



## **BOARD OF DIRECTORS MEETING**

Thursday, June 21, 2007

### **MINUTES**

#### **1. CALLED TO ORDER**

**On General Consensus**, there being no objection, the Board of Directors appointed Board Member Gage as Chairperson Pro Tempore.

The Special Meeting of the Santa Clara Valley Transportation Authority's (VTA) Board of Directors was called to order by Chairperson Pro Tempore Gage at 12:05 p.m., in the Board of Supervisors' Chambers, County Government Center, 70 West Hedding Street, San Jose, California.

#### **ROLL CALL**

##### **Members Present**

Nora Campos  
David Cortese  
Don Gage  
Breene Kerr  
Liz Kniss, Vice Chairperson  
Sam Liccardo  
Laura Macias  
Chuck Reed  
Greg Sellers  
Forrest Williams

##### **Alternates Present**

Pete McHugh, Alternate  
Roland Velasco, Alternate

##### **Members Absent**

Dean J. Chu, Chairperson  
Dolly Sandoval  
Ken Yeager, Ex-Officio

##### **Alternates Absent**

Dominic Caserta, Alternate  
Judy Chirco, Alternate  
Kathleen King, Alternate

\* Alternates do not serve unless participating as a Member.

**A quorum was present.**

Board Member Sellers arrived at the meeting at 12:06 p.m.

## **2. ORDERS OF THE DAY**

Chairperson Pro Tempore Gage requested that the following Agenda Item be moved to the end of the Regular Agenda: Agenda Item # 5., Public Presentations.

Chairperson Pro Tempore Gage requested that the following Agenda Items be removed from the Agenda: Agenda Item # 11., Closed Session and Agenda Item # 12., Closed Session Report. Chairperson Pro Tempore Gage stated that the following Agenda Items will be addressed under Agenda Item # 3., General Managers Report: Agenda Item # 11.A., Conference with Labor Negotiators and Agenda Item # 11.B., Conference with Real Property Negotiators.

Chairperson Pro Tempore Gage requested that the following Agenda Item be removed from the Agenda: Agenda Item # 13., Approval of Labor Agreement between VTA and American Federation of State, County and Municipal Employees (AFSCME).

Chairperson Pro Tempore Gage noted that the Board of Directors Meeting would adjourn in memory of Martin Bishop. Chairperson Pro Tempore Gage commented that VTA recently learned of the passing of Martin Bishop. Chairperson Pro Tempore Gage stated that Mr. Bishop was a strong advocate for the disabled community for over twenty years in Santa Clara County. Mr. Bishop provided valuable insight and guidance to VTA's Board of Directors and others regarding service to the disabled community.

**M/S/C (Williams/McHugh)** to accept the Orders of the Day.

## **3. REPORT FROM THE GENERAL MANAGER**

Michael T. Burns, General Manager, provided a brief report highlighting the following: 1) The Tentative agreement between VTA/American Federation of State, County and Municipal Employees (AFSCME) was rejected by the membership with 97 votes against, 29 votes in favor, and 2 abstentions. A total of 82 members out of 210 did not vote. VTA representatives have been directed to continue negotiations with AFSCME to resolve outstanding issues and come to an agreement; 2) VTA has submitted an offer on the Mitchell block property and has been advised that the property owner will submit a counter offer to VTA; and 3) VTA has obtained a tentative settlement on the Caltrain Right-of-Way issue. Mr. Burns commented that the Metropolitan Transportation Commission (MTC) unilaterally conditioned the Proposition 1B Infrastructure Bond funding for Public Transit Capital to VTA with a requirement that the Caltrain Right-of-Way Issue be resolved. The Bay Area Congestion Management Agencies (CMA) agreed to settle the Right-of-Way Issue as a regional issue.

Mr. Burns stated that the proposal uses the Gas Tax Spillover Revenue anticipated for the MTC region in order to reimburse SamTrans for their Advance on the Caltrain Right-of-Way purchase over the next several years. VTA has agreed to use a portion of its Revenue Based share of the Gas Tax Spillover Revenue funds over the next few years to completely resolve the Right-of-Way Issue.

