



## BOARD OF DIRECTORS MEETING

Thursday, December 9, 2010

### 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 Liccardo at 9:10 a.m. in the Board of Supervisors’ Chambers, County Government Center, 70 West Hedding Street, San Jose, California.

#### 1. ROLL CALL

Attendee Name	Title	Status
Margaret Abe-Koga	Vice Chairperson	Present
Marshall Anstandig	Alternate Board Member	NA
Dean Chu	Ex-Officio Board Member	Present
Rose Herrera	Board Member	Present
Ash Kalra	Board Member	Present
Liz Kniss	Board Member	Present
Rich Larsen	Board Member	NA
Sam Liccardo	Chairperson	Present
Jamie Matthews	Alternate Board Member	Present
Pete McHugh	Alternate Board Member	NA
Chris Moylan	Board Member	Absent
Chuck Page	Board Member	Present
Nancy Pyle	Board Member	Present
Chuck Reed	Board Member	Present
George Shirakawa	Alternate Board Member	NA
Perry Woodward	Board Member	Present
Ken Yeager	Board Member	Present

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

**A quorum was present.**

#### 2. ORDERS OF THE DAY

Chairperson Liccardo made the following changes to the Agenda; 1) Moved Agenda Item #7, Report from the General Manager before all other items; 2) Skipped to Regular Agenda Item #32, Receive the Silicon Valley Rapid Transit (SVRT) Program Update; 3) Moved to the Consent Agenda; and 4) Heard the remaining Agenda items in order.

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

**7. REPORT FROM THE GENERAL MANAGER**

Mr. Burns provided a report highlighting the following: 1) October 2010 Ridership; 2) Blossom Hill Pedestrian Crossing Project re-bid; 3) Annual Stuff the VTA Bus Toys for Tots - Toy Drive; 4) VTA hosted the Austrian Delegation on a US trade mission to learn about Allison technology which is used in VTA Hybrid buses; 5) New Year's Eve transit service; 6) Hybrid bus procurement; 7) Measure A Bonds update and pricing; and 8) Completion of the BART extension to Berryessa prequalification process.

**5. AWARDS AND COMMENDATIONS**

**A. Resolution of Commendation for Assembly Member Ira Ruskin**

Chairperson Liccardo presented the Resolution of Commendation to Assembly Member Ira Ruskin, which was adopted by the Board at its November meeting. Mr. Ruskin thanked the Board and VTA staff for their commitment to serve the public and for the acknowledgement.

**REGULAR AGENDA**

**32. Silicon Valley Rapid Transit (SVRT) Program Update**

Carolyn Gonot, Chief SVRT Officer, provided a PowerPoint presentation highlighting: 1) Design Build Contract status; four teams are prequalified; 2) Vehicle Procurement; 3) Draft Supplemental Environmental Impact Report; and 4) Timeline to execute the necessary agreements and reports.

**On order of Chairperson Liccardo** and there being no objection, the Silicon Valley Rapid Transit (SVRT) Program Update was received.

**2. ORDERS OF THE DAY (continued)**

Member Reed noted that he will abstain from the Consent Agenda per Government Code section 84308.

Member Reed left his seat at 9:28 a.m.

**M/S/C (Pyle/Herrera)** on a vote of 10 ayes to 0 no and 1 abstention to accept the Orders of the Day and approve the Consent Agenda. Board Member Reed abstained.

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

## CONSENT AGENDA

12. **Board of Directors Workshop/Special Meeting Minutes of October 22, 2010.**

M/S/C (Pyle/Herrera) on a vote of 10 ayes to 0 no to 1 abstention to approve the Board of Directors Workshop/Special Meeting Minutes of October 22, 2010. Board Member Reed abstained.

13. **Board of Directors Regular Meeting Minutes of November 4, 2010**

M/S/C (Pyle/Herrera) on a vote of 10 ayes to 0 no to 1 abstention to approve the Board of Directors Regular Meeting Minutes of November 4, 2010. Board Member Reed abstained.

