



POLICY ADVISORY COMMITTEE

Thursday, April 12, 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

Margaret Abe-Koga
 David Casas
 Dominic Caserta
 Steve Glickman
 Kathleen King
 Yoriko Kishimoto
 Evan Low
 Pete McHugh
 Pierluigi Oliverio
 Christopher Moylan, Chairperson
 Kris Wang, Vice Chairperson
 Steve Tate

Representative Cities

Mountain View
 Los Altos
 Santa Clara
 Los Gatos
 Saratoga
 Palo Alto
 Campbell
 Santa Clara County Board of Supervisors
 San Jose
 Sunnyvale
 Cupertino
 Morgan Hill

Members Absent

Armando Gomez
 Al Pinheiro
 Curtis Wright

Representative Cities

Milpitas
 Gilroy
 Monte Sereno

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

2. Orders of the Day

Chairperson Moylan requested the following changes to the order of the Policy Advisory Committee Agenda: **Agenda Item # 10.**, Receive the Santa Clara Transportation Presentation to be heard after **Agenda Item # 8.**, Review the Programmed Projects

Quarterly Monitoring Report (January-March 2007); and **Agenda Item # 9.**, Review Organization and Financial Assessment after **Agenda Item #13.**, Consider amendments to the Policy Advisory Committee (PAC) bylaws proposed by Chairperson Chris Moylan, including modifying the number of affirmative votes required to pass an item.

On order of Chairperson Moylan, there being no objection the committee accepted the Orders of the Day.

Vice Chairperson Wang and Member Oliverio took their seats at 4:13 p.m. and a quorum was declared.

3. Public Presentations

There were no Public Presentations.

4. Committee Staff Report

Jim Lawson, Government Affairs Manager and Staff Liaison, reported that the Hay Group presented its Organizational and Financial Assessment Executive Report at the March 23, 2007 Board of Directors Workshop meeting. He noted that the Committee will discuss the item under Agenda Item #9. Review the VTA Organizational and Financial Assessment.

Mr. Lawson noted the following actions taken at the April 5, 2007 VTA Board of Directors meeting: 1) The Board of Directors honored outgoing VTA Ex-Officio Board Member and Metropolitan Transportation Commissioner, John McLemore, for his years of service; 2) The new federal lobbyist, Susan Lent of Akin Gump Strauss Hauer & Feld was introduced; 3) A discussion was held on the Comprehensive Operations Analysis (COA): Draft Proposed Service Operating Plan; 4) The Board authorized the refinancing of \$33 million in Sales Tax Revenue Refunding Bonds; 5) The Board authorized the Hay Group Consultants to draft a work plan to assist with the implementation of changes recommended in the Organizational and Financial Assessment; and 6) The Board authorized the hiring of VTA's new interim Chief Financial Officer, Jerry Mikolajczyk.

Mr. Lawson introduced the new interim Chief Financial Officer, Mr. Mikolajczyk.

Member McHugh took his seat at 4:25 p.m.

5. Chairperson's Report

Chairperson Moylan commented that he has been in contact with Martin Schuler, Chairperson of the Citizens Advisory Committee, and suggested a date in July for the a joint meeting between PAC and CAC.

Member Glickman suggested that July would not be a good month for the joint meeting.

Vice Chairperson Wang suggested a time limit of 30 minutes for the joint meeting

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 March 8, 2007**

M/S/C (Kishimoto/Wang) to approve the Minutes of March 8, 2007.

8. **Programmed Projects Quarterly Monitoring Report for January – March 2007**

M/S/C (Kishimoto/Wang) to review the Programmed Projects Quarterly Monitoring Report (January-March 2007).

The Agenda was taken out of order.

REGULAR

10. **Santa Clara Transportation Presentation**

Member Caserta provided a PowerPoint presentation entitled, City of Santa Clara, Transportation System Related Needs and Priorities highlighting: 1) Community Profile; 2) Transportation Profile; 3) Development Opportunities; 4) General Plan Policies; 5) Current Efforts and Initiatives (transportation and land use related); and 6) Needs and Priorities

Member Caserta introduced Kevin Riley, City of Santa Clara Director of Planning and Inspection, and Rajeev Batra City of Santa Clara, City Engineer.

