

BOARD OF DIRECTORS MEETING

August 30, 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 5:40 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
David Cortese
Dean J. Chu, Chairperson
Breene Kerr
Sam Liccardo
Laura Macias
Chuck Reed
Dolly Sandoval
Greg Sellers
Forrest Williams
Ken Yeager

Members Absent

Liz Kniss, Vice Chairperson

Alternates Present

Pete McHugh
Roland Velasco

Alternates Absent

Dominic Caserta
Judy Chirco
Kathleen King

* Alternates do not serve unless participating as a Member.

A quorum was present.

3. ORDERS OF THE DAY

Chairperson Chu requested that the following Agenda Items be heard together as one item: **Agenda Item #22.**, VTA Financial Update and **Agenda Item #23.**, Authorize the General Manager to execute a contract amendment with Karen Antion Consulting, LLC (KAC), increasing the contract value by \$350,000 to provide professional services in support of the implementation of recommendation contained in the Organizational and Financial Assessment of Santa Clara Valley Transportation Authority, for a total contract value of \$500,000, and extending the term

of contract through June 30, 2008. Chairperson Chu noted that there is an addendum to the Agenda, **Item #33.X.**, Conference with Legal Counsel on existing litigation, Armando Reveles v. Santa Clara Valley Transportation Authority. This item was added to the Closed Session Agenda.

Alternate Board Member McHugh requested that the following Agenda Items be deferred to the Thursday, October 4, 2007 Board of Directors meeting: **Agenda Item #27.A.**, Request for Pilot of Reduced Monthly Pass Fare for Milpitas School Students; **Agenda Item #27.B.**, Free Transportation for Youth Under 18; and **Agenda Item #27.C.**, "Zero Fare Program" Report. Alternate Board Member McHugh requested VTA staff prepare a presentation addressing the concerns of the Milpitas community at the October 4, 2007 Board meeting. Board Member Kerr inquired if Agenda Items #27.A., Item #27.B., and Item #27.C., would be placed on the October 4, 2007 Board Agenda as action items. Mr. Burns commented staff was instructed to analyze the information and return with a recommendation to the Board. Mr. Burns stated if the Board so advises Agenda Items #27.A., Item# 27.B., and Item #27.C. would be placed on the agenda for the October 4, 2007 Board meeting as action items with a presentation provided by VTA staff.

Chairperson Chu announced that Santa Clara County Supervisor Ken Yeager has been appointed as a voting member of the Board of Directors to replace Santa Clara Supervisor Don Gage.

M/S/C (Liccardo/Campos) to accept the Orders of the Day.

Chairperson Chu read the following letter from Vice Chairperson Kniss into the record:

"In May 2007 I announced that I have a speaking engagement this evening and could not be present at tonight's meeting. Representing the County this evening is Supervisor Pete McHugh as the Board of Supervisors Alternate Delegate to VTA and Supervisor Ken Yeager as the Board of Supervisors Delegate. Two items on the Agenda tonight which have been a concern of mine are **Agenda Item #23.**, Authorize the General Manager to execute a contract amendment with Karen Antion Consulting, LLC (KAC), increasing the contract value by \$350,000 to provide professional services in support of the implementation of recommendation contained in the Organizational and Financial Assessment of Santa Clara Valley Transportation Authority, for a total contract value of \$500,000, and extending the term of contract through June 30, 2008. With regards to the consultant I am concerned with the expenditure of \$350,000 for consultants to continue. I have spoken about this several times in the past, on **Agenda Item #24.**, Comprehensive Operations Analysis (COA) – Bus Service Operating Plan." Although I support the COA I feel that issues remain for some cities and urge that dialogue to address those concerns. It is my understanding that Mr. Burns has agreed to address those concerns tonight."

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

4. **AWARDS AND COMMENDATIONS**

Employees of the Month for September 2007

Chairperson Chu recognized and presented awards to Kermit Cuff, Transit Service Development Specialist III, River Oaks Administration; Tom Matthews, Light Rail Operator, Guadalupe Operations; and Ubaldo Castillo, Transit Mechanic, Chaboya Maintenance, as Employees of the Month for September 2007.

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

Christopher Moylan, Policy Advisory Committee (PAC) Chairperson, provided a report highlighting:

- Received quarterly update from VTA's General Manager Michael Burns.
- Recommended that the VTA Board of Directors approve the Community Design & Transportation Capital Grants Program. The motion passed unanimously. Several PAC members noted that they do not believe it should be VTA's normal policy to borrow against future revenues.
- Received presentation on the Comprehensive Operations Analysis (COA) Revised Bus Service Operating Plan. The PAC considered the following motions:
 1. To forward the following recommendations to the VTA Board for consideration: a) VTA will work closely with communities in designing Community Bus Programs and b) Create reserve funds to allow for flexibility in the COA. The motion passed unanimously.
 2. To recommend that the Board set aside funding to allow for flexibility for community concerns for future iterations of the COA. The motion passed unanimously.
 3. To recommend that the VTA Board prioritize activity centers, including community centers, senior centers, schools, transit centers and affordable housing. The motion passed unanimously.
 4. To recommend that VTA provide a city-by-city impact report at the discretion of each city. The motion passed on a vote of 10 Ayes to 1 No.
 5. To recommend that the VTA Board approve the COA Revised Bus Service Operating Plan. The motion failed on a vote of 5 Ayes to 6 Noes.

6. To recommend that the VTA Board approve the COA Revised Bus Service Operating Plan noting that specific modifications must be considered. The motion failed on a vote of 5 Ayes to 6 Noes.
7. To recommend that the VTA Board postpone adopting the COA to allow time to implement changes. The motion failed on a vote of 6 Ayes to 5 Noes.

6. REPORT FROM THE GENERAL MANAGER

Michael T. Burns, General Manager, reported that: 1) VTA ridership increased in July 2007 by 3.5 percent overall; Light Rail ridership increased approximately 7.9 percent with average weekday boardings of 38,200; bus ridership remains stagnant with weekday boardings down 1.4 percent; 2) VTA attended the High Speed Rail public meeting and provided input; 3) The Measure B Program event celebrating the opening of High Occupancy Vehicles (HOV) Lanes on Highway 87 was held Wednesday, August 15, 2007 with Directors Chu, Reed, and Kniss participating in the festivities. Directors Liccardo, Williams, Congresswoman Zoe Lofgren, State Assemblymember Jim Beall, and State Senator Joe Simithian were in attendance. Senator Simithian announced his sponsored legislation to name the highway for Mr. Lew Platt, former Chief Executive Officer (CEO) of Hewlett Packard (HP), who had been instrumental in advancing transportation projects in the County; 4) Progress on the transit portion of the Measure B Program continues and contract awards are expected for the California Avenue and Palo Alto Station modifications programs; 5) VTA's request for state legislation carried by Senator Alquist to allow VTA to seek a 1/8 cent sales tax from the voters is progressing through the legislative process; 6) On August 29, 2007 the Joint Legislative Audit Committee voted to perform an audit of VTA at the request of Assembly Member Sally Lieber; and 7) The California State Budget was approved and discussed its fiscal impact on VTA.

