



BOARD OF DIRECTORS MEETING

Thursday, August 6, 2009

MINUTES

CALL TO ORDER

The Regular Meeting of the Santa Clara Valley Transportation Authority’s (VTA) Board of Directors was called to order by Chairperson Sandoval at 5:39 p.m. in the Board of Supervisors’ Chambers, County Government Center, 70 West Hedding Street, San Jose, California.

1. ROLL CALL

| Attendee Name | Title | Status |
|----------------------|-------------------------|---------------|
| Nora Campos | Alternate Board Member | Absent |
| David Casas | Board Member | Present |
| Dominic Caserta | Board Member | Present |
| Dean Chu | Ex-Officio Board Member | Present |
| Don Gage | Board Member | Present |
| Rose Herrera | Board Member | Present |
| Ash Kalra | Board Member | Present |
| Yoriko Kishimoto | Board Member | Absent |
| Liz Kniss | Board Member | Absent |
| Sam Liccardo | Vice Chairperson | Present |
| Bob Livengood | Alternate Board Member | Absent |
| Chris Moylan | Alternate Board Member | Present |
| Chuck Page | Alternate Board Member | Present |
| Nancy Pyle | Board Member | Present |
| Chuck Reed | Board Member | Present |
| Dolly Sandoval | Chairperson | Present |
| Greg Sellers | Board Member | Present |
| George Shirakawa | Alternate Member | Absent |
| Ken Yeager | Ex-Officio Board Member | Present |

* Alternates do not serve unless participating as a Member.

A quorum was present.

2. RECESSED TO CLOSED SESSION at 5:40 p.m.

Conference with Labor Negotiators
 [Government Code Section 54957.6]

VTA Designated Representatives:

Joseph Smith, Chief Financial Officer
 Bill Lopez, Chief Administrative Officer
 Robert L. Escobar, Human Resources Manager

Employee Organization:

Amalgamated Transit Union (ATU), Local 265

Ex-Officio Board Member Chu arrived at the meeting and entered Closed Session at 5:42 p.m.

RECONVENED TO OPEN SESSION at 6:03 p.m.

3. CLOSED SESSION REPORT

Conference with Labor Negotiators
[Government Code Section 54957.6]

VTA Designated Representatives:

Joseph Smith, Chief Financial Officer
Bill Lopez, Chief Administrative Officer
Robert L. Escobar, Human Resources Manager

Employee Organization:

Amalgamated Transit Union (ATU), Local 265

There was no reportable action taken during Closed Session.

4. ORDERS OF THE DAY

Chairperson Sandoval removed the following Item from the Agenda: **Agenda Item #32.** Approval of an Addendum to the Labor Agreement between Santa Clara Valley Transportation Authority (VTA) and the Amalgamated Transit Union (ATU), Local 265.

M/S/C (Gage/Reed) to accept the Orders of the Day.

5. AWARDS AND COMMENDATIONS

A. Employees of the Month for July and August 2009

Chairperson Sandoval recognized and presented an award to Christina Jaworski, Senior Environmental Planner, River Oaks Administration; Shannon Kirtley, Transit Radio Dispatcher, Guadalupe Division; and Miguel Martinez, Transit Mechanic, Cerone Maintenance Division, as Employees of the Month for July 2009.

Chairperson Sandoval recognized and presented an award to Debra Polm, Office Support Supervisor, Chaboya Division, as Supervisor of the Quarter for the third quarter of 2009.

Chairperson Sandoval recognized and presented an award to Minh Nguyen, Information Systems Analyst II, River Oaks Administration; Joseph Bradley, Coach Operator, North Division; and Patrick Mangan, Transit Mechanic, Cerone Maintenance Division, as Employees of the Month for August 2009.

B. Resolution for Retiring VTA Employee Jerry Oxsen

Chairperson Sandoval recognized and presented an award to Jerry Oxsen, Operations Manager, for 37 years of dedicated public service. Vice Chairperson Liccardo read the Resolution to Mr. Oxsen giving special tribute, honor, and recognition for his outstanding effort and dedication at VTA.

M/S/C (Gage/Caserta) to adopt a **Resolution No. 2009.08.19** recognizing Jerry Oxsen, Operations Manager, for 37 years of service.

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

Ex-Officio Board Member Yeager arrived at the meeting and took his seat at 6:14 p.m.

6. PUBLIC PRESENTATIONS

James Wightman, Interested Citizen, queried if the City of Santa Clara will allow Paramount Great America to install a wooden rollercoaster within the theme park. Michael T. Burns, General Manager, responded staff will follow up and forward the information to Mr. Wightman.

Mr. Wightman asked where the new Forty-Niner Stadium will be constructed. Chairperson Sandoval responded that it will be determined by the voters at a later date.

Mr. Wightman referenced the current economical constraints facing VTA and expressed support for the impending service changes.