Mr. Batra commented about the current efforts and initiatives in Santa Clara highlighting: 1) San Tomas Aquino/Saratoga Creek Trail; 2) BART/Station Area Plan Study; 3) Downtown Revitalization Plan; and 4) The Grand Boulevard Task Force.

Mr. Batra noted the Needs and Priorities include: 1) Completion of the creek trail extensions; 2) completion of the BART Extension to Santa Clara; 3) Construction of the Airport People Mover to BART; 4) Maintain street infrastructure; and 5) Completion of the General Plan Update by January 2009.

Mr. Riley gave an overview of the proposed multi-modal BART station and depot area and noted the depot area will serve as the transportation hub for the City of Santa Clara. Mr. Riley commented that approximately 300 new housing units are in close proximity to the area as is the entrance to Santa Clara University and the new baseball stadium.

On Order of Chairperson Moylan, there being no objection the Committee reviewed the City of Santa Clara Transportation presentation.

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

11. Fiscal Year 2008 Transportation Fund for Clean Air Program Manager Fund

Marcella Rensi, Manager, Transportation Planning Manager, reported that the annual Transportation Fund for Clean Air Program is funded by a \$4.00 surcharge on California automobile registrations. Ms. Rensi commented that 60 percent of the funds collected in each county is allocated to the Bay Area Air Quality Management District, the remaining 40 percent is returned to the county where the funds were collected and those funds are distributed competitively by a program manager. VTA retains the role of project manager for Santa Clara County.

Ms. Rensi commented that six projects responded to the Call for Projects and VTA staff recommends the funding of all projects submitted. Those projects include: 1) Light Rail Shuttle Program; 2) San Jose Airport conversion to alternative fueled vehicles; 3) San Jose Airport compressed natural gas fuel station upgrade; 3) Santa Clara County weekend signal timing; 4) Mountain View-Permanete Creek Trail bridge; and 5) Sunnyvale-Tasman/Fair Oaks streetscape enhancements.

Member McHugh inquired about the local match requirement. Ms. Rensi replied that the Fiscal Year 2008 Transportation Fund for Clean Air Program Manager Fund does not contain a match requirement.

M/S/C (Kishimoto/McHugh) to review and recommend that the VTA Board of Directors approve the programming of FY 2008 Transportation Fund for Clean Air Program Manager (TFCA 40%) funds to projects.

12. Recommended FY 07-08 Congestion Management Program Work Program

Stephen Flynn, Senior Management Analyst, commented that the Congestion Management Agencies (CMA) were created in 1990 by Proposition 111 and the accompanying legislation that required every county with an urbanized population of more than 50,000 to establish a CMA.

Mr. Flynn commented that the CMA for Santa Clara County was established in 1991 through the Joint Powers Agreement entered in by the CMA's Member Agencies which is comprised of the 15 cities within the County and the County of Santa Clara. Mr. Flynn reported that in 1994, the Santa Clara County Transit District and the CMA merged to form the Santa Clara Valley Transportation Authority (VTA). The Joint Powers Agreement that was signed by all the Member Agencies requires the creation of an annual work program.

Mr. Flynn commented that the functions previously performed by the CMA are now performed by the Congestion Management Program (CMP) within VTA. The responsibility of the CMA is the development and implementation of the countywide transportation plan for Santa Clara County.

Mr. Flynn commented that the Congestion Management Program is a separate distinct program within VTA deriving funds from Member Agencies, planning grants and

program manager fees. Mr. Flynn noted that the CMP has a separate mission and funding structure from the transit side of VTA. Mr. Flynn noted that this year the budget process is modified, and the CMP budget will be a component of the VTA biennial budget. Mr. Flynn noted the efforts for the FY 2007-08 Work Program such as prioritizing and programming of Santa Clara County's Regional Improvement Program (RIP) share of the 2008 State Transportation Improvement Program (STIP); and establishing the prioritization of projects and developing policies for the Highway Safety Traffic Reduction, Air Quality and Port Security Bond Act of 2006 (I-Bond) programs. Mr. Flynn noted that Page 3 of 5 of the staff memorandum identifies many efforts included in the work program.