7. REPORT FROM THE CHAIRPERSON

Chairperson Chu noted that he was pleased to announce the appointment of Board Member Yeager to serve as the VTA representative to the BART Warm Springs Extension Project Policy Advisory Board (PAB). Director Yeager will serve as Chairperson to the PAB.

Chairperson Chu noted that the Organizational and Financial Assessment recommended the creation of an Audit Committee of the Board. The Committee will assist the Board in fulfilling its fiduciary responsibilities and will strengthen the Board's independent oversight of VTA's finances and operations. Chairperson Chu was pleased to announce that he has appointed Director Cortese to serve as Chairperson to that Committee.

Chairperson Chu further commented that a charter for the Audit Committee is in the developmental stage and the charter will identify the authority and responsibilities of the Committee, including review of financial statements, internal controls, internal and

external audits, and compliance with legal and regulatory requirements. He commented that unlike other VTA Standing Committees, the Audit committee would meet approximately 4 times a year or more often if necessary. Chairperson Chu invited other Board Members with an interest and expertise in financial oversight to contact the Board Secretary if they wish to join the Committee.

Chairperson Chu noted that VTA has been mentioned in the media a great deal lately, but offered a personal perspective as VTA Chairperson and also as a member of the Evaluation Committee. He commented that Michael T. Burns, General Manager, is doing an exemplary job in the short time he has been at VTA and noted that he has aggressively moved the Board Agenda forward. He further noted that the Agenda this evening is the culmination of considerable time and effort to change the way VTA does business and to move the organization forward in a positive manner.

8. PUBLIC PRESENTATIONS

Alysson Mc Donald, Sunnyhills Neighborhood Association, expressed support for reduced monthly pass fares for Milpitas students.

Richard Grven, Interested Citizen, suggested a comprehensive review of disabled services with a determination how to address those needs.

Mary-Ellen White-Vondron, Interested Citizen, expressed support for the SVRTC-BART (Silicon Valley Rapid Transit Corridor) Extension along Highway 280.

John Carlson and John Rolland, representing the American Federation of State, County, and Municipal Employees (AFSCME), expressed appreciation to VTA on reaching a tentative agreement.

Eugene Bradley, Santa Clara Valley Transportation Authority Riders Union, expressed concern with the California State Budget in regards to transportation.

James Wightman, Interested Citizen, expressed concern with bus routing changes.

CONSENT AGENDA

Chairperson Chu noted that at the request of a public speaker, the following Agenda Item was removed from the Consent Agenda and placed on the Regular Agenda: **Agenda Item #10.**, Approve the recommendation of the Board Negotiating Committee to revise the General Manager's compensation over a two-year period; and Amend the Money Purchase Pension Plan for the General Manager to reflect the change in contributions on behalf of the General Manager.

M/S/C (McHugh/Williams) to approve the Consent Agenda, as amended.

9. Minutes of the Regular Board of Directors' Meeting of August 2, 2007

M/S/C (McHugh/Williams) to approve the Minutes of the Regular Board of Directors' Meeting of August 2, 2007.

10. (Removed from the Consent Agenda and placed on the Regular Agenda.)

Approve the recommendation of the Board Negotiating Committee to revise the General Manager's compensation over a two-year period; and Amend the Money Purchase Pension Plan for the General Manager to reflect the change in contributions on behalf of the General Manager.

ADMINISTRATION AND FINANCE COMMITTEE

11. Valley Transportation Plan Route 87 (North) High Occupancy Lanes (HOV) Project Contract Amendment

M/S/C (McHugh/Williams) to authorize the General Manager to amend the Route 87 (North) High Occupancy Vehicle (HOV) construction contract with RGW Construction by an amount of \$1,250,000 for a new contract amount of up to \$28,972,178, and authorize an adjustment to the current Highway Program Capital Budget appropriation for fiscal year 2008.

12. Contract Amendment with Nolte Associates for Additional Engineering Services on the Calaveras Boulevard Widening Project

M/S/C (McHugh/Williams) to authorize the General Manager to: 1) Amend the contract with Nolte Associates to perform additional traffic studies and prepare final design plans for the Carlo Street ramp conversion improvements as part of the Calaveras Boulevard Widening Project, increasing the approved contract value by \$138,700 for a new total contract value of \$461,693; and 2) Extend the term of the contract through December 31, 2008; and 3) Authorize the General Manager to execute an amendment to the cooperative agreement with the City of Milpitas for project funding.

13. Section 5339 Grant Application for Funding Santa Clara Valley Transportation Authority Bus Rapid Transit Strategic Plan

M/S/C (McHugh/Williams) to authorize staff to submit an application for \$480,000 in §5339 funds (SAFETEA-LU) for the preparation of the Santa Clara Valley Transportation Authority Bus Rapid Transit Strategic Plan; and if successful in obtaining funds, authorize the General Manager to enter into all necessary agreements with the Federal Transit Administration (FTA) to accept the grant.

14. Lease with T-Mobile for Cellular Tower Site at Chaboya Bus Division

M/S/C (McHugh/Williams) to authorize the General Manager to execute a five-year lease agreement, with an option for year-to-year extensions after the original lease term, with T-Mobile USA, Inc. (dba Omnipoint Communications, Inc.) for placement of wireless telecommunications equipment and co-location antenna on VTA property, at a rate of \$2,500 a month with 3 percent annual increases thereafter.

CONGESTION MANAGEMENT PROGRAM AND PLANNING COMMITTEE

15. **Programmed Projects Quarterly Monitoring Report Summary for FY 06/07**

M/S/C (McHugh/Williams) to review the Programmed Projects Quarterly Monitoring Report Summary for FY 06/07.

16. **Proactive CMP Reviewed and Approved Projects Quarterly Status Report April 2007 through June 2007**

M/S/C (McHugh/Williams) to review the Proactive CMP Reviewed and Approved Projects Quarterly Status Report April 2007 through June 2007.

