valley Transportation Authority (VTA) - Amalgamated Transit Union (ATU) Pension Plan Board of Pensions will be made, and authorize the General Manager to make those appointments. Additionally, authorize the General Manager to appoint Gerald A. Rosenquist, former Chairperson to the Board of Pensions, as the jointly-selected seventh Pension Board member.
31. **Amendments to the Policy Advisory Committee (PAC) Bylaws** (continued)
Chairperson Kerr **requested** that staff apply an amendment to the PAC bylaw recommendation to be forwarded to the June 7, 2007 Board of Directors meeting to allow cities to opt out on a temporary basis from the PAC so that the cities do not count as part of the quorum requirements. **Staff noted** that a revised Board Memorandum would be forwarded to the June 7, 2007 Board of Directors meeting reflecting the change in the Alternatives portion of the memorandum.
30. **Approved** submitting a recommendation to the Board of Directors to authorize amendments to VTA's 457 Deferred Compensation Plan and 401 (a) Money Purchase Plans to incorporate provisions authorized or mandated by federal regulations and to make clarifications to certain administrative provisions of the Plans.

OTHER ITEMS

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

Chairperson Kerr **requested** that staff apply an amendment to the PAC bylaw recommendation to be forwarded to the June 7, 2007 Board of Directors Regular Meeting to allow cities to opt out on a temporary basis from the PAC so that the cities do not count as part of the quorum requirements.

Vice Chairperson Gage **stressed the importance** and **requested** that the Board of Directors receive updates and progress reports on a quarterly basis regarding VTA's finances.

33. **Reviewed** the Committee Work Plan.

34. **Committee Staff Report: Received** the Committee Staff Report.

35. **Chairperson's Report: Received** the Chairperson's Report.

36. **Determine Consent Agenda for the June 7, 2007 Board Meeting**

CONSENT: Agenda Item # 13., Adopt a support position for AB 256 (Huff), AB 945 (Carter), and SB 445 (Torlakson); and further, adopt an oppose position for SB 204 (Dutton); **Agenda Item # 14.**, Authorize the General Manager to submit federal Fiscal Year 2007 grant applications and execute grant agreements with the Federal Transit Administration (FTA) for Section 5307 Urbanized Area Formula; and Section 5309 New Starts, Fixed Guideway, and Bus/Bus Facility funds; **Agenda Item # 15.**, Adopt a resolution authorizing the filing of an annual claim to the Metropolitan Transportation Commission (MTC) for allocation of FY 2008 Transportation Development Act (TDA) and State Transit Assistance (STA) funds; **Agenda Item #16.**, Authorize staff to submit an application for \$1 million in Transportation, Community and System Preservation (TCSP) Program funds (§1117 of Pub L. 109-59) for conceptual engineering and environmental clearance for the realignment of State Route 152, and if successful in obtaining funds, authorize the General Manager to enter into all necessary agreements with Caltrans and/or the Federal Highway Administration (FHWA) to accept the grant; **Agenda Item # 17.**, Authorize the General Manager to execute an agreement with MFS Investment Management (MFS) and terminate the agreement with Pyramis Global Advisors (Pyramis) for the management of the International Growth Equity Index Fund portfolio of the Valley Transportation Authority (VTA)/Amalgamated Transit Union (ATU) Pension Plan assets; **Agenda Item # 18.**, Authorize staff to submit applications to the "Intelligent Transportation Systems Operational Testing to Mitigate Congestion" (ITS-OTMC), "Value Pricing Pilot (VPPP) Program" and the "Discretionary Bus and Bus Facilities Program" grant programs for the Silicon Valley Comprehensive Mobility Initiative. Authorize the General Manager to enter into all necessary agreements with the Federal Highway Administration (FHWA), the Federal Transit Administration (FTA), Caltrans and Metropolitan Transportation Commission (MTC) to accept and use these grants; **Agenda Item #21.**, Amend the authorization granted to the General Manager on October 7, 2004 to execute task order contracts for the preparation of environmental compliance documents and other environmental support services for highway, transit, and related facility project and approve an increase in the total value for all agreements from \$2,400,000 to \$4,800,000; **Agenda Item #22.**, Authorize the General Manager to execute a Five-Year Lease with Bright Horizons Children's Center for occupancy of the Tamien Child Care Center at a rental rate of \$75,000 per year with two-percent annual increases and a six-month termination notice; **Agenda Item # 23.**, Authorize the General Manager to negotiate and execute a contract with Mark Thomas & Company to provide preliminary engineering, environmental planning and final design services for the I-880 Improvements (State Route 237 to US 101) project for a total contract value not to exceed \$7,500,000 and an initial contract term through August 31, 2011; **Agenda Item # 24.**, Authorize the General Manager to negotiate and execute a contract with HMM Engineers to provide preliminary engineering, environmental planning and final design services for the US 101 Operational Improvements Project (I-280/680 to Tully Road), for a total contract value not to exceed \$6,000,000 and an initial contract term through December 31, 2009;