Tim Ranz, Interested Citizen, referenced Tuesday, July 28, 2009, where Route 32 arrived late at Monroe Street and expressed concern that the driver stated he would not be allowed to board and needed to wait for the next bus due to an emergency.

Mr. Burns referred the matter to Bill Capps, Deputy Director of Bus and Rail Transportation, to provide a response to Mr. Ranz and copy the Board of Directors.

Jim Fink, Interested Citizen, expressed concern the service changes to Route 27 have negatively impacted Highway 9. Mr. Fink expressed concern regarding the elimination of Route 15 Community Bus in Morgan Hill. He stressed the importance to reinstate the service on Route 27.

Michael Ludwig, Interested Citizen, referenced his previous suggestions regarding VTA's Light Rail Restructuring. Mr. Ludwig expressed support for the Vasona Line Extension to provide service to San Jose State University. Mr. Ludwig noted support for VTA to move forward with Restructuring Option #5.

Ross Signorino, Interested Citizen, expressed concern regarding the service reductions, noting the surplus vehicles could be sold to assist VTA with its financial constraints.

7. REPORT FROM THE GENERAL MANAGER

Michael T. Burns, General Manager, reported the following:

- VTA systemwide ridership for the month of June 2009 declined when compared to June 2008. Systemwide average weekday ridership declined by 10 percent. Bus average weekday ridership declined by 8.2 percent and light rail average weekday ridership declined by 15 percent. VTA's interagency partners are experiencing significant ridership decreases, such as the Altamont Commuter Express (ACE) train, which has declined 26 percent; Caltrain has declined 12 percent; and Capitol Corridor has declined by 10 percent.
- VTA has developed a Mobility Option Travel Training Program to enhance the accessibility of bus and light rail transportation service. The Program will fulfill the broader goal of the Americans with Disability Act (ADA) by encouraging independency and self efficiency by providing free travel instructions to individuals with disabilities and seniors to allow the participants to make confident, convenient, and safe travel choices. On Friday, July 31, 2009, the Mobility Option Travel Training Program kick-off event was held at the South Side Senior Center in

San Jose, where the mobility options bus was on site. Board Member Kalra attended and participated on behalf of VTA at the ribbon cutting event, which was well attended. VTA will receive a federal grant to pay for approximately 50 percent of the costs associated with the Program from the New Freedom Program.

- BART Silicon Valley Extension Public Outreach Meetings were conducted from July 28, 2009 through August 12, 2009, at various locations to provide the community with information on the project overview, schedule, funding updates, and design options. The next BART Silicon Valley Extension Policy Advisory Board (PAB) is scheduled on Wednesday, August 26, 2009 at 3:00 p.m.
- VTA received a request from the National Guard to provide transportation assistance for approximately 90 Service Personnel returning from Iraq. The Service Personnel would require transportation from the Mineta San Jose Airport to the Armory Reserve on Friday, August 7, 2009.

Mr. Burns directed attention to the presentation entitled, “Transit Service Reduction Plan effective January 11, 2020,” highlighting: 1) Financial Overview; 2) Bus Service Changes; 3) Light Rail Service Changes; 4) Impacts; 5) Environmental Review; 6) Public Outreach; and 7) Schedule.

Mr. Burns reported VTA was not entirely successful with achieving all of the labor savings anticipated; therefore, service reductions are necessary to address VTA’s budgetary constraints. Sales tax receipts have been significantly reduced. VTA will conduct several public meetings regarding the service reductions. The service reduction information will be forwarded to the October 1, 2009 Board of Directors meeting for consideration and if approved will be implemented January 2010.

Mr. Burns stated the Transit Association was successful in the Appellate Court regarding the State Transportation Assistance (STA) funding; however, the State has advised they will appeal the decision to the State Supreme Court.

Mr. Burns commented on the 8.6 percent decrease in bus service hours, which will impact 62 of VTA’s 73 bus routes. Routes 33, 34, 43, 76, 101, and River Oaks Shuttle will be discontinued. Several routes will increase headway and decrease frequencies.

Mr. Burns commented on the 6.5 percent decrease in light rail car hours, noting the discontinuance of the Mountain View service after 10:30 p.m. and reducing train consist size.

The service changes require an Environmental Review, which is required as part of the California Environmental Quality Act (CEQA). VTA will conduct an initial study to determine the impact, noting the document will be available for public review and comment from August 10 – 31, 2009. A public hearing is scheduled on August 18, 2009 at 6:00 p.m. The environmental review document regarding service reductions will be forwarded for consideration at the October 1, 2009 Board of Directors Regular meeting.

Mr. Burns stated VTA has conducted extensive public outreach efforts, noting staff anticipates working with Board Members and local officials regarding the service changes. The service changes will be presented to VTA’s Advisory Committees on August 12 and 13, 2009; VTA’s Standing Committees on September 17, 2009; September 25, 2009 Board of Directors Workshop meeting; and forwarded for consideration at the October 1, 2009 Board of Directors Regular meeting.