17. **FY 07/08 Transportation Fund for Clean Air Program Manager Fund**

M/S/C (McHugh/Williams) to approve the programming of \$48,101 in Transportation Fund for Clean Air Program Manager (TFCA 40%) funds to Segment 2 of Morgan Hill's Little Llagas Creek Trail.

18. **Community Design & Transportation Program Capital Grants**

M/S/C (McHugh/Williams) to approve the programming of \$3,430,612 in Community Design & Transportation Program Capital Grants to projects.

TRANSIT PLANNING AND OPERATIONS COMMITTEE

There were no items submitted for the Consent Agenda by the Transit Planning and Operations Committee.

The Agenda was taken out of Order.

REGULAR AGENDA

10. **Negotiated Compensation Recommendation for General Manager**

Eugene Bradley, VTA Riders Union, expressed concern with the General Manager's compensation and noted that he endorses full disclosure of salaries for public employees.

Scott Irby, Interested Citizen, expressed concern with the General Manager's compensation benefits.

Board Member Reed expressed support of the recommendation and commented that he has received positive feedback from the Federal Transit Administration (FTA) regarding VTA.

Board Member Liccardo expressed support of the recommendation and clarified that the Evaluation Committee negotiated travel allowances for the General Manager during the hiring process.

Board Member Yeager expressed support of the recommendation adding that under the leadership of Michael T. Burns VTA is moving ahead in a positive manner.

Chairperson Chu noted an error that was reported in a San Jose Mercury News article regarding Mr. Burns' automobile allowance. He stated that the article should correctly state the allowance printed is the annual not the monthly allowance.

Member Sandoval requested clarification regarding travel-lodging costs.

Alternate Board Member McHugh expressed support of the recommendation and stated that the travel allowance is a valid expense.

M/S/C (McHugh/Williams) to approve the recommendation of the Board Negotiating Committee to revise the General Manager's compensation over a two-year period; and amend the Money Purchase Pension Plan for the General Manager to reflect the change in contributions on behalf of the General Manager.

ADMINISTRATION AND FINANCE COMMITTEE CHAIRPERSON'S REPORT – (See Agenda Item #29.A.)

19. Peninsula Corridor Joint Powers Board Financing

M/S/C (Williams/McHugh) to adopt Resolution No. 07.08.16: 1) Determining there is a significant public benefit in the acquisition, by the Peninsula Corridor Joint Powers Board (PCJPB), of eight passenger bi-level railcars (railcars) to enhance its service levels; and, 2) Approving the issuance of the PCJPB 2007 Series A Farebox Revenue Bonds, the proceeds of which will be used to purchase railcars and refund outstanding 1999 Farebox Revenue Bonds.

Board Member Reed left his seat at 6:34 p.m. noting his recusal from **Agenda Item #20** per Government Section code 84308.

20. Measure A Sales Tax Revenue Refunding Bonds, 2007 Series A

Kimberly Koenig, Business Strategy and Analysis/Debt Management Manager, provided an overview of the Measure A Sales Tax Revenue Refunding Bonds, 2007 Series A. Ms. Koenig reported the recommendation is to adopt a resolution authorizing the issuance of up to \$140,000,000 of 2000 Measure A Sales Tax Revenue Refunding Bonds, which will be used to refund VTA's 2000 Measure A Sales Tax Revenue Bonds 2006 Series F and Series G and to pay the cost of issuance.

Ms. Koenig reported that VTA had planned to redeem the 2006 Series F and G Bonds with funds it would receive through the State Traffic Congestion Relief Program (TCRP) for reimbursement of preliminary engineering activities related to the SVRTC – BART Extension project. She noted that the 2006 Series F and G Bonds were issued as variable rate auction rate securities that would facilitate the potential for early repayment.

Ms. Koenig noted that since long-term interest rates are at a historically low level that VTA staff recommends that the 2006 Series F and G Bonds remain outstanding.

Peter Ross, Ross Financial, commented that the Stock market is very choppy at this time regarding the prime interest rate and noted that at the present time the market is in turmoil. He noted that it is optimal to incorporate fixed interest rate bonds in the Expenditure Plan and diversify the debt portfolio.

M/S/C (Williams/Kerr) on a vote of 11 Ayes to 0 Noes, 0 Abstentions, and 1 Recusal to adopt Resolution No. 07.08.17: authorizing the General Manager or his designee to take all necessary actions to offer, via negotiated sale, up to \$140,000,000 of 2000 Measure A Sales Tax Revenue Refunding Bonds, 2007 Series A (2007 Refunding Bonds) to refund \$137,800,000 aggregate principal amount of VTA's 2000 Measure A Sales Tax Revenue Bonds, 2006 Series F and Series G (2006 Series F and G Bonds) and to pay the costs of issuance. (Board Member Reed recused under Government Code 84308.)

Board Member Reed took his seat at 6:41 p.m.

21. Amendment to the Policy Advisory Committee Bylaws and VTA Administrative Code Modifying the Quorum Requirement

Chairperson Chu directed the Board's attention to the Joint Memorandum on the dais sent by Board Member Cortese and Policy Advisory Committee (PAC) Chairperson Chris Moylan.

Board Member Cortese gave a report highlighting the three proposed modifications of the PAC bylaws outlined in the Joint Memorandum. He stated that Item #1 of the Recommendation reaffirms the Board's vote at the August 2, 2007 Board meeting that the PAC quorum shall now be defined as a majority of the total appointed positions or seven, whichever is greater, and amend the VTA Administrative Code accordingly.

Board Member Cortese reported that Item #2 of the Recommendation requests the amendment of the VTA Administrative Code to provide for an exception to allow for items to be approved by a simple majority of any quorum (based upon the revised definition of quorum described above) for non-advisory recommendations, such as administrative matters. Board Member Cortese noted that as an example, a 6-5 vote by the PAC would allow a non advisory item to pass.

Board Member Cortese reported that Item #3 of the Recommendation requests the amendment of the VTA Administrative Code to allow advisory recommendations to be approved by a simple majority (a number less than the quorum as described above) with the addition of the following prefatory language prominently displayed in all meeting minutes and staff reports: “The following minority recommendation was the result of a vote taken at the PAC with less than a quorum of members as defined by VTA. The actual number of members casting votes on this issue was__and the final vote was__.” Board Member Cortese commented that this action would allow PAC to move advisory recommendations forward provided that the recommendation is prefaced with the disclaimer.