Member Kishimoto asked if provisions for climate protection are indicated in the CMA. Mr. Lawson commented that providing public transit services improves the traffic congestions and reduces greenhouse gases.

Chairperson Moylan commented that he understands the program criteria indicates funding is conditional upon programs that reduce congestion.

Member Casas expressed concern that the CMA program is not following the recommendations of the Hay Group Assessment. Mr. Lawson commented that the CMA speaks to the issue of the Expenditure Plan and the Hay Group Assessment has taken the position that approval of the Expenditure Plan without the identification of additional revenues is not a position they recommend.

M/S/C (Glickman/Caserta) on a vote of 11 ayes to 1 no to 0 abstentions to review and recommend that the VTA Board of Directors approve the Recommended FY 07-08 Congestion Management Program Work Program and that the Board consider all matters of congestion management within the context of reducing greenhouse gases. Member Casas voted no.

Member Caserta left his seat at 5:15 p.m.

13. Amendments to Policy Advisory Committee Bylaws Proposed by Chairperson Chris Moylan

Chairperson Moylan commented that with the consideration of the amendments to the Policy Advisory Committee (PAC) bylaws that include the modification of the number of affirmative votes required to pass an item would enable the Committee to better serve the Board.

Member Casas commented that on Page 2 of 4 under Discussion he would recommend a written opinion of the question from General Counsel which would have legal standing versus an assertion in a staff report whether this action is contradictory to the Enabling Act.

Vice Chairperson Wang recommended modifying the PAC bylaws.

M/S/C (Glickman/Casas) to consider amendments to the Policy Advisory Committee (PAC)

bylaws proposed by Chairperson Chris Moylan, including modifying the number of affirmative votes required to pass an item.

M/S/C (Wang/McHugh) to consider a quorum voting requirement based on the actual appointed membership of the PAC.

9. VTA Organizational and Financial Assessment

Ann Carey, Executive Assistant to the General Manager, provided a presentation entitled, "Santa Clara Valley Transportation Authority Organizational and Financial Assessment, Advisory Committee Overview, April 2007. She commented on the origins of the Study, noting that this is the first review of VTA since its creation in 1996. She reviewed the process utilized to select the Hay Group, scope of work, and methodology.

Ms. Carey reviewed the Executive Report and the Technical Memorandum findings, noting categories of recommendations: governance, organizational structure, and financial management. Ms. Carey specified the top nine recommendations and the Board Committee findings. Ms. Carey reviewed the next steps and the integration of the recommendations to other VTA efforts such as the Transit Sustainability policy (TSP) and the COA. She discussed the General Manager's goals for VTA, including: 1) improve and build relationships; 2) increase ridership; 3) deliver capital program; and 4) achieve financial stability.

Ms. Carey provided a report on some of the findings in the Governance area that related specifically to the Board committees. She noted that the Executive Report contains a specific recommendation to combine the Policy Advisory Committee (PAC) with the Technical Advisory Committee (TAC) with the elected official as the regular member and city staff as the alternate member

Member Casas commented that on Tuesday, April 10, 2007 the Los Altos City Council adopted a resolution to recommend expedient adoption of the Hay Group Assessment.

Member King commented that the Hay Group Assessment is a courageous endeavor for VTA to undertake.

Member Glickman stressed the importance of committee members to advocate for their respective cities and also facilitate the best regional transit solutions for the County.

Member Kishimoto suggested appointing a subcommittee to study the Hay Group Assessment.

On Order of Chairperson Moylan, there being no objection, the Committee reviewed the VTA Organizational and Financial Assessment.