Mr. Burns stated the overall anticipated savings related to the service changes is \$6.4 million annually with a projected 1.1 million loss in ridership annually.

Eugene Bradley, Santa Clara VTA Riders Union, referenced VTA's fare increases and queried if VTA would reinstate the current fares if STA funding is received. Mr. Burns stated there are many uncertainties of what may happen, noting the State's intention to appeal the decision on the STA funding to the State Supreme Court.

Chairperson Sandoval referenced the State's intention to appeal the decision, noting the case may take several years before a decision is completed.

Mr. Wightman referenced the current economical constraints and expressed support of VTA's proposed service reduction plan.

Mr. Fink stressed the importance for VTA and the Board of Directors to always consider fare box increases over service reductions, noting customers would rather pay higher fares than have service cuts and poor service.

8. REPORT FROM THE CHAIRPERSON

Chairperson Sandoval commented on the Filipino American Festival held on Wednesday, July 22, 2009 at VTA's River Oaks Campus. The event was organized by VTA employees from the Filipino American community with the goal of celebrating the Filipino American culture.

Chairperson Sandoval announced the Jazz Festival scheduled on August 7 - 9, 2009, noting her, Vice Chairperson Liccardo, and Terry Firma, VTA's mascot, will attend the event representing VTA.

Chairperson Sandoval stressed the importance for Board Members to respond to meeting polling notices in order to confirm attendance and determine if a quorum is established for the scheduled meeting.

Chairperson Sandoval referenced the September 17, 2009 League of Cities Conference, noting VTA's Standing Committee Meetings are scheduled for that date as well.

Chairperson Sandoval urged the Board Members to contact the Office of the Board Secretary regarding their attendance at the September 17, 2009 Standing Committee Meetings.

9. Citizens Advisory Committee (CAC) Chairperson's Report

Noel Tebo, CAC Chairperson, provided a report, highlighting the following: the Citizens Advisory Committee (CAC) decided to prepare and forward an independent response to the Civil Grand Jury. Mr. Tebo stated the CAC Committee is scheduled to discuss the independent response report at the August 12, 2009 CAC meeting.

Alternate Board Member Moylan requested the CAC Committee forward a copy of the independent response report to the Board of Directors.

10. Policy Advisory Committee (PAC) Chairperson's Report

Chuck Page, PAC Vice Chairperson, reported there was no Policy Advisory Committee (PAC) Chairperson's Report due to the cancellation of the June 11, 2009 and July 9, 2009 PAC Committee Meetings.

8. REPORT FROM THE CHAIRPERSON (continued)

Chairperson Sandoval referenced the 2010 Board of Directors Meeting Calendar and requested the Board consider not scheduling the July 2010 Board of Directors Committee of the Whole (COW) Meeting.

Board Member Gage suggested the Board consider scheduling two meetings in June 2010 to ensure items are addressed in a timely manner and to prevent an excess of items being forwarded for consideration to the August 2010 Board of Directors Regular Meeting.

Starting in September the closed session will begin at 5:30 p.m. and followed immediately by the open session. I'm also going to ask our Board Secretary to modify our meeting notices in the future so we can start our regular meeting as soon as Closed Session has ended.

Board Member Reed recused himself per Government Code Section 84308 from the Consent Agenda.

Board Member Reed recused himself and left his seat at 6:49 p.m.

CONSENT AGENDA**11. Regular Meeting Minutes of June 4, 2009**

M/S/C (Pyle/Gage) on a vote of 9 ayes and 1 recusal to approve the Board of Directors Regular Meeting Minutes of June 4, 2009. Board Member Reed recused.

12. Valley Transportation Plan (VTP) Highway Program Semi-Annual Report

M/S/C (Pyle/Gage) on a vote of 9 ayes and 1 recusal to receive the Valley Transportation Plan (VTP) Highway Program Semi-Annual Report. Board Member Reed recused.

13. Guadalupe North Line Public Address System Upgrade Contract Award

M/S/C (Pyle/Gage) on a vote of 9 ayes and 1 recusal to authorize the General Manager to execute a contract with HSQ Technology, the lowest responsible bidder, in the amount of \$481,930 for the Guadalupe North Line Public Address System Upgrade Project. This contract is 80 percent federally funded. Board Member Reed recused.

14. Bus Stop Pavement Improvements FY09 Contract Award

M/S/C (Pyle/Gage) on a vote of 9 ayes and 1 recusal to authorize the General Manager to execute a contract with Weber Tractor Service, the lowest responsible bidder, in an amount of \$255,781 for the construction of the Bus Stop Pavement Improvements FY09. This contract is 80 percent federally funded. Board Member Reed recused.