Alternate Board Member McHugh requested clarification from staff on Page 2, Paragraph 7 of the Staff Memo Recommendation in reference to consistency with state legislation. Suzanne B. Gifford, General Counsel, reported that this action would not affect consistency with state legislation and the VTA Administrative Code can be amended to allow Board Member Cortese’s recommendations. She commented that the PAC bylaws would also have to be amended to reflect the Board’s action.

Board Member Yeager expressed concern that Recommendation #3 of the Joint Memo could potentially cause misrepresentation of that vote by not reflecting the actual number of PAC votes.

Board Member Macias commented that as a past member of the PAC, she is aware of PAC’s dedication to issues and expressed her support of empowering the PAC with Board Member Cortese’s recommendations.

Board Member Williams stressed the importance of commitment when an individual is a member of a committee. Board Member Williams expressed support of Item # 1 of Board Member Cortese’s Recommendation but expressed concern with Item #2, and Item #3.

Board Member Reed thanked PAC Chairperson Moylan for his diligence and hard work. He expressed support of Item #1, and Item #2 but noted that the Board already receives, through the minutes, PAC recommendations.

Board Member Reed expressed concern that with Item #3, there is an opportunity for a recommendation to be misconstrued. Board Member Reed commented that everyone doesn’t always “play fair” and at the regional or state level a recommendation could be utilized for unfair advantage. Board Member Reed requested staff analyze consequences that could arise from Item #3 and report those findings to the Board.

Board Member Sandoval stated that she strongly supports the recommendations included in the Joint Memo and cited this as an example of democracy in action. She urged her colleagues to support the recommendations.

Board Member Sellers thanked Board Member Cortese for his hard work and leadership concerning the PAC recommendations. He expressed support for Board Member Cortese's recommendations and noted that lowering the voting requirement threshold would increase the participation of the Committee and potentially reduce the number of minority decisions.

M/S (Kerr/Sandoval) to approve Board Member Cortese's recommendation Item #2, Amend VTA Administrative Code to provide for an exemption to allow items to be approved by a simple majority of any quorum present for non-advisory actions such as administrative matters, and Item #3 Amend the VTA Administrative Code to provide an exemption to allow for advisory items to be approved by a simple majority of the quorum present provided each recommendation contains the following prefatory language that is prominently displayed on the meeting agenda and staff report and verbally stated as part of the report: "The following minority recommendation was the result of a vote taken at the PAC with less than a quorum of members as defined by VTA. The actual number of members casting votes on this issue was__and the final vote was__."

Chairperson Chu invoked the Chair's prerogative and split the motion to vote for Item #1 and Item #2 together. Chairperson Chu requested Item #3 be a separate vote.

Board Member Williams requested clarification from General Counsel regarding the amendment to the PAC bylaws to accommodate the proposed recommendations. Ms. Gifford commented that legal counsel would fully examine the proposed recommendations.

Board Member Sandoval requested clarification on the reasoning behind the vote on Item #1. Chairperson Chu commented there is a need to reaffirm the recommendation. Jim Lawson, Government Affairs Manager, added that the intent was to adopt the resolution enabling the Board to enact the action taken at the August 2, 2007 Board Meeting.

Board Member Cortese recommended a revision to the Joint Memo's Recommendation #2. He suggested revising the second sentence to state "of any quorum present for non-advisory actions."

M/S/C (Kerr/Sandoval) to: 1) Reaffirm the Board's vote at their August 2, 2007 meeting that the PAC quorum shall now be defined as a majority of the total appointed positions or seven, whichever is greater, and amend the VTA Administrative Code accordingly; and 2) Amend the VTA Administrative Code to provide an exemption for PAC to allow items to be approved by a simple majority of any quorum present for non-advisory items, such as administrative matters.

Board Member Sandoval recommended a change to Item #3., should read, “displayed in the meeting minutes (as opposed to agenda), staff report and verbally stated as part of any report to the Board.

M/S/C (Kerr/Sandoval) on a vote of 7 Ayes (Campos, Cortese, Chu, Kerr, Macias, Sandoval and Sellers, to 5 Noes (Liccardo, McHugh, Reed, Williams and Yeager) and 0 Abstentions to amend VTA Administrative Code to allow for an advisory item to be approved by a simple majority of the quorum present so long as each recommendation contains the following prefatory language prominently displayed on the meeting minutes and staff report and verbally stated as part of the report: “The following minority recommendation was the result of a vote taken at the PAC with less than a quorum of members as defined by VTA. The actual number of members casting votes on this issue was__and the final vote was_____”.

Board Member Cortese clarified if there are less than the required number of votes based upon the new definition of quorum the disclaimer would apply. Ms. Gifford stated that staff would prepare the amendment to Section 5.4 of the PAC bylaws incorporating all recommendations.

Ms. Gifford clarified that Board Member Cortese’s recommendations if adopted, would result in amendments to Section 5.4 of the PAC bylaws and Section 4 - 17 of the Administrative Code. She further clarified that what has not yet been adopted is the staff recommendation of Agenda Item #21., Adopt a Resolution amending Section 5.4 of the PAC bylaws to change the quorum requirement from “majority of total appointed members or seven, whichever is greater,” as approved in concept by the Board at the August 2, 2007 meeting.

Board Member Cortese expressed support of Agenda Item #21., with the additional language added to accommodate Item #2., and Item # 3., of his recommendation.

Board Member Kerr clarified that his motion reflects that 7 members present represents the quorum and the vote can be taken with the duly noted disclaimer.

Michael T. Burns, General Manager, clarified that at the present time the number of votes required by PAC to take action requires nine affirmative votes. The staff recommendation proposed amending that to at least seven affirmative votes depending on the number of votes needed for a quorum based upon the Board’s action to change the quorum requirement.

TRANSIT PLANNING AND OPERATIONS COMMITTEE CHAIRPERSON’S REPORT – (See Agenda Item #29.C.)
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24. Comprehensive Operations Analysis-Bus Service Operating Plan

Michael T. Burns, General Manager, provided a brief overview regarding the Comprehensive Operations Analysis-Bus Service Operating Plan.

Mr. Burns stated that the Draft Plan was the product of the Comprehensive Operations Analysis (COA), an 18-month effort working closely with the Transit Planning & Operations (TP& O) Committee to develop a transit investment policy, evaluate market opportunities and to identify improvement to VTA's transit system. After a significant period of public outreach activities, staff has developed a Revised Service Operating Plan. Mr. Burns commented that guidelines were set through Board direction to work within the existing budget. Determination of service routes were identified by an in depth examination of VTA's existing transit operations and performance was also performed in the data analysis of the COA. The data indicated that a select few lines within VTA's 70-plus local and express routes were carrying the majority of riders.