14. **Proposed Plan Amendments – Amalgamated Transit Union, Local 265 Pension Plan**

M/S/C (Pyle/Herrera) on a vote of 10 ayes to 0 no to 1 abstention to approve the Proposed Plan Amendments to the Santa Clara Valley Transportation Authority - Amalgamated Transit Union, Local 265 Pension Plan. In addition, authorize all future Plan amendments as required by the Internal Revenue Service (IRS) to ensure the Plan's tax compliance. Board Member Reed abstained.

15. **Comprehensive Annual Financial Report**

M/S/C (Pyle/Herrera) on a vote of 10 ayes to 0 no to 1 abstention to review and receive the audited Comprehensive Annual Financial Report for the Santa Clara Valley Transportation Authority and the Santa Clara Valley Transportation Authority Amalgamated Transit Union Pension Plan Report for Fiscal Year 2010. Board Member Reed abstained.

16. **Audited Financial Report – Other Post Employment Benefits Trust**

M/S/C (Pyle/Herrera) on a vote of 10 ayes to 0 no to 1 abstention to review and receive the Audited Financial Report for Fiscal Year 2010 of the Santa Clara Valley Transportation Authority Retirees' Other Post Employment Benefits Trust (Trust). Board Member Reed abstained.

17. **Transportation Fund for Clean Air**

M/S/C (Pyle/Herrera) on a vote of 10 ayes to 0 no to 1 abstention to modify the criteria used to evaluate and select projects for the Transportation Fund for Clean Air (TFCA) Program Manager fund and review the status of ongoing Santa Clara County TFCA projects. Board Member Reed abstained.

18. **Vehicle Emissions Reductions Based at Schools (VERBS)**

M/S/C (Pyle/Herrera) on a vote of 10 ayes to 0 no to 1 abstention to approve the Vehicle Emissions Reductions Based at Schools (VERBS) Program projects. Board Member Reed abstained.

**19. Community Design and Transportation Program**

M/S/C (Pyle/Herrera) on a vote of 10 ayes to 0 no to 1 abstention to approve the recommended projects for the Community Design and Transportation Program. Board Member Reed abstained.

**20. Cooperative Agreement with City of Morgan Hill for Planning Study**

M/S/C (Pyle/Herrera) on a vote of 10 ayes to 0 no to 1 abstention to amend the 2010 State Transportation Improvement Program (STIP) Program for Santa Clara County reprogramming \$50.44 Million to the Silicon Valley Rapid Transit Project - Berryessa Extension from the Airport People Mover Project; and further, adopt **Resolution No. 2010.11.42**, a Sponsoring Agency Resolution of Local Support for the Silicon Valley Rapid Transit project. These are programming actions, and do not change any Measure A project schedule or priority. Board Member Reed abstained.

**21. SR 85 and US 101 Express Lanes Project**

M/S/C (Pyle/Herrera) on a vote of 10 ayes to 0 no to 1 abstention to authorize the General Manager to amend the engineering services contract with URS for Express Lanes along SR 85 and US 101, to eliminate final design on the SR 85 Express Lanes Project in the amount of \$2.7 million, and to commence early tasks for environmental clearance for the US 101 Express Lanes Project in an amount up to \$1.5 million. Board Member Reed abstained.

**22. Project Baseline Agreement - Warren Avenue Grade Separation Project**

M/S/C (Pyle/Herrera) on a vote of 10 ayes to 0 no to 1 abstention to adopt **Resolution No. 2010.11.43** authorizing the General Manager to execute the Project Baseline Agreement, and any amendments thereto, and any other necessary agreements and documents with the California Department of Transportation and/or the California Transportation Commission relating to the VTA's role as funding agency and implementing agency for the Highway-Railroad Crossing Safety Account (HRCSA)-funded Warren Avenue grade separation project. Board Member Reed abstained.

**23. Closed Circuit Television – Chaboya Yard**

M/S/C (Pyle/Herrera) on a vote of 10 ayes to 0 no to 1 abstention to authorize the General Manager to execute a contract with Cal Coast Telecom, the lowest responsible and responsive bidder, in the amount of \$397,565 for the procurement and installation of Closed Circuit Television at the Chaboya Bus Facility. This contract is 100% funded under the Department of Homeland Security Transit Security Grant Program (FY09-TSGP) and Prop 1B California Transit Security Grant Program - California Transit Assistance Fund (FY08/09- CTSGP-CTAF). Board Member Reed abstained.