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

Mr. Burns stated that the proposed Right-of-Way Issue Settlement completes the following:

- 1) Preserves the Infrastructure Bond Funds for Transit Capital purposes - the Bus Rapid Transit (BRT) Project, Lifeline Program, and Zero Emission Bus (ZEB) Project, which VTA is proposed to receive approximately \$80 million;
- 2) Ensures that Proposition 1B Infrastructure Bond funds are used for the purpose the voters intended;
- 3) Confirms that Gas Tax Spillover funds represent new, unbudgeted money coming into the region, which keeps with the spirit of the Right-of-Way Agreement between VTA and SamTrans that requires us to work with them to secure new regional funding to help reimburse SamTrans for their Advance Payment;
- 4) Protects VTA from a budgetary perspective since the Spillover reserves have not been anticipated in VTA's budget;
- 5) Recognizes SamTrans financial situation as a regional problem and primarily uses regional funds to resolve the issue; and
- 6) Completes the transfer of the Right-of-Way ownership from SamTrans to the Joint Powers Board, which enables VTA to participate in revenues from rental and Transit Oriented Development (TOD) on the property.

Mr. Burns reported that the proposed settlement will allow MTC to proceed with their recommendations for allocations of Infrastructure Bond funds at their June 27, 2007 meeting. Mr. Burns stated that the Board of Directors will receive an update memorandum regarding the Caltrain Right-of-Way Settlement via email on Friday, June 22, 2007.

Vice Chairperson Kniss arrived at the special meeting at 12:11 p.m.

Chairperson Pro Tempore Gage requested that staff investigate and bring back to the Board of Directors for consideration at the August 2, 2007 Meeting a proposal to provide passes to homeless shelters through the ECO Pass Program that would result in no revenue lost to VTA. He stated that passes are currently available to the County for distribution to homeless shelters through the purchase of the Special Programs Monthly Pass. He requested that staff investigate options for providing passes for homeless shelters through the ECO Pass Program at no additional cost to VTA.

#### **4. REPORT FROM THE CHAIRPERSON**

There was no report from the Chairperson.

**The Agenda was taken out of order.**

## **CONSENT AGENDA**

### **6. Legislative History Matrix**

M/S/C (Kniss/Williams) to receive the Monthly Legislative History Matrix.

7. **Legislative Position**

M/S/C (Kniss/Williams) to adopt a support position for AB 534 (Smyth).

Board Member Gage relinquished his seat as Chairperson Pro Tempore at 12:13 p.m. and Vice Chairperson Kniss presided for the remainder of the meeting.

## **REGULAR AGENDA**

8. **Downtown Customer Services Center - Lease Renewal**

Jim Lawson, Government Affairs Manager, provided a brief overview of the Downtown Customer Services Center – Lease Renewal. Mr. Lawson reported that VTA has operated a Downtown Customer Service Center since 1988 to serve customers of the transit system due to the high number of transit routes in the Downtown San Jose area. VTA entered into a ten-year full service lease with two five-year renewal options and the initial ten-year lease expires on July 6, 2007. The lease renewal option is for approximately 2,840 square feet starting at a rate of \$2.10 per square foot or \$71,568 per year with annual increases of 3.5 percent per year.

M/S/C (Williams/Sellers) to authorize the General Manager to execute a Lease Renewal Option for approximately 2,840 square feet located at Two North First Street for the VTA Downtown Customer Service Center starting at a rate of \$2.10 per square foot or \$71,568 per year with annual increases of 3.5 percent per year.

9. **Annual Renewal of Operations Property and Casualty Insurance Coverage**

Bill Lopez, Chief Administrative Officer, provided a brief overview of the Annual Renewal of Operations Property and Casualty Insurance Coverage. Mr. Lopez stated that the recommendation is to authorize the General Manager to purchase insurance coverage for the FY 2008 Annual Operations Program for VTA's Property and Casualty Insurance Coverage.