The Transit Sustainability Policy (TSP) was developed with the input from VTA Committees and with the direction of the Board late in 2005 and early 2006 to guide the formation of the Bus Service Operating Plan Proposal. That Policy identifies performance measures for evaluating the effectiveness of transit service and indicates a core area for transit investment. A component of the Transit Sustainability Policy was the creation of Service Design Guidelines that establish criteria for existing and proposed service guidelines related to ridership and productivity.

Mr. Burns commented that VTA has received transit service concerns from many cities within the County. He further commented that with the reduction of services along certain bus routes some riders would be affected. Mr. Burns noted that more than 1,000 comments were received from the public regarding the original plan. He stated that many of those comments were incorporated into the revised plan based on transportation needs. Mr. Burns commented that the overall strategy of the COA is to allocate transit service resources where they will be the most effective. This strategy involves relocating services in low performing areas to service areas where increased ridership is anticipated moving toward the improvement of service effectiveness and the Board adopted goal of 20 percent Farebox Recovery Ratio.

Mr. Burns noted the original plan indicated significant reduction of Route 88 in the City of Palo Alto. Mr. Burns stated VTA has revised the Palo Alto proposal with a re-routed Route 88 to serve Gunn High School, The Veterans Hospital, and the new development area near Fabian Drive. The service introduces new Community Bus Route 89 for peak-hour service connecting Stanford Research Park to California Avenue Caltrain via the Veteran's Hospital. Also reinstated is the loop around Stanford Shopping Center with Route 35. Mr. Burns stated that VTA is committed to work with Palo Alto staff to better coordinate transit services including city run shuttles and the Marguerite. Mr. Burns stated that staff would evaluate Paratransit service changes when a new service plan is adopted.

Mr. Burns suggested that if the Board adopts the COA service changes, it should adopt it at its entirety. Mr. Burns commented that the COA is a flexible plan and the performance of the routes will be periodically evaluated.

Board Member Sandoval expressed appreciation to staff for their diligence and hard work on the COA. She noted the difficulty to submit a proposal to increase ridership as well as address farebox recovery increase and maintain services. She commented that the TP&O Committee acknowledges and recognizes concerns of the riders. She noted that many riders will be affected by the route changes but noted the positive changes would result in improved service and faster headways.

Board Member Sandoval indicated that the TP&O Committee has recommended VTA staff and the City of Palo Alto staff meet with Palo Alto elected officials to devise a workable public transportation system for that city. The TP&O Committee has requested an update of the implementation proposal for Palo Alto be provided to the Committee in December 2007. Board Member Sandoval expressed support to adopt the revised Bus Service Operating Plan for implementation in January 2008.

Kevin Connolly, Transportation Planning Manager, gave a brief report regarding the COA highlighting: 1) Project Timeline; 2) Data Collection and Analysis including On-line Outreach efforts; 3) Policy Development; 4) Draft Proposal; and 5) Final Proposal.

Mr. Connolly noted that working with VTA Advisory and Standing Committees staff developed service design criteria for express bus service. Mr. Connolly commented that staff met with the Amalgamated Transit Union (ATU), VTA's partners in labor, to obtain data and feedback on the proposal. He stated that 27 presentations were provided in Outreach efforts to the communities.

Mr. Connolly noted the goals and objectives of the COA include: 1) Improve Ridership, Productivity, and Effectiveness; 2) Higher Farebox Recovery, Less Reliance on Subsidies; 3) Greater Responsiveness to Customers and define a core transit network of services and develop the best services; and 4) Effective Use of Transit Investment and Resources. Mr. Connolly noted that the COA premise is cost neutral, and the COA proposal would invest the same resource level in a more efficient system.

Mr. Connolly commented that the COA is not a one-time only exercise but is a framework of an ongoing process of continual improvements of transit services for the County.

Mr. Connolly commented that based on feedback collected after the release of the First Draft Proposal, staff has made 40 revisions to the COA. He noted that the public input highlights included: 1) Community Colleges; 2) Santa Cruz Mountains; 3) Palo Alto; and 4) Express/Limited Stop Services.

Laura Stuchinsky, Silicon Valley Leadership Group (SVLG) urged the Board to approve the COA. She noted that the COA will help VTA improve its transit services, make transit more efficient, and cost-effective. She also stated that there are numerous opportunities to deal with the issues within the COA, particularly the one in the City of

Palo Alto. She thanked the Board of Directors and VTA for its leadership in this very important issue.

Eugene Bradley, Santa Clara Valley Transportation Authority Riders Union (SCVTARU), stated that the SCVTARU commends VTA for its attempt to improve the bus service in Santa Clara County. However, he expressed concern about the proposed elimination of Route 85 that will impact hospital access. He inquired about how VTA would mitigate that issue. He also inquired how the COA is cost neutral when it removes 42 rush hour buses off the streets. He proposed a friendly amendment and noted that the direct service to Menlo Park, CA be restored. He urged the Board to carefully think over the COA before they approve or reject the Plan.

Kathy Bonilla, Interested Citizen, expressed concern with the interaction between bus drivers and riders. She stressed the importance for VTA drivers to act respectfully toward disabled riders.

Lupe Medrano, Disabled Students of DeAnza College, expressed appreciation to VTA and Outreach for their support. She suggested that bus drivers' input should be factored into the COA and expressed concern that at all times bus drivers should practice common courtesy with riders.

Andy Chow, San Jose State University (SJSU) Transportation Solutions, expressed appreciation to VTA's effort on the COA process. Mr. Chow stated that they support the proposed Express Bus 181 and 168, as it will reduce travel time of students traveling from the East Bay to SJSU. Mr. Chow noted that upon approval of the COA, SJSU Transportation Solutions would communicate to staff and students the positive changes and encourage them to use public transportation.

William J. Garbeit, Interested Citizen, commended VTA for looking at ridership and the efficiencies that can be attained. He noted that there should be more improvements on the east-west routes as more people in that area are transit dependent. He stated VTA needs to address the paratransit issues and the light rail elevator issues.

Michael Ludwig, Interested Citizen, expressed concern about the inconsistencies of changes in Route 51 on the VTA web and the Route 51 flyer. He also expressed concern about Route 32, noting that the Frances Square/Mall stop should not be deleted. He also expressed concern that the proposed Alviso service does not adequately address off-peak transit needs of transit users in that area.