15. Bill Position: AB 1158 (Hayashi)

M/S/C (Pyle/Gage) on a vote of 9 ayes and 1 recusal to recommend that the VTA Board of Directors adopt a support position for AB 1158 (Hayashi), which adds educational facilities and other land uses that link people traveling to and from K-12 schools, community colleges and universities to the list of specified characteristics that a transit village plan may address. Board Member Reed recused.

16. Bill Position: SB 425 (Simitian)

M/S/C (Pyle/Gage) on a vote of 9 ayes and 1 recusal to recommend that the VTA Board of Directors adopt a support position for SB 425 (Simitian), which specifies that an employer subject to the requirement to implement a parking cash-out program may not deduct the cost of parking subsidies from its gross income unless it is in compliance with this requirement. In addition, this bill provides a tax credit to small businesses for qualified commute reduction expenditures. Board Member Reed recused.

17. Rail Rehabilitation – Market Street and Almaden Boulevard Crossings Contract Award

M/S/C (Pyle/Gage) on a vote of 9 ayes and 1 recusal to authorize the General Manager to execute a contract with Stacy and Witbeck/Con-Quest (a joint venture), the lowest responsible bidder, in an amount of \$1,337,842 for construction of the Rail Rehabilitation Market Street and Almaden Boulevard Crossings. This contract is 80 percent federally funded. Board Member Reed recused.

18. FY 09 Federal Formula Fund Program

M/S/C (Pyle/Gage) on a vote of 9 ayes and 1 recusal to authorize the General Manager to submit Federal Fiscal Year (FFY) 2009 grant applications and execute grant agreements with the Federal Transit Administration (FTA) for Section 5307 Urbanized Area Formula, and Section 5309 Fixed Guideway programs. Board Member Reed recused.

19. FY 10 Transportation Development Act (TDA) Program

M/S/C (Pyle/Gage) on a vote of 9 ayes and 1 recusal to adopt **Resolution No. 2009.08.20** authorizing the filing of an annual claim to the Metropolitan Transportation Commission (MTC) for allocation of FY 2009-2010 Transportation Development Act (TDA) and State Transit Assistance (STA) funds. Board Member Reed recused.

20. Vasona LRT Project – Hamilton Mechanically Stabilized Earth (MSE) Wall Stabilization Contract Award

M/S/C (Pyle/Gage) on a vote of 9 ayes and 1 recusal to authorize the General Manager to execute a contract with Con-Quest Contractors Inc., the lowest responsible bidder, in an amount of \$343,649 for construction of the Hamilton MSE Wall Stabilization Project improvements. Board Member Reed recused.

21. Core Network Equipment Leasing

M/S/C (Pyle/Gage) on a vote of 9 ayes and 1 recusal to authorize the General Manager to lease up to \$595,650 in electronic "core" network equipment, primarily switches and routers that control and direct electronic data, from Cisco Systems Inc. and AT&T Inc., under cooperative purchasing agreements negotiated by the State of California on behalf of local agencies. This "lease to own" purchase agreement is to be funded via five annual payments of approximately \$119,000. At the end of the proposed five year term, and after making the five payments as outlined, the VTA may exercise an option to own the equipment outright. Board Member Reed recused.

22. County Earmark Proposals for Federal Surface Transportation Program Reauthorization Legislation (County Item)

M/S/C (Pyle/Gage) on a vote of 9 ayes and 1 recusal to recommend that the VTA Board of Directors support the County's projects for inclusion in the Federal Surface Transportation Program reauthorization legislation and direct staff to submit a letter of support to the appropriate federal departments. Board Member Reed recused.

23. Substance Abuse Testing, Medical Review Officer and Medical Examination Services

M/S/C (Pyle/Gage) on a vote of 9 ayes and 1 recusal to authorize the General Manager to approve the award of a contract to U. S. Health Works for Substance Abuse Testing, Medical Review Officer Services, and Medical Examination Services for three years at a cost of \$877,440, with an option for two one-year extensions priced at \$410,132 for a total authorization of \$1,287,572. Board Member Reed recused.

24. Investment Consulting Services

M/S/C (Pyle/Gage) on a vote of 9 ayes and 1 recusal to authorize the General Manager to execute a contract with Mercer Investment Consulting, Inc. (Mercer) to provide investment consulting services, including quarterly evaluations of money manager performance with recommendations to retain or not retain; and, to provide other services (i.e. asset allocation study, money manager searches, etc.) as needed, in an amount not to exceed \$235,000 for a period of two years; and, further authorize the General Manager to extend such contract for one year periods not to exceed three additional years with an amount not to exceed \$337,000 total for the third, fourth, and fifth year of the contract (five years not to exceed \$572,000). Board Member Reed recused.