OTHER

14. Committee Work Plan

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

Chairperson Moylan recommended a June date for the joint meeting with the Citizens Advisory Committee.

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

15. Announcements

There were no Announcements.

16. ADJOURNMENT

On order of Chairperson Moylan, there being no objection, the meeting was adjourned at 6:10 p.m.

Respectfully submitted,

Jacqueline F. Golzio, Board Assistant
VTA Board of Directors

POLICY ADVISORY COMMITTEE

Thursday, May 10, 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 Member Glickman in Conference Room B-104, Valley Transportation Authority (VTA), 3331 North First Street, San Jose, California.

On general consensus, there being no objection, the Committee of the Whole appointed Member Glickman as Chairperson Pro Tempore.

ROLL CALL

Members Present

Margaret Abe-Koga
David Casas
Dominic Caserta
Steve Glickman
Kathleen King
Yoriko Kishimoto
Marby Lee
Evan Low
Pete McHugh
Pierluigi Oliverio
Christopher Moylan, Chairperson
Curtis Wright

Representative Cities

Mountain View
Los Altos
Santa Clara
Los Gatos
Saratoga
Palo Alto
Morgan Hill
Campbell
Santa Clara County Board of Supervisors
San Jose
Sunnyvale
Monte Sereno

Members Absent

Kris Wang
Vacant
Vacant

Representative Cities

Cupertino
Los Altos Hills
Milpitas

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

2. **Orders of the Day**

There were no Orders of the Day.

3. **Public Presentations**

There were no Public Presentations.

4. **Committee Staff Report**

Quarterly Report from the General Manager

Jim Lawson, Government Affairs Manager and Staff Liaison, introduced VTA General Manager, Michael T. Burns

Michael T. Burns, General Manager, provided a report noting the following: 1) The Santa Clara Light Rail Station in Downtown San Jose platform retrofit project was completed and the station reopened at the end of April. The southbound platform retrofit project is expected to reopen by the end of May; 2) Ground breaking ceremonies for the Highway 152/156 Interchange were held on Thursday May 10, 2007; 3) May 17, 2007 is Bike to Work Day. Mountain View, Diridon and the Great Mall light rail stations will provide “Energizer Stations” for bicyclists with facilities to secure bicycles, provide free refreshments and give-aways for bicyclists, provide bicycling information and encouragement to bicyclists on their way to work. Bicyclists will receive free public transit for the day; 4) Reviewed and provided overview of the Recommended Biennial Budget for Fiscal Years 2008 and 2009; 5) Announced reductions of fares of daily and monthly passes for senior, disabled and youth fares; and 6) Announced that the Board of Directors will consider a formal action plan for implementation of the recommendations of the Organizational and Financial Assessment at it June 7, 2007 Board meeting.

Mr. Burns commented that the Board of Directors has reviewed the Draft Comprehensive Operations Analysis (COA). He noted that the COA defines a new service delivery plan for VTA and is available for public view on <http://www.vta.org>. Mr. Burns commented that VTA staff will provide the COA presentation to all City Councils in the County.

Chairperson Moylan took his seat at 4:08 p.m. and a quorum was declared.
Member Glickman relinquished his seat as Chairperson Pro Tempore and
Chairperson Moylan presided for the remainder of the meeting.

Mr. Burns commented that the Youth Summer Blast Pass is offered to youths ages 5-17 and provided a pass, good for rides on VTA all summer (June, July, and August) for a discounted price of \$75.00.

Member Kishimoto inquired about the feasibility of VTA and Palo Alto discussing a partnership for shuttle service.

Upon inquiry by Member Wright regarding the proposed 1/8-cent sales tax, Mr. Burns, commented that the State Legislature has approved VTA to request a ¼ or ½ cent sales tax and the option of a 1/8-cent sales tax provides a flexibility option.

Member Abe-Koga took her seat at 4:22 p.m.

Member Glickman inquired if the fare reduction policy would undergo periodic evaluation to determine the progress of the program. Mr. Burns commented that the program would undergo monthly monitoring.