Jerry Grace, Interested Citizen, stated that he received a gold medal. He expressed concern that VTA drivers should always leave on time and VTA should promptly provide an alternative bus when buses breakdown.

Sparky Cohen, Interested Citizen, stated that VTA should provide opportunities for the public to voice their transit concerns other than attending public meetings. He noted that VTA should listen more to people who will be affected by the proposed changes.

Jim Stallman, Interested Citizen, stated that the RIDE Taskforce's recommendations should be implemented prior to implementing the COA recommendations. He expressed concern about losing about six percent of bus service per year over the 25 percent service reduction in 2001, per Metropolitan Transportation Commission (MTC). He stated that VTA should examine its mission statement and focus on what its real purpose is.

Yoriko Kishimoto, City of Palo Alto Mayor, expressed that Palo Alto continues to support the overall goal to increase transit ridership, improving efficiencies, and Community Bus. She noted that as Mayor of Palo Alto, her call to action is to build green economies through innovation. She stated that innovation and responsive transit system is critical to reduce the 50 percent of green house gas emissions that transportation represents in the Bay Area. According to MTC data, Palo Alto has the highest job density outside of San Francisco. Palo Alto is committed to a Transit and Pedestrian Oriented approach in its land use planning. Ms. Kishimoto noted that the Palo Alto City Council voted unanimously, with vocal support from the community to oppose the COA proposed changes for Palo Alto. She acknowledged VTA's effort to work with Palo Alto and Stanford to provide better transportation system in Palo Alto but expressed concern about making numerous transit changes in Palo Alto within six months.

Dena Mossar, Palo Alto City Council Member, expressed concern about the \$750,000 to \$1 million transit service reduction in Palo Alto. She urged that the VTA Board ensures that there is a mechanism for Palo Alto to obtain back the \$750,000 to \$1 million worth of transit service when the collaborative study with VTA, Palo Alto, and Stanford is completed and the recommendations are implemented.

Barb Mitchell, Palo Alto Unified School District, expressed support for the comments made by Mayor Kishimoto and Council Member Mossar. She read into the record a letter from Kevin Skelly, Palo Alto Unified School District that urges the Board to reject the COA recommendation for the Route 88.

Arthur Keller, Palo Alto Planning and Transportation Committee Member, expressed concern that the COA did not recognize students under the age of 18 as a separate class. He urged that the Board adopt the COA recommendations with the exception of the recommendation for Palo Alto. He urged that VTA maintain the current service level of the Route 88, as the proposed changes will not accommodate the transit needs of residents within Route 88 corridor.

Steve Emslie, Palo Alto Planning Director, noted that the proposed changes for Route 88 would ignore the Transit Oriented Development (TOD) effort in Palo Alto. Mr. Emslie thanked VTA for its commitment to work with the City of Palo Alto and Stanford to improve transit services. He noted that there should also be similar commitment to funding to ensure that the transit investment is restored to Palo Alto. He noted that Palo Alto's preference is to maintain the current Route 88 service.

Penny Ellson, Palo Alto Parent Teacher's Association Council Traffic Safety Committee Chair, noted that it is not logical to make changes to the Route 88 now prior to the collaborative study between VTA, Palo Alto, and Stanford. She noted that there is a

planned high-density housing and commercial development along the corridor of Route 88. She noted that the COA proposed change on Route 88 will create line duplication, reduced service to school, reduces connection to regional transit, and cuts VTA's overall spending of approximately \$750,000 to \$1 million in Palo Alto. She urged that VTA extends the same courtesy given to Morgan Hill and Gilroy and make a comprehensive study prior to transferring service transit dollars out of Palo Alto.

Christine Fawcett, Gunn High School, urged the Board not to implement the Route 88 proposed changes.

Kelly Ferguson, Mayor of Menlo Park California, urged the Board to rethink the policy criteria of the COA and add consideration of the value of region-wide planning and connectivity across the service boundaries of transit agencies. She urged the Board to delay the proposed Menlo Park service cut for Route 22 and direct VTA staff to meet with Menlo Park staff to develop a mutually satisfactory resolution to this issue. She stressed the importance of the transit connection between Santa Clara County and Menlo Park.

Ed Hughot, Menlo Park Resident, expressed concern that Route 22 would not provide service to Menlo Park.

Jim Fink, Interested Citizen, expressed that he wants more service to Menlo Park. He noted that it would be a big mistake to cut the VTA service to Menlo Park as people who use this service can save significant money when traveling from region to region. He also expressed concern about Route 27, noting the negative impacts to his commute. He urged the Board to keep the current VTA service-operating plan.

S. Morest, Interested Citizen, expressed concern that the cuts on Routes 22 and 23 will significantly affect the commutes of transit users as it creates barriers for regional connectivity.

Stephen Wolgast, Interested Citizen, stated that the commuting decision is more of a moral decision more than anything else. He stated that the Board's decision carries more weight than ever. He stated that VTA has disappointed its riders by implementing two transit cuts that make public transit impractical for most riders. He noted that having a revenue neutral plan for the bus service after previous cuts will not serve Santa Clara County adequately. Funds for capital projects or other "grandiose" construction plans should be delayed and these funds should be used to expand bus service.

Nick Perry, Foothill College, thanked VTA staff for meeting with Foothill College to obtain their input. He noted that there should be direct service like a Community Bus between Foothill College and De Anza College.

Board Member Williams expressed concern and recommended periodic evaluation and monitoring of the COA progress.

Board Member Macias inquired about Route 35 in Mountain View. Bill Capps, Operations Service Planning Manager, commented the alternative is Route 32. Board

Member Macias asked about service to El Camino Hospital from Mountain View. Mr. Capps responded that Route 51 continues to serve El Camino Hospital.

Board Member Yeager inquired about Route 85 that provides service to Valley Medical Facility. Mr. Connolly responded Routes 23, 25, 26, 61 & 62 still service the facility but a transfer will be required for the trip to Valley Medical, and there is a greater frequency of service.

Board Member Liccardo requested a copy of the slides from the COA presentation be forwarded to his office so they could assist in getting the information to the neighborhoods.

Board Member Kerr expressed concern that North County provides substantial tax revenues to VTA but does not receive its fair share of projects or funding. He expressed concern regarding VTA's commitment to the City of Palo Alto and encourages resolution when an intelligent plan is developed. He expressed disappointment that a plan has not been developed with Palo Alto in the last 18 months. He encouraged a restoration of funding to Palo Alto when a plan is developed.