25. Freight Railroad – Utility Relocation Spending Authority Augmentation

M/S/C (Pyle/Gage) on a vote of 9 ayes and 1 recusal to 1) Increase the General Manager's spending authority for Freight Railroad Relocation (FRR) and the WP Milpitas Corridor clearance utility relocations in an amount not to exceed \$5 million, for a revised authorized amount of \$38.52 million. This authorization increase will complete all utility relocation activities for the FRR and will allow for the commencement of non-FRR preliminary utility relocation design for clearance of the Corridor between Fremont and San Jose; and further, 2) Authorize the General Manager to execute new utility relocation agreements and/or amend existing utility relocation agreements for FRR and non-FRR corridor clearance activities in a total amount not to exceed the Board authorized \$38.52 million. A combined utility relocation authorization is recommended for financial flexibility and ease of cost administration. Board Member Reed recused.

26. Lifeline Transportation Program – Supplemental Call for Projects – Cycle 2

M/S/C (Pyle/Gage) on a vote of 9 ayes and 1 recusal to approve the programming of FY 09/10/11 Lifeline Transportation Program funds. Board Member Reed recused.

Board Member Sellers arrived at the meeting and took his seat at 6:50 p.m.

Board Member Reed returned to his seat at 6:50 p.m.

REGULAR AGENDA**27. Mission Warren Truck Rail Program – Adoption of Resolution to Hear Resolutions of Necessity**

Chairperson Sandoval stated the Mission Warren Truck Rail Program – Adoption of Resolution to Hear Resolutions of Necessity was presented at the June 4, 2009 Board of Directors Regular Meeting; however, there were not enough Board Members at the meeting to vote on the item since it required 10 affirmative votes to pass.

M/S/C (Gage/Caserta) to adopt **Resolution No. 2009.08.21** electing to hear resolutions of necessity for the Mission Warren Truck Rail Program, as required by State law.

28. Approval of the Labor Agreements between Santa Clara Valley Transportation Authority (VTA) and Transportation Authority Engineers and Architects Association (TAEA) Local 21, American Federation of State County and Municipal Employees (AFSCME) Local 101, and Service Employees International Union (SEIU) Local 521

Bill Lopez, Chief Administrative Officer, reported contract negotiations have concluded and the item is to adopt the amended successor labor contract agreements negotiated between VTA and Transportation Authority Engineers and Architects Association (TAEA) Local 21, American Federation of State County and Municipal Employees (AFSCME) Local 101, and Service Employees International Union (SEIU) Local 521.

Mr. Lopez reported the term of the contract agreements are for two year limits from July 1, 2009 through June 30, 2011. The contract agreements represent a collaborative effort between VTA and the unions to strike a balance between surviving the current economic crisis and protecting hard working employee rights and interests.

The contract agreements include a salary rate freeze for two years and implementation of a mandatory unpaid work furlough program. Mr. Lopez stated over the next two fiscal years the labor contract agreements are projected to generate a combined cost savings in the amount of \$13,000,000.

Mr. Lopez reported contract negotiations were difficult considering the economical environment, but were assisted with the shared goal and mutual efforts of protecting jobs and transit service. Mr. Lopez expressed appreciation and thanked the unions for their diligent work and good faith in the process. Staff working collaboratively with the unions was able to craft programs that will yield savings and save jobs, while maintaining the unions' core rights and entitlements.

Board Member Gage expressed appreciation and thanked management and the unions for working collaboratively to reach a mutual agreement on the labor contract agreements.

Ron Roberts, Assistant Chief Steward of the Service Employees International Union (SEIU) Local 521, expressed appreciation and thanked the Board Members for their patience and for allowing management and the unions to work through the negotiations process. Mr. Roberts stated the end goal for everyone was to save money for VTA.

Mr. Roberts spoke on behalf of SEIU Local 521, noting SEIU Members support the approval of the successor labor contract agreement with VTA.

Vice Chairperson Liccardo expressed appreciation to the unions for their diligent work and sacrifices to work through the negotiations process to achieve a mutual agreement.

Chairperson Sandoval thanked everyone for their hard work and effort, noting the importance for VTA to do everything possible to continue to provide good transit service for its customers.

Board Member Pyle expressed appreciation and thanked everyone for their understanding, diligent work, focusing on the big picture, and for all the sacrifices made to attain a mutual contract agreement.

M/S/C (Gage/Pyle) to authorize the General Manager to approve and formally adopt the amended successor labor agreements negotiated between the Santa Clara Valley Transportation Authority (VTA) and Transportation Authority Engineers and Architects (TAEA), American Federation of State, County and Municipal Employees (AFSCME), and Service Employees International Union, Local 521 (SEIU).

Board Members Gage and Caserta left their seats at 6:55 p.m.

29. 40-Foot Low-Floor Diesel Hybrid Bus Procurement

Chairperson Sandoval stated a revised Board Memorandum dated July 29, 2009, specifies the selected vendor and additional information in the recommendation.