Member Caserta commented that VTA service must provide transit users the ability to reach their destinations quicker than automobile travel.

Mr. Lawson, introduced VTA Chairperson, Dean J. Chu.

Chairperson Chu provided a report noting the following: 1) Importance of COA Public Outreach efforts to acquaint the public with VTA transit services; 2) Provided information that 78 percent of VTA revenue is derived from sales tax, 72 percent of VTA expenses are labor costs; 3) Public Hearings are scheduled in May regarding bus route changes; 4) VTA bond rating has been raised to a AAA rating; and 5) Palo Alto bicycle garage has reopened at the Palo Alto Intermodal Station.

Chairperson Chu announced that he has been appointed to serve pm the Metropolitan Transportation Commission (MTC).

Chairperson Chu highlighted: 1) MTC's proposal for Proposition 1B Regional Transit Funding; 2) VTA has completed a community based Lifeline Plan for the City of Gilroy; 3) VTA, Sam Trans, Golden Gate Alameda County Transit and San Francisco Muni will advance the joint Zero-Emission Bus Demonstration Program; 4) Bus Rapid Transit Line 522/523 would receive Urban Core Transit Improvement funding along the County's busiest transit corridor; 5) Lane improvements on 101 between Interstate 280 and Yerba Buena; 6) Lane improvements between the San Mateo County Line to Highway 85 where merge lanes would be added; and 7) High Occupancy Vehicle (HOV) Lanes on Highway 880 between Highways 237 and 101.

Member King took her seat at 4:27 p.m.

Mr. Chu noted the two local projects that did not receive MTC funding include: 1) Intersection improvements for I 280/880 at the Stevens Creek Boulevard Interchange; and 2) Highway 25/101 Interchange in the South County.

Member Caserta asked what solutions are available to mitigate the vulnerability of sales tax revenue. Chairperson Chu commented that increasing ridership and cutting costs is one solution. He added that a stable revenue source must be maintained, and sales tax revenue is not stable. Mr. Burns commented that VTA's operating reserves are at approximately 15 percent, which is approximately \$45-50 million.

Member Casas asked when the Board of Directors will consider the PAC bylaws and quorum voting amendments. Chairperson Chu commented that the matter would first be agendaized for the Thursday, May 17, 2007 Administration and Finance Committee

(A&F) meeting and agenda for the Thursday, June 7, 2007 Regular Board of Directors meeting.

Member Kishimoto suggested that the Congestion Management Agency (CMA) consider the concept of a countywide deficiency plan.

Member McHugh took his seat at 4:43 p.m.

Member Glickman inquired if labor cost comparison data between VTA and other public transit agencies are available to assist in gauging regional labor costs. Mr. Burns commented that VTA works within individual financial constraints to construct labor agreements that are acceptable to the agency and the appropriate labor unit.

Chairperson Chu commented that MTC has created a working group of the 33 transit agencies within the nine Bay Area Counties and the General Managers of those transit agencies meet quarterly and discuss pertinent transit issues.

Chairperson Moylan thanked Chairperson Chu for addressing the Committee.

Members Caserta, Glickman and Wright left their seats at 4:50 p.m.

5. Chairperson's Report

Chairperson Moylan distributed a letter to the Committee that will be presented at the Thursday, June 7, 2007 Regular Meeting of the Board of Directors to consider amendments to the PAC bylaws modifying the number of affirmative votes needed to pass an item.

Chairperson Moylan encouraged PAC members to sign up for future city transportation presentations.

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 April 12, 2007

M/S/C (King/Lee) to approve the Minutes of April 12, 2007.

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

8. Proactive CMP Reviewed and Approved Projects Quarterly Status Report January through March 2007

On order of Chairperson Moylan, there being no objection, the Committee reviewed the Proactive CMP Reviewed and Approved Projects Quarterly Status Report January through March 2007.

9. (Removed from the Consent Agenda and Placed on the Regular Agenda)

Review and recommend that the VTA Board of Directors approve the City of San José North San José Deficiency Plan.