Board Member Kerr expressed concern regarding Route 22. He stated it is the backbone of the VTA system. He is concerned that the line will no longer provide service to Menlo Park. Mr. Connolly responded that most of the 450 daily riders on Route 22 travel from Menlo Park to the Palo Alto Transit Center. Mr. Connolly continued that SamTrans operates two buses on 30-minute headways between Menlo Park and Palo Alto with the latter serving as the destination. The Palo Alto Transit Center facilitates cross platform transfers between SamTrans and VTA. The proposal results in the significant saving of two buses.

Board Member Williams commented that the COA is a regional effort and supports the Revised Service Operating Plan. Board Member Williams inquired as to how a determination is made to add, maintain, reduce or eliminate services. Mr. Connolly responded that metrics of productivity, metrics for farebox recovery, data of market opportunities, market demographics, population density, and potential growth factors are evaluated together to create the guidance for determination of service. Mr. Connolly reiterated that the COA would be closely monitored and evaluated quarterly.

Board Member Liccardo requested additional public outreach for Bus Line #11, and he indicated that he would like to coordinate those efforts through his office.

Board Member Cortese expressed concern that residents coming from East San Jose on Route 85 to VMC must transfer during peak hours. Mr. Connolly commented that in exchange for direct service to the facility the service is more frequent and extends later into the day.

Alternate Board Member McHugh expressed support of the COA and commented that the COA is a revolving process that will be periodically monitored and fine-tuned to provide effective services.

Board Member Reed thanked staff for the excellent job in the compilation of such a complex Plan and expressed support of the COA. Board Member Reed commented that this is a step forward to get empty buses off the roads. He stated that empty buses give a negative impression and suggests waste to the public. Board Member Reed commented that the COA is a step in the right direction.

Board Member Macias expressed concern that with the complexity of services provided by VTA that bus service receives a low priority. She commented that it is an essential service for residents who are transit dependent.

Board Member Macias stated that she supports restoring Route 22 service to Menlo Park.

Board Member Liccardo expressed support of the COA. He commented that indications of increased ridership on Light Rail and stagnant ridership on bus lines indicate that bus routing changes are needed. Board Member Liccardo commented that the transit dependent would benefit the most from the COA. He commented that most transit dependent residents live east of Highway 87 and will benefit from the route changes.

Board Member Sellers expressed his appreciation to staff for their excellent work on the Plan and commented he is concerned with the correlation of bus schedules to permit ease for riders in transferring between bus routes. Board Member Sellers commented with the Plan implementation in January 2008 additional community outreach to the public should occur.

Board Member Sellers commented that as a member of the TP& O Committee he looks forward to the receiving the status report on the City of Palo Alto Transportation Plan in December 2007.

Board Member Campos expressed support of the COA and inquired about the planned monitoring process for the Revised Service Operating Plan. Mr. Connolly responded that the Plan would be monitored on a quarterly basis with suggestions for change on an annual basis. Mr. Burns commented that with implementation of the Plan there would be an extensive monitoring process in place with a large number of staff in the field where significant service changes have occurred and staff in automobiles monitoring areas where service has been eliminated to assist riders who may be unaware of the changes.

Board Member Yeager expressed his support of the COA and noted that although some changes may be difficult for our cities and some riders it is an essential Plan if the system is to survive. Board Member Yeager likened the COA process to what occurred with Caltrain service.

The Board directed staff to work collaboratively with Palo Alto during the fall and return to the TP&O Committee with a recommendation for all services in Palo Alto in December 2007.

Board Member Cortese supports the COA. He expressed his appreciation and thanked Director Sandoval and the TP&O Committee for their diligent work.

Board Member Sandoval commented that for the last two years the Board has been trying to restructure VTA so that it meets the current ridership needs and looks to the future for expansion of transit services to remain a successful transportation entity that people will choose to ride. She commented that with the recent reduction of fares for youth, seniors and the disabled community and with the results of the report from the Hay Group to begin to immediately change the way VTA does business, improved internal operations, and with the passage of the COA is moving VTA in a forward direction. She noted that with the Palo Alto Plan, future adjustments, fine-tuning of the implementation process, and marketing efforts will make VTA and public transportation the choice of riders.

Board Member Kerr stated that he supports the COA and looks forward in reviewing the Transportation Plan for Palo Alto. Board Member Kerr requested that staff contact Google to coordinate transportation services since Google is operating a “50 bus” transit system in Mountain View for their employees.

Chairperson Chu commented that with the changes VTA has experienced within the last year and with the nature of the current Board much thought has gone into rethinking how VTA should operate. He noted that the COA endorses that strategy and thanked staff for their diligence in collecting the vast amount of information needed to create the Plan and stated that these changes represent a new beginning and a set of standards have been created to evaluate how the changes will work. Chairperson Chu requested staff start dialogue with Samtrans to discuss fare reciprocity related to accepting VTA passes from Menlo Park.

M/S/C (Sandoval/Cortese) to adopt the revised Bus Service Operating Plan for implementation in January 2008; and further that VTA staff be directed to meet with Palo Alto City representatives during the fall and return to TP&O with a recommendation for all transit services in Palo Alto by December 2007.

REGULAR AGENDA

ADMINISTRATION AND FINANCE COMMITTEE CHAIRPERSON’S REPORT – (See Agenda Item #29.A.) continued

Board Member Reed noted the reason for recusal under Government Section Code 84308 for Agenda Items #22 and #23.

Board Member Reed left his seat at 9:50 p.m.

22. VTA Financial Update

Michael T. Burns, General Manager, stated that Agenda Item #23 – Karen Antion Contract is the Phase 2 implementation of the Hay Group Recommendations. Phase 2 will focus on the governance issues identified in the Hay Group report.

Board Member Kerr introduced Jerry G. Mikolajczyk, Chief Financial Officer. He thanked the Board for its prompt response to fill the critical vacancy of Chief Financial Officer in the Spring 2007. He reported that Mr. Mikolajczyk has led a highly successful effort to create new standards of process, performance and accountability that will save VTA significant amount of money.

Jerry G. Mikolajczyk, Chief Financial Officer, reported that VTA is financially secure and a going concern. He provided an update on VTA's Financial Management, highlighting on the accomplishments and benefits to VTA, including:

- Improved cash management with an increased cash balance by \$200 million over the last four months. This will yield interest earnings for VTA;
- Accelerated grant billings with receipt of cash in less than 90 days that provided VTA with accelerated investment income of \$2.5 million;
- Reduced 2000 Measure A outstanding debt by \$54.7 million that will yield interest savings of \$35 million over the life of the bond. VTA's credit rating was upgraded to AAA (S&P) and AA- (Fitch) for VTA's Operating Bonds;
- Portion of the long-term debt refunded with savings of \$1.6 million;
- Refunding of bonds F&G could result in savings of \$1 million per year if the lower fixed rate will be acquired.