Chairperson Sandoval noted a letter of protest was received and subsequently withdrawn on the purchase contract.

Michael Hursh, Operations Maintenance and Security Deputy Director, reported the recommendation is to execute a contract in the amount of \$46,464,153 with the Gillig Corporation of Hayward, California, for the purchase of 70 buses with an option to purchase an additional 37 buses, if funding becomes available.

The purchase of the new buses will replace older high floor model vehicles purchased in 1997 and 1998, which have reached their useful life and have recurring lift failures. The new buses will be powered by hybrid diesel electric technology, which is a responsible energy saving alternative to regular diesel buses and more reliable and cost effective than Zero Emission Buses (ZEBs).

VTA received bid proposals from the following vendors: Gillig of Hayward, California; Orion Buses of Oriskany, New York; and New Flyer Industries Limited of St. Cloud, Minnesota. VTA's evaluation committee selected Gillig Corporation based on the evaluation criteria, price, and responsiveness to technical requirements.

Board Member Caserta returned to his seat at 6:59 p.m.

The engineer's estimate for the bus vehicles was \$70,137,649 and Gillig's bid proposal was \$70,353,112. New Flyer Industries was not selected due to failure to meet the final published specifications and cost and Orion was not selected due to failure to meet the technical specifications on the length of the buses. VTA received one protest letter but the protest was denied and added the manufacture elected not to proceed with the protest procedure.

Mr. Hursh stated the buses selected have related equipment that complies with the January 2010 new Environmental Protection Agency (EPA) emissions requirements and are low floor vehicles with the highest capacity ramp commercially available. VTA has worked diligently to maximize ADA accessibility features and is aware of the request for additional bike rack space.

Board Member Gage returned to his seat at 7:01 p.m.

Mr. Hursh stated each of the manufacture's submitted proposals offering a two-position bike rack; however, VTA will continue to work collaboratively with the California Highway Patrol (CHP) and Gillig to seek approval of installation of larger bike racks.

VTA will purchase the initial 70 new bus vehicles with \$42.4 million of Federal Stimulus American Recovery and Reinvestment Act (ARRA) funds and with \$4.1 million of VTA Transit funds.

Vice Chairperson Liccardo referenced the current economical constraints and queried why there is not a reduction in the bus manufacture pricing. Mr. Hursh responded it is an extremely good time for bus manufactures with the pressure to construct environmentally friendly vehicles on the rise, noting manufacture purchase order books are filled.

Vice Chairperson Liccardo referenced the life and cost of the bus vehicle batteries and if VTA has an estimate of the costs needed in the future years. Mr. Hursh the technology is evolving everyday, noting battery replacement costs will need to be programmed in future years.

Mr. Ludwig expressed support for VTA to purchase the new diesel hybrid buses; however, opposed the low floor vehicle models, noting they only accommodate a limited amount of customers. Mr. Ludwig stated the low floor models negatively impact seniors by making it more difficult for them to move through the vehicle.

Jim Stallman, Vice Chairperson Bicycle and Pedestrian Advisory Committee (BPAC), expressed concern that VTA's Advisory Committees were not given adequate time to provide input regarding the new bus vehicles. Mr. Stallman noted the City of Saratoga is grateful for receiving several bicycle racks from the Transportation Fund for Clean Air (TFCA) grant program.

Mr. Bradley expressed concern that the Gillig new low floor bus vehicle windows are placed too high, which prevents customers from seeing outside the windows and queried if VTA plans to lower the windows. Mr. Hursh responded the high window placement is a safety provision.

Mr. Bradley suggested VTA consider purchasing one of each bus model to allow drivers and customers to provide input and rate the best model before VTA purchases future buses.

M/S/C (Pyle/Herrera) to authorize the General Manager to execute a contract in the amount of \$46,464,153 with the Gillig Corporation of Hayward, California, for the purchase of 70 buses, with an option to purchase an additional 37 buses should funding become available, for a total of up to 107 forty-foot low-floor diesel hybrid buses and related equipment. The execution of the award will be subject to compliance with the FTA pre-award requirements and the satisfactory clearance of any protests. The initial 70 bus procurement will be funded with \$42.4 million of Federal Stimulus American Recovery and Reinvestment Act funds (ARRA) and \$4.1 million of VTA Transit funds.

30. Fare Increase Proposal Effective Date Change

Joe Smith, Chief Financial Officer, reported the recommendation is to amend the fare increase effective date from January 1, 2010 to October 1, 2009. Mr. Smith stated the Board adopted a resolution at the June 4, 2009 Board of Directors Regular meeting to establish new rates and fares for VTA bus, light rail, and paratransit services to be implemented on January 1, 2009; however, due to current fiscal challenges VTA has no other choice but to implement the changes sooner than anticipated.