Mr. Lopez stated that the contract insurance broker develops VTA's Insurance Program by requesting competing premium quotes from a broad range of carriers in the insurance marketplace. The carriers are selected on the basis of premium cost, coverage criteria, and underwriting background and are required to have a proven track record with governmental agencies, adequate reserves, and a minimum A.M. Best Rating of Excellent.

Mr. Lopez commented that VTA instructed the broker to obtain quotes for the same program structure as purchased last year. He stated that final premium quotes are not available for the July 1, 2007 renewal, but the results of the insurance marketing and final purchase pricing will be reported to the Administration and Finance (A&F) Committee as information at the September 20, 2007 meeting.

**M/S/C (Gage/Cortese)** to authorize the General Manager to purchase insurance coverage for Excess Liability, General and Auto Liability, Public Officials Errors and Omissions Liability, Property/Boiler and Machinery, Inland Marine for Buses, Vans and Mobile Equipment, Inland Marine for Light Rail Vehicles, and Flood exposures, for the FY 2008 Annual Operations Program Insurance Renewal for an amount not to exceed \$1,810,435.

## **5. PUBLIC PRESENTATIONS**

Allysson McDonald, resident of Milpitas, Member of Escuela Schools Traffic Reduction Committee, and President of the Sunny Hills Neighborhood Association, expressed concern regarding traffic problems on Escuela Parkway. She stated that currently there are three schools within a one-quarter mile area with a population of 4,400 students. A study funded by the Santa Clara Air Quality Resources Team in 2005 counted a total of over 1,800 cars in the area between 7 a.m. and 8:45 a.m. and showed transit usage was low bringing in only 240 students that morning. She stated that according to a VTA count in September 2006, VTA buses had 341 Milpitas high school riders.

Ms. McDonald stated that since three bus routes serve the schools, and there are enough buses in the area to transport substantially increased numbers of students. However, almost one third of the students in the middle school and high school are on free or reduced lunch programs; and for these families, paying \$40-50 per month for one or more students is prohibitive.

Ms. McDonald requested that the Board of Directors consider implementing a pilot program with the goal to double student ridership on VTA buses by reducing the cost of their passes to \$25 per month. She stated that she would find funding to underwrite any shortfall in revenue for this pilot program; however, if the goal to double ridership is achieved, the increase would offset the reduced price. She requested that the Board of Directors consider the proposal and have it agendaized for consideration at the next Board meeting.

It was the consensus of the Board to refer the item to staff for analysis and that it be brought back to the Board of Directors for consideration.

Board Member Macias arrived at the meeting at 12:20 p.m.

Board Member Kerr requested that as part of the analysis, staff include an analysis of the cost and impact of conducting a pilot program for providing free transportation to children under 18 years of age.

Vice Chairperson Kniss stated that Joanne Benjamin prepared a report that analyzed the costs and impacts for a hypothetical “zero fare program” for VTA and requested that this report be sent to the Board of Directors for consideration along with this item related to student fares.

Board Member Gage requested that the staff response to the referral include an analysis of the fiscal impacts on the organization and any precedence setting that may be established as a result of implementing these programs.

Board Members Liccardo and Campos arrived at the meeting at 12:24 p.m.

Board Member Williams asked if the cost analysis would be conducted on both the homeless program and youth program referrals. Mr. Burns responded, “yes.”

## **OTHER**

### **10. ANNOUNCEMENTS**

There were no Announcements.

### **11. CLOSED SESSION**

- A.** 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)

- B.** 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.

**There was no Closed Session.**

### **12. CLOSED SESSION REPORT**

**There was no Closed Session Report.**

### **13. (Removed from the Agenda.)**

Approve the Labor Agreement Between Santa Clara Valley Transportation Authority and the American Federation of State, County and Municipal Employees, Local 101, VTA Chapter.

### **14. ADJOURNMENT**

**On order of Vice Chairperson Kniss**, there being no objection, the Special Meeting was adjourned in Memory of Martin Bishop at 12:26p.m.

Respectfully submitted,

Michelle M. Garza, Board Assistant  
VTA Board of Directors