M/S/C (Cortese/Yeager) on a vote of 11 Ayes to 0 Noes to 0 Abstentions, and 1 Recusal to receive VTA's Financial Update. (Board Member Reed recused per Government Section Code 84308.)

23. Governance and Organizational Transformation Support

M/S/C (Cortese/Yeager) on a vote of 11 Ayes to 0 Noes to 0 Abstentions, and 1 Recusal to authorize the General Manager to negotiate and execute a contract amendment with Karen Antion Consulting, LLC (KAC), increasing the contract value by \$350,000 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 a total contract value of \$500,000, and extending the term of the contract through June 30, 2008. (Board Member Reed recused per Government Section Code 84308.)

Member Reed took his seat at 10:13 p.m.

**CONGESTION MANAGEMENT PROGRAM AND PLANNING COMMITTEE
CHAIRPERSON'S REPORT – (See Agenda Item #29.B.)**

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

OTHER ITEMS

25. Legislative Positions

M/S/C (Williams/Cortese) to adopt a support position for AB 1077 (Lieber).

Doug McNea, Silicon Valley Taxpayer's Association, expressed opposition to AB1077. He commented that government should only regulate the free market and expressed concern with the environmental impact of plug-in hybrids.

Board Member Kerr commented that plug-in hybrids are a good use of the grid capacity.

26. Approval of a New Labor Agreement Between Santa Clara Valley Transportation Authority and American Federation of State, County, and Municipal Employees

Michael T. Burns, General Manager, commented that VTA and AFSCME began negotiations for a new labor agreement in October 2006. He noted that the Board has reviewed the provisions and the major area of discussion was the issue regarding binding arbitration for serious discipline for supervisors.

Mr. Burns stated that VTA was in opposition to binding arbitration for serious discipline for supervisors. AFSCME wanted arbitration. The issue was taken to mediation and an agreement was made that there would not be binding arbitration on serious discipline issues, but that there would be binding arbitration on minor issues in regards to supervisors. Mr. Burns stated that the terms are acceptable to VTA.

27. ITEMS OF CONCERN AND REFERRAL TO ADMINISTRATION

A. (Deferred to October 4, 2007 Board of Directors meeting.)

Receive a Report on Request for Pilot of Reduced Monthly Pass Fare for Milpitas School Students.

B. (Deferred to October 4, 2007 Board of Directors meeting.)

Receive a Report on Free Transportation for Youth Under 18.

C. (Deferred to October 4, 2007 Board of Directors meeting.)

Receive a Report on "Zero Fare Program" Report.

28. 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.

29. SUMMARY MINUTES FROM STANDING COMMITTEES

A. Administration and Finance Committee

On order of Chairperson Chu, there being no objection, the August 16, 2007 Summary Minutes was accepted as contained in the Agenda packet.

B. Congestion Management Program and Planning

On order of Chairperson Chu, there being no objection, the August 16, 2007 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 August 15, 2007 Summary Minutes was accepted as contained in the Agenda packet.

30. REPORTS (UNAPPROVED MINUTES) FROM ADVISORY COMMITTEES

A. Committee for Transit Accessibility (CTA)

On order of Chairperson Chu, there being no objection, the August 8, 2007 Minutes were accepted as contained in the Agenda packet.

B. Citizens Advisory Committee (CAC) and 2000 Measure A Citizens Watchdog Committee (CWC)

On order of Chairperson Chu, there being no objection, the August 8, 2007 Minutes were accepted as contained in the Agenda packet.

C. Bicycle & Pedestrian Advisory Committee (BPAC)

On order of Chairperson Chu, there being no objection, the August 8, 2007 Minutes were accepted as contained in the Agenda packet.

D. Technical Advisory Committee (TAC)

On order of Chairperson Chu, there being no objection, the August 9, 2007 Summary Minutes were accepted as contained in the Agenda packet.

E. Policy Advisory Committee (PAC)

On order of Chairperson Chu, there being no objection, the August 9, 2007 Minutes were accepted as contained in the Agenda packet.

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

Chairperson Chu advised the Board of Directors that there were no Reports from the Joint Powers Boards (JPBs) & Regional Commissions.

- A. **Peninsula Corridor JPB**
- B. **Capitol Corridor JPB**
- C. **Dumbarton Rail Corridor Policy Committee**
- D. **Metropolitan Transportation Commission (MTC)**

Chairperson Chu announced that on Saturday, August 23, 2007, he attended the opening celebration for the Benicia Martinez Bridge. Chairperson Chu commented that he had the honor of riding in one of the first automobiles to travel over the new span.

32. 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**

On order of Chairperson Chu, there being no objection, the August 22, 2007 Notice of Cancellation was accepted as contained in the Agenda packet.

- C. **Downtown East Valley PAB**

There was no report from the Downtown East Valley PAB.

- D. **Highway PAB – South**

There was no report from the Highway PAB - South.

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

There was no report from the I-680 Sunol SMART carpool Lane Policy Advisory Committee.

33. ADJOURNED TO CLOSED SESSION at 10:20 p.m.

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.

Negotiators for VTA: Jerry Mikolajczyk, Chief Financial Officer
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.

33.X. Existing Litigation - Conference with Legal Counsel
[Government Code Section 54956.9(a)]

Name of Case: Armando Reveles v. Santa Clara Valley Transportation Authority
Superior Court Case No. 107CV082231

RECONVENED TO OPEN SESSION at 10:34 p.m.

34. CLOSED SESSION REPORT

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.

Negotiators for VTA: Jerry Mikolajczyk, Chief Financial Officer
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.

Suzanne Gifford, General Counsel, noted there was no reportable action taken during Closed Session.

33.X. Existing Litigation - Conference with Legal Counsel
[Government Code Section 54956.9(a)]

Name of Case: Armando Reveles v. Santa Clara Valley Transportation Authority
Superior Court Case No. 107CV082231

Suzanne Gifford, General Counsel, noted if there is a settlement of the case when that is completed there will be a written public record.

35. ANNOUNCEMENTS

There were no Announcements.

36. ADJOURNMENT

On order of Chairperson Chu, there being no objection, the meeting was adjourned at 10:34 p.m.

Respectfully Submitted,

Jacqueline F. Golzio, Board Assistant
VTA Board of Directors