Mr. Smith reported VTA's third quarter FY 09 sales tax revenues were down 21 percent compared to last year, noting preliminary estimates for VTA's fourth quarter FY 09 revenues are expected to be down 15 percent compared to last year.

Mr. Smith stated accelerating implementation of the fare increase in October 1, 2009 will generate an additional \$1 million in FY 2010, if the Board approves the amendment then staff will move forward to conduct community outreach efforts to inform the public of the date change.

Chairperson Sandoval noted the PAC Committee had recommended that the fare increase be implemented sooner due to current fiscal challenges facing VTA.

Torrance Phillips, Interested Citizen, spoke on behalf of Lupe Medrano, Interested Citizen, and expressed concern regarding the impending fare increases and the negative impact it will have on the transit dependent low income community. Ms. Medrano urged the Board to implement 50 percent of the fare increase in October 2009 then the remaining 50 percent effective in January 2010.

Ms. Medrano stressed the importance for VTA to audit ridership during the peak hours of the day in order to attain a fair representation of ridership levels.

Mr. Bradley concurred with Ms. Medrano's comments, noting the fare increase and the service reduction will severely impact the low income community. Mr. Bradley urged VTA and the Board Members to do everything possible to receive the STA funding for public transit as soon as possible. Mr. Bradley stressed the importance to ensure transit services are affordable for everyone.

Board Member Gage stated VTA's goal is to provide good reliable transportation services for the community.

Board Member Gage added VTA worked diligently to prevent fare increases and service reductions; however, due to the current economical constraints, VTA has no other option but to proceed forward with the fare increases and service reductions.

Mr. Ludwig expressed concern regarding the fare increase effective date change to October 1, 2009, noting the economical impact it will have on the low income community who live on a fixed income.

M/S/C (Caserta/Pyle) to adopt **Resolution No. 2009.08.22** amending Resolution 2009.06.15, Establishing Rates and Fares, to change the effective date to October 1, 2009.

31. VTA Response to 2008 – 2009 Santa Clara County Civil Grand Jury Report

Michael T. Burns, General Manager, reported on VTA's response to the 2008 – 2009 Civil Grand Jury Report, noting VTA has to submit its response by September 1, 2009. Mr. Burns stated VTA has worked diligently to ensure its responses are factual and neutral. Mr. Burns noted a request from Board Member Casas regarding some changes to VTA's response report in terms of reaction, language, and tone. Mr. Burns stated the requested changes do not affect the substance of VTA's response.

Mr. Burns requested the Board Members approve VTA's response report with the expectation that staff will make the requested changes to ensure VTA's response report is factual and straight forward. Mr. Burns concurred with the requested changes, noting Board Member Casas' request does not change the substance of VTA's response report but changes the tone.

Board Member Reed concurred with Board Member Casas' assessment, noting the following three areas he would like staff to edit: response #s 10, 11, and 14.

Alternate Board Member Moylan stressed the importance for VTA to request additional time to submit VTA's response report to the Santa Clara County Grand Jury.

Alternate Board Member Moylan expressed concern that VTA's response report did not include the actions VTA and the Board Members have taken to address the areas of concern identified in the Hay Group Assessment and State Audit.

Board Member Gage stated the Santa Clara County Civil Grand Jury deadline is scheduled; therefore, VTA must adhere to the deadline. Board Member Gage added a different group of individuals are currently in the process to be appointed to the Santa Clara County Civil Grand Jury.

Chairperson Sandoval stated the Santa Clara County Civil Grand Jury deadline timeline is set by the Civil Grand Jury; therefore, VTA does not have the option to request an extension to submit its response report.

Alternate Board Member Moylan stressed the importance for VTA to acknowledge its progress and accomplishments in addressing several of the areas of concern, noting the establishment of the Advisory Committee Enhancement (ACE) Process and Subcommittee.

Board Member Casas requested VTA's revised response be presented at the August 20, 2009 Standing Committee meetings for Board Member review.

Chairperson Sandoval requested Board Members forward suggestions regarding the areas that need to be addressed to Mr. Burns to ensure the information is included in the report for VTA's Standing Committee Meetings.

Mr. Burns stated VTA's Civil Grand Jury response report will be revised and agendized on each of VTA's August 20, 2009 Standing Committee Agendas.

M/S/C (Liccardo/Pyle) to approve VTA's response to the 2008 – 2009 Santa Clara County Civil Grand Jury Report.

Mr. Bradley expressed support to VTA for submitting a civil response to the Santa Clara County Civil Grand Jury.

Mr. Signorino queried what standing committee would VTA's civil response report be presented. Mr. Burns responded the information will be agendized on each of VTA's Standing Committee Meeting Agendas scheduled for August 20, 2009.

Alternate Board Member Moylan requested VTA's Advisory Committees receive the information at the September 9, 2009 and September 10, 2009 Committee Meetings.

