

Date: \_\_\_\_\_ April 18, 2008

Committee Meeting Date: \_\_\_\_\_ April 17, 2008

Board Meeting Date: \_\_\_\_\_ May 1, 2008

**BOARD MEMORANDUM**

ACTION ITEM

**TO:** Santa Clara Valley Transportation Authority  
Board of Directors

**THROUGH:** Michael T. Burns  
General Manager

**FROM:** Jim Lawson  
Senior Policy Advisor

**SUBJECT:** VTA Governance

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**Policy-Related Action: Yes**

**Government Code Section 84308 Applies: No**

**RECOMMENDATION:**

Recommend that the VTA Board of Directors amend the VTA Administrative Code to make the following changes to VTA's governance structure:

1. Eliminate the concept of city groupings selecting their representative(s) through a rotation process. Each of the city groups will "select" their representative(s) to serve as a Director on the VTA Board.
2. VTA Directors will still serve two-year terms. However, the appointing authorities will be encouraged to reappoint representatives to consecutive terms.
3. Include a process for selecting VTA Directors within the city groupings. VTA Directors should have the required experience and qualifications in transportation.

Furthermore, recommend that the VTA Board of Directors consider amending the VTA Administrative Code at the August 7, 2008 Board of Directors Meeting (time certain) as follows:

4. Reconfigure the small city groupings to include a new group comprised of Santa Clara, Sunnyvale and Milpitas, and move Los Altos Hills to the West Valley City Group.

**BACKGROUND:**

VTA previously engaged the Hay Group to conduct a comprehensive Organization and Financial Assessment (Assessment). As a result of that Assessment, VTA received a set of recommendations designed to strengthen VTA's governance, financial management and organizational effectiveness. The Board has made a number of decisions to implement the recommendations resulting from the Assessment, and VTA is beginning to realize the intended benefits.

In the area of governance, the Assessment identified Board turnover as a critical challenge to the governance structure at VTA. Turnover is particularly high for the small city groupings. The Assessment recommended that the VTA Board look at alternatives to lengthen the term of office for Directors and also work with appointing authorities to ensure that eligibility for selection to serve on the VTA Board include appropriate qualifications and experience, as well as the time left in the elected officials term of office so that they do not “term out” during their tenure as a VTA Director.

To further address these issues, as well as concerns regarding the geographical configuration of the small city groupings, Director Greg Sellers was asked to work with VTA staff and consultants to develop recommendations regarding VTA’s governance for the Board’s consideration.

At the February 7<sup>th</sup> Board of Directors meeting, Director Sellers provided a brief update to the Board on his activities and his initial recommendations. In addition, Director Sellers sent letters on February 15, 2008, to every Santa Clara County Mayor, VTA Board member and VTA Policy Advisory Committee member with a summary of the governance recommendations. In his letter, Director Sellers explained the purpose for the recommendations and offered to meet with each city council to answer questions and obtain input.

This item was previously presented for consideration by the Policy Advisory Committee (PAC) and the Citizens Advisory Committee (CAC) at their March meetings. Because several PAC members expressed that they had not had opportunity to discuss this item with their city councils and receive direction, they specifically requested that consideration of this item be deferred until PAC’s April 10<sup>th</sup> meeting. Due to this, consideration of this item by the Administration & Finance Committee was deferred from its March to its April meeting and consideration by the Board of Directors was deferred from the April to May meeting.

## **DISCUSSION:**

The current small city group configuration was based primarily on population and secondarily on geography. VTA’s history and Directors’ experience have shown that cities that are geographically proximate have very similar issues, challenges and opportunities. The following recommendations organize cities based on geographic proximity first and population second. The population analysis is based on current data, and also contemplates areas of new and planned growth in the county.

The proposed recommendations will reconfigure the existing small city groupings and add one new group based on geographic proximity and population size to create “regions” within the county. A fourth region would be added in recognition that San Martin is seeking to incorporate as a city and that South County region is the fastest growing region in Santa Clara County. The regions would be comprised as follows:

- North West – 1 Seat Comprised of Los Altos, Mountain View and Palo Alto. The population of the region is 163,295.
- North East – 2 Seats Comprised of Milpitas, Santa Clara and Sunnyvale. The population of the region is 309,575.

- South County – 1 Seat Comprised of Gilroy, Morgan Hill and San Martin. The population of the region is 90,618.
- West Valley – 1 Seat Comprised of Campbell, Cupertino, Los Altos Hills, Los Gatos, Monte Sereno and Saratoga. The population of the region is 163,749.

The groupings for the City of San Jose and Santa Clara County would not be changed.

Applying to all groups would be the requirement that the representative(s) be chosen “on the basis of the appointees’ expertise, experience or knowledge relative to transportation issues.”<sup>1</sup> Such expertise should be gained primarily through prior service on the VTA Policy Advisory Committee (PAC). Other appropriate experience would be membership on VTA’s Citizens Advisory Committee, Committee for Transit Accessibility or other VTA advisory committees. Experience can also be gained through membership on the Metropolitan Transportation Commission and its advisory committees, Caltrain and its advisory committees, and the League of California Cities and its committees pertaining to transportation. These are illustrative of areas where the necessary experience and expertise can be gained. They are not intended to limit the evaluation of a perspective appointee’s expertise, experience or knowledge.

Directors would be encouraged to serve consecutive terms based upon their performance representing their region and the best interests of the VTA. Directors must be selected to serve on the VTA Board based on qualifications and time left in their term in office as an elected official.

These recommendations would raise the level of expertise among all VTA Board members while providing a new level of consistency for all city groups. If approved, staff will return to the Board with specific modifications to the VTA Administrative Code, and a recommended amendment to the Joint Powers Agreement for the Administration of the Santa Clara County Congestion Management Program dated December 1, 1994, which Agreement established the current city groupings. If enacted, the new governance structure would begin in January 2010 to coincide with the start of new Board terms.

**ALTERNATIVES:**

The Board could modify the current recommendation, direct staff to investigate a different proposed governance structure or not make any modifications to VTA’s governance at this time.

**FISCAL IMPACT:**

There is no fiscal impact with the proposed changes to VTA’s governance.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

On April 17, 2008, VTA staff presented the staff report to the Administration & Finance Committee. The committee recommended that the Board of Directors approve the following elements of the recommendation:

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<sup>1</sup> Santa Clara Valley Transportation Authority Administrative Code, Article 2, Sec. 2-11, p.4

- Eliminate the concept of city groupings selecting their representative(s) through a rotation process. Each of the city groups will “select” their representative(s) to serve as a Director on the VTA Board.
- VTA Directors will still serve two-year terms. However, the appointing authorities will be encouraged to reappoint representatives to consecutive terms.
- Include a process for selecting VTA Directors within the city groupings. VTA Directors should have the required experience and qualifications in transportation.

Director Casas noted that due to scheduling conflicts, he had not had the opportunity to meet with Director Sellers to discuss his concerns regarding the final element (reconfiguration of the city groupings) of the recommendation, and requested that the Board of Directors defer this item to a later date. The committee recommended that the Board of Directors consider the final element of the recommendation at the August 7, 2008, Board of Directors meeting – time certain. This would provide Director Casas and Director Sellers the time to meet and discuss the recommendation in detail.

Prepared by: Scott Haywood, Policy & Community Relations Manager