10. Draft 2006 Monitoring and Conformance Report and Conformance Findings

M/S/C (King/Lee) to review and recommend that the VTA Board of Directors approve the Draft 2006 Monitoring and Conformance Report and Conformance Findings.

11. FY 2008 Transportation Development Act Article 3 Project Priorities

M/S/C (King/Lee) to review and recommend that the VTA Board of Directors approve project priorities for the FY 2008 Countywide Development Act Article 3 program.

The Agenda was taken out of order.

REGULAR

9. North San José Deficiency Plan Approval

Member Casas referred to Page 3 of 5 of the staff report referencing “Transit Improvements.” Member Casas requested clarification regarding the bus service enhancements to the intensified development areas of North San José and along the new grid system streets. Hans Larsen, City of San José Deputy Director Transportation Planning & Project Delivery, Department of Transportation, clarified that the Plan dedicates \$62 million to transit improvements for bus, light rail, and bicycle and pedestrian facilities. Mr. Larsen highlighted: 1) Construction of bus shelters; 2) Addition of lighting at shelters; 3) Landscaping and furniture updates at light rail stations; and 4) Real-Time information transit infrastructure and other intelligent transportation system enhancements at stations and stop areas; and 4) Coordination of extensive shuttle services between employment, transit stations, and large residential areas.

Mr. Larsen provided an overview of the Plan. Mr. Larsen commented that the North San José Deficiency Plan (1994) is a Congestion Management Program (CMP) adopted for Santa Clara County as a result of the June 1990 voter approval of the state gas tax increase. He noted the Plan identifies innovative, comprehensive strategies for improving the transportation level of service in the congested and important economic development area of North San Jose to meet CMP requirements. To offset the traffic impacts from new development, the Plan specifies improvements to bicycle facilities, completion of additional pedestrian walkways and other measures to support travel alternatives for single occupant vehicles.

M/S/C (King/Kishimoto) to review and recommend that the VTA Board of Directors approve the City of San Jose North San Jose Deficiency Plan.

12. **Recommended Biennial Budget for Fiscal Years 2008 and 2009**

Carol Lawson, Fiscal Resources Manager, Treasury and Financial Planning, provided a report highlighting: 1) General Manager's Budget Message; 2) Recommended Budget Summary; 3) Resolution of the Board of Directors of the Santa Clara Valley Transportation Authority Adopting a Biennial Budget of VTA for the Period July 1, 2007 through June 30, 2009 (FY 2008 and FY 2009); 4) Overview of current services and programs; and 5) Appendices.

Ms. Lawson commented that the Recommended Budget Summary provides the appropriations for each of the designated funds for 2008 and 2009 and highlighted: 1) VTA Transit - Operating; 2) VTA Transit - Capital; 3) CMP Operating; 4) CMP-Capital; 5) 2000 Measure A - Operating; and 6) 2000 Measure A - Capital.

Ms. Lawson commented that for the previous 3 years sales tax revenues have increased by an average of 5.5 percent. Ms. Lawson commented that the budget includes conservative sales tax projections from the Center For Continuing Study of the California Economy (CCSCE). She stated that these projections indicate that taxable sales for Santa Clara County over the next ten - year period will increase at a rate of 4.8 percent per year. Ms. Lawson noted that any new negotiated labor increases would be managed within the existing recommended budget.

Ms. Lawson commented that on Page 1 the VTA Transit Sources and Uses of Funds Summary FY 2008-FY 2012 the projection looks beyond the Recommended Biennial Budget. Ms. Lawson commented that long-term budget risks include: 1) Sales Tax Revenue; 2) Grant Funds; 3) Funding Sources and Political Risks; and 4) Capital Projects.

Member Casas inquired about the accuracy of the CCSCE forecast assumptions. Ms. Lawson commented that the adopted budget versus the actuals indicates over the last five years that VTA has been slow to adapt to the decline of sales tax. She noted that in years 2001 and 2002 the actual receipts have been higher than the original adopted budget assumptions based on CCSCE projections.