Agenda Item #25., Authorize the General Manager to negotiate and execute a contract with URS Corporation to provide preliminary engineering and environmental planning services for the US 101 Improvements Project – State Route 85 to Embarcadero Road, for a total contract value not to exceed \$2,500,000 and an initial contract term through December 31, 2009; **Agenda Item #26.**, Authorize the General Manager to execute a contract amendment with Mark Thomas & Company, Inc. for Preliminary Engineering and Environmental Document services for the I-280/I-880/Stevens Creek Interchange Project, increasing the approved contract value by \$2,330,000 for a new contract value of \$2,816,025; and extending the term of the contract through December 31, 2010; **Agenda Item #27.**, Authorize the General Manager to negotiate and execute a contract amendment with URS Corporation increasing the contract value by \$3,900,000 to perform preliminary engineering and environmental services for the US 101 Widening Project, from Monterey Road to State Route 129 for a total contract value of \$4,650,000 and extending the contract term through August 31, 2010; **Agenda Item #28.**, Approve amendments to the Santa Clara Valley Transportation Authority (VTA) - Amalgamated Transit Union (ATU) Pension Plan; **Agenda Item #29.**, Adopt a resolution designating positions from which VTA's appointees to the Santa Clara Valley Transportation Authority (VTA) - Amalgamated Transit Union (ATU) Pension Plan Board of Pensions will be made, and authorize the General Manager to make those appointments. Additionally, authorize the General Manager to appoint Gerald A. Rosenquist, former Chairperson to the Board of Pensions, as the jointly-selected seventh Pension Board member; and **Agenda Item #30.**, Authorize amendments to VTA's 457 Deferred Compensation Plan and 401 (a) Money Purchase Plans to incorporate provisions authorized or mandated by federal regulations and to make clarifications to certain administrative provisions of the Plans.

REGULAR: Agenda Item # 19., Review and recommend that the VTA Board of Directors approve the following actions: 1) Invoke an exemption under CEQA, P.R.C. §21083 and CEQA Guidelines Section 15061(b)(3) for the purpose of establishing and modifying fares; and 2) Adopt a resolution establishing rates and fares for VTA bus, light rail, and paratransit services effective July 1, 2007; **Agenda Item # 20.**, Review and recommend that the VTA Board of Directors approve the Recommended Biennial Budget for the Fiscal Years 2008 and 2009; and **Agenda Item #31.**, Consider the following amendments to the Policy Advisory Committee (PAC) bylaws proposed by the PAC: 1) Amend the quorum requirement from "presence of 9 members" (majority of total authorized membership) to "presence of a majority of filled membership positions" and 2) Change the votes required to pass an item from "majority of total authorized membership" to "majority of quorum"; and further, advise staff which, if any, of these proposed or other modifications to the PAC bylaws the Board wants submitted for formal adoption at a subsequent meeting.

37. Announcement

There were no Announcements.

38. ADJOURNED at 1:30 p.m.



ADMINISTRATION & FINANCE COMMITTEE SPECIAL MEETING

Thursday, May 23, 2007

San Jose City Hall
200 East Santa Clara Street –Wing 120
San Jose, California

SUMMARY MINUTES

1. CALLED TO ORDER at 12:07 p.m.

ROLL CALL

Members Present

Breene Kerr, Chairperson
Chuck Reed
Forrest Williams

Members Absent

Don Gage, Vice Chairperson

Alternates Present

Pete McHugh

Alternates Absent

Dominic Caserta
Judy Chirco

* Alternates do not serve unless participating as a Member.

A quorum was present.

2. PUBLIC PRESENTATIONS

There were no Public Presentations.

3. Organizational and Financial Assessment

Jerry G. Mikolajczyk, Chief Financial Officer, **provided** a brief overview of the Interim CFO Deliverables for 6 months, 6 months plus, and 12 months.

Alternate Board Member McHugh arrived at the meeting at 12:16 p.m.

Karen Antion, Karen Antion Consultant, LLC., **provided** a brief overview of the Governance, Finance, and Organization Transformation Project, highlighting: 1) the Project Overview, 2) Project Scorecard – Phase 1, 3) Project Scorecard – Phase 2, and 4) Project Consultant Rates.

Chairperson Kerr **requested** that staff monitor and provide information on the cost savings established as a result of the new CFO. Chairperson Kerr **stressed the importance** to provide the Board of Directors with information regarding the costs and benefits associated with the new CFO, Consultants, and implementation of the recommendations.

Board Member Williams **requested** that staff provide information on previous success experiences with other organizations by implementing the Governance, Finance, and Organization Transformation Project recommendations.

Board Member Reed **requested** that staff provide additional information regarding the Project Consultant Rates related to the estimated travel expenses of \$3,500 per month.

Approved submitting a recommendation to the June 7, 2007 Board of Directors Regular Meeting regarding the Organizational Assessment Implementation Plan.

Jerry Grace, Interested Citizen, **addressed** the Committee.

4. **Announcement**

There were no Announcements.

5. **ADJOURNED at 1:12 p.m.**