32. (Removed from the Agenda)

Addendum to the Labor Agreement between Santa Clara Valley Transportation Authority and the Amalgamated Transit Union (ATU) Local 265.

OTHER ITEMS

33. ITEMS OF CONCERN AND REFERRAL TO ADMINISTRATION

There were no Items of Concern and Referral to Administration.

34. MONTHLY LEGISLATIVE HISTORY MATRIX

Mr. Bradley referenced H.R. 2746 to allow for additional transportation assistance grants and queried when VTA will state its position on the bill. Mr. Bradley stressed the importance and requested the item be agendized for the September 3, 2009 Board of Directors Regular Meeting.

Chairperson Sandoval referred the matter to VTA's Government Affairs Department to provide a response. Chairperson Sandoval noted information will be included in the Chairperson's Report at the September 3, 2009 Board of Directors Regular Meeting.

On order of Chairperson Sandoval and there being no objection, the Monthly Legislative History Matrix was accepted as contained in the Agenda packet.

35. REPORTS (UNAPPROVED MINUTES) FROM STANDING COMMITTEES

A. Board of Directors Committee of the Whole (COW) in lieu of Board Standing Committees

On order of Chairperson Sandoval and there being no objection, the July 16, 2009 Board of Directors Committee of the Whole (COW) in lieu of Board Standing Committees Meeting Record were accepted as contained in the Agenda packet.

B. Administration and Finance Committee

There was no report from the Administration and Finance (A&F) Committee.

C. Congestion Management Program and Planning Committee

There was no report from the Congestion Management Program and Planning (CMPP) Committee.

D. Transit Planning and Operations Committee

There was no report from the Transit Planning and Operations (TP&O) Committee.

E. Audit Committee

There was no report from the Audit Committee.

36. REPORTS (UNAPPROVED MINUTES) FROM ADVISORY COMMITTEES**A. Committee for Transit Accessibility (CTA)**

On order of Chairperson Sandoval and there being no objection, the June 10, 2009 Cancellation Notice and July 8, 2009 Committee for Transit Accessibility (CTA) 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 Sandoval and there being no objection, the June 10, 2009 and July 8, 2009 Citizens Advisory Committee (CAC) and 2000 Measure A Citizens Watchdog Committee (CWC) Minutes were accepted as contained in the Agenda Packet.

C. Bicycle & Pedestrian Advisory Committee (BPAC)

On order of Chairperson Sandoval and there being no objection, the June 10, 2009 and July 8, 2009 Bicycle & Pedestrian Advisory Committee (BPAC) Minutes were accepted as contained in the Agenda packet.

D. Technical Advisory Committee (TAC)

On order of Chairperson Sandoval and there being no objection, the June 11, 2009 Cancellation Notice and July 9, 2009 Technical Advisory Committee (TAC) Minutes were accepted as contained in the Agenda packet.

E. Policy Advisory Committee (PAC)

On order of Chairperson Sandoval and there being no objection, the June 11, 2009 and July 9, 2009 Policy Advisory Committee (PAC) Cancellation Notices were accepted as contained in the Agenda packet.

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

A. Peninsula Corridor JPB

On order of Chairperson Sandoval and there being no objection, the July 2, 2009 and August 6, 2009 Summary Notes from the Peninsula Corridor Joint Powers Board were accepted as contained on the dais.

B. Capitol Corridor JPB

There was no report from the Capitol Corridor JPB.

C. Dumbarton Rail Corridor Policy Committee

There was no report from the Dumbarton Rail Corridor Policy Committee.

D. Metropolitan Transportation Commission (MTC)

On order of Chairperson Sandoval and there being no objection, the June 24, 2009 and July 22, 2009 Summary Notes from the Metropolitan Transportation Commission (MTC) were accepted as contained on the dais.

E. Sunol Smart Carpool Lane Joint Powers Authority

On order of Chairperson Sandoval and there being no objection, the June 8, 2009 and July 13, 2009 Summary Notes from the Sunol Smart Carpool Lane Joint Powers Authority were accepted as contained on the dais.

38. 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 and BART Warm Springs Extension PAB

There was no report from the Silicon Valley Rapid Transit Corridor and BART Warm Springs Extension PAB.

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.

39. ANNOUNCEMENTS

Board Member Casas requested the December 3, 2009 Audit Committee Meeting be rescheduled to December 10, 2009 and immediately follow the December 10, 2009 Board of Directors Regular and Workshop.

Michael T. Burns, General Manager, stated staff will contact the Audit Committee Members to coordinate the rescheduling of the December 2009 Audit Committee Meeting to immediate follow the December 10, 2009 Board of Directors Meeting and Workshop.

40. ADJOURNMENT

On order of Chairperson Sandoval and there being no objection, the meeting was adjourned at 7:35 p.m.

Respectfully Submitted,

Michelle M. Garza, Board Assistant
VTA Board of Directors