Member Casas requested clarification of the number of marketing employees employed by VTA. Ms. Lawson clarified the Marketing Department headcount includes marketing, customer service and public affairs.

Member McHugh referred to Page 1 and asked if the projections culminate at FY2012. Ms. Lawson commented those projections are included in the 30 year plan.

Member McHugh expressed concern with the ending undesignated reserves in the FY 2009 Recommended Budget. Staff commented that since the ending undesignated reserves was formulated that there is a potential for additional funding from MTC grants and the ending balance on Page 73 indicates a worst case scenario.

Member Kishimoto inquired about the purchase of hybrid vehicles. Jim Lawson, Government Affairs Manager and Staff Liaison, replied that hybrid vehicles have been purchased and are utilized in the Paratransit fleet and VTA continues to explore the use of hybrid vehicles.

Member Oliverio referred to Page 51, Lines 28, 29 and 30 and expressed concern with the costs involved with the Information Systems and Technology. Member Oliverio requested that staff clarify the proposed Information Systems and Technology procurements, service and SAP upgrades.

Ms. Lawson commented that the Recommended FY 2008 and 2009 Biennial Budget was presented to the VTA Board of Directors at their April 27, 2007 workshop. During the month of May, VTA staff is seeking input from Advisory Committee members and members of the public. The Board of Directors will discuss the Recommended Biennial Budget for FY 2008 and FY 2009 at its June 7, 2007 meeting.

Member Kishimoto asked if information regarding retiree's medical costs is included in the Recommended Budget. Ms. Lawson commented that the information is included in the benefit assumptions.

M/S/C (Kishimoto/McHugh) to review and recommend that the VTA Board of Directors approve the Recommended Biennial Budget for Fiscal Years 2008 and 2009 and to indicate the number of regular and contracted employees with the total full time equivalents and to include information regarding retiree's medical pensions.

13. Proposed Fare Modifications

Ali Hudda, Disbursements Fiscal Resources Manager, provided a report highlighting: 1) Recommendations from the Ridership Initiative to Develop Energy Efficiency (RIDE) Task Force to reduce selective fares for day pass and monthly pass prices for persons least able to afford them, and to make using VTA more affordable for persons who need to transfer; 2) Youth Blast Pass; 3) 8-hour Light Rail Excursion Pass; 4) Day Passes; 5) Monthly Passes; and 5) Community Bus fares.

Mr. Hudda commented that the implementation of Phase I for the Community Bus program is planned for July 2, 2007 and to minimize customer confusion, Community Bus cash fares will be implemented at the same time.

Mr. Hudda stated that the 8-Hour Light Rail Excursion Fare become a regular part of the VTA tariff as of July 1, 2007. He noted that this implementation will include new cash fares for Community Bus service.

Mr. Hudda commented that changes to prices for day and monthly passes require additional lead time and assuming a June approval by the Board of Directors, day and monthly pass price reductions are recommended to take effect September 1, 2007.

Mr. Hudda commented that sales for the Youth Summer Blast Pass will commence in May 2007.

Mr. Hudda provided an overview of VTA Fare Policy Considerations highlighting: 1) Consistency with existing fare policy; 2) Inconsistencies with existing Fare Policy; 3) Implementation as exception to existing Fare Policy; 4) Title VI Impact Analysis, and 5) Farebox Recovery.

Mr. Hudda commented that there will be no fiscal impact by adding the Youth Summer Blast pass and 8-Hour Light Rail Excursion Pass into the fare tariff since those programs are already in place. Fiscal impacts of the proposed day pass and monthly pass reductions, as well as impacts of the proposed Community Bus cash fares are estimated at approximately \$1.1 million annually, or 3.2 percent of the annual fare revenues. The fiscal impacts of the programs are included in the FY 2008 and FY 2009 biennial operating budget.

Member Pinheiro requested clarification in regards to Community Bus routes that have been established for South County and expressed concern that fare-free transfers are not provided for those riders who would transfer from Community Bus to regular bus or light rail service. Member Pinheiro expressed concern that the newly formulated routes in Gilroy now necessitate riders that are going to the hospital to transfer from the Community Bus to regular bus service and incur additional fares. Mr. Hudda responded that Community Bus routes were determined as part of the COA and those routes will function primarily as feeder service. Further, Mr. Hudda commented that a rider who anticipates traveling between those transit modes would be better served by purchasing a day or monthly pass. Mr. Lawson commented that additional discussion and consideration will be given to Member Pinheiro's concern regarding the Community Bus proposed routes in Gilroy.

Member Abe-Koga inquired about the marketing plan to advertise the new reduced fares and the Community Bus Implementation. Mr. Hudda commented that a marketing plan will commence after Board approval of the proposed fare modifications. Mr. Hudda commented that the fare modification forecasts reflect increased ridership of approximately 700 boardings per year for the Community Bus service.

Member Casas expressed his support of the proposed fare modifications.

M/S/C (Casas/McHugh) to review and recommend that the VTA Board of Directors approve the fare changes proposed for implementation in July 2007 and September 2007 and to consider route changes for the Community Bus service in Gilroy.

Members Abe-Koga, Low, McHugh and Pinheiro left their seats at 5:58 p.m., the quorum was lost, and a Committee of the Whole was declared.

Member Oliverio left his seat at 6:04 p.m.

14. Comprehensive Operation Analysis: Draft Proposed Service Operating Plan

Kevin Connolly, Transportation Planning Manager provided a PowerPoint Presentation highlighting: 1) COA Proposal; 2) Proposed versus existing VTA network of service; 3) Core Network; 4) Non-Core Services; 5) Express/Limited Stop Services; 6) Community Bus Program; and 7) Deletion and Consolidation Candidates.

Mr. Connolly commented that COA presentations are scheduled for the City Council's in the County.

Member Casas inquired if the bus line that serves Bryant Avenue would continue to provide service to the High School. Mr. Connolly responded that bus service would be provided to the High School during school periods and service would not be provided during non-school periods.

Member Casas commented that the Los Altos City Council and the high school district received recommendations from students that reflected more students would use public transit at Los Altos High School if the bus stop was closer to the high school.

Chairperson Moylan expressed concern that the COA states that the proposed future Bus Rapid Transit (BRT) 555 in Sunnyvale would require bus signal priority treatment. Chairperson Moylan stated his opposition to the bus signal priority treatment and noted that the current signalization is sufficient.

Member King inquired about Community Bus service between the City of Saratoga and Los Gatos High School for the summer school program. Mr. Connolly commented that Federal and State laws prohibit exclusive school service in regards to public transit.

On Order of Chairperson Moylan, there being no objection, the Committee of the Whole reviewed the Comprehensive Operations Analysis: Draft Proposed Service Operating Plan.

15. Valley Transportation Plan (VTP) 2030 Update

Chris Augenstein, Transportation Planning Manager, provided a report regarding Valley Transportation Plan (VTP 2030) highlighting the Association of Bay Area Governments (ABAG), and MTC Priority Development Areas (PDA) and encouraged members to visit the websites of both agencies for pertinent information regarding the programs.

Mr. Augenstein commented that applications are available to cities to self-select priority development areas.

On Order of Chairperson Moylan, there being no objection, the Committee of the Whole reviewed the Valley Transportation Plan (VTP) 2030 Update.

OTHER

16. Committee Work Plan

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

Chairperson Moylan recommended a June date for the joint meeting with the Citizens Advisory Committee (CAC).

Member Kishimoto suggested the question of transfers between VTA services be agendized for a future meeting.

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

17. Announcements

There were no Announcements.

18. ADJOURNMENT

On order of Chairperson Moylan, there being no objection, the meeting was adjourned at 6:20 p.m.

Respectfully submitted,

Jacqueline F. Golzio, Board Assistant
VTA Board of Directors