**24. San Jose Diridon Station MOU**

**M/S/C (Pyle/Herrera)** on a vote of 10 ayes to 0 no to 1 abstention to approve a Memorandum of Understanding between the City of San Jose, the California High Speed Rail Authority, the Peninsula Corridor Joint Powers Board and VTA to formalize the establishment of a cooperative working relationship for the design and development of the San Jose Diridon Station. Board Member Reed abstained.

**25. Bicycle and Pedestrian Advisory Committee Appointment**

**M/S/C (Pyle/Herrera)** on a vote of 10 ayes to 0 no to 1 abstention to ratify the appointment of Paul Goldstein as the ex-officio member and Corinne Winter as the alternate ex-officio member to the Bicycle and Pedestrian Advisory Committee (BPAC) representing the Silicon Valley Bicycle Coalition (SVBC) for term ending June 30, 2012. Board Member Reed abstained.

**26. Citizens Advisory Committee Appointment**

**M/S/C (Pyle/Herrera)** on a vote of 10 ayes to 0 no to 1 abstention to ratify the nomination of William Hadaya to the Citizens Advisory Committee representing the Chambers of Commerce Coalition of Santa Clara County. Board Member Reed abstained.

**27. Fiscal Year 2011 Quarterly Statement of Revenues and Expenses**

**M/S/C (Pyle/Herrera)** on a vote of 10 ayes to 0 no to 1 abstention to review and accept the Fiscal Year 2011 Quarterly Statement of Revenues and Expenses for the period ending September 30, 2010. Board Member Reed abstained.

**28. Proactive CMP Quarterly Report**

**M/S/C (Pyle/Herrera)** on a vote of 10 ayes to 0 no to 1 abstention to receive the Proactive CMP Quarterly Report for July through September 2010. Board Member Reed abstained.

**29. Programmed Projects Quarterly Monitoring Report**

**M/S/C (Pyle/Herrera)** on a vote of 10 ayes to 0 no to 1 abstention to receive the Programmed Projects Quarterly Monitoring Report for July 2010 - September 2010. Board Member Reed abstained.

**30. Facilities Projects Semi-Annual Report**

**M/S/C (Pyle/Herrera)** on a vote of 10 ayes to 0 no to 1 abstention to receive the Facilities Projects Semi-Annual Report. Board Member Reed abstained.

**31. Service Changes effective January 10, 2011**

**M/S/C (Pyle/Herrera)** on a vote of 10 ayes to 0 no to 1 abstention to receive report on Service Changes effective January 10, 2011. Board Member Reed abstained.

Board Member Reed returned to his seat at 9:31 a.m.

**3. RECEIVE NOMINATING COMMITTEE REPORT**

Board Member Kniss reported the VTA Board of Directors appointed Board Members Herrera, Moylan, and herself to serve as the Nominating Committee for the selection of the 2011 Board of Directors Chairperson and Vice Chairperson. The Nominating Committee proposed Margaret Abe-Koga as Chairperson for 2011 and Ken Yeager as Vice Chairperson for 2011.

VTA's Board of Directors accepted the report from the Nominating Committee.

Chairperson Liccardo opened the nominations from the floor for the positions of Chairperson and Vice Chairperson for 2011. There were no further nominations.

**4. ELECTION OF CHAIRPERSON AND VICE CHAIRPERSON FOR A TERM EXTENDING FROM JANUARY 2011 THROUGH DECEMBER 2011**

**M/S/C (Kniss/Herrera)** to close nominations and elect Margaret Abe-Koga to serve as VTA Board of Directors Chairperson for a term extending from January 2011 through December 2011 and to elect Ken Yeager to serve as VTA Board of Directors Vice Chairperson for a term extending from January 2011 through December 2011.

**5. AWARDS AND COMMENDATIONS (continued)**

**Recognize Outgoing VTA Board Member Nora Campos**

**B. M/S/C (Pyle/Herrera)** to adopt a Resolution of Commendation, **No. 2010.12.43** for outgoing Board Member Nora Campos.

**6. PUBLIC PRESENTATIONS**

Mark DeLong, VTA Employee and Transportation Authority Engineers & Architects Association Union (TAEA) member, expressed appreciation to the Board and Ad-Hoc Financial Recovery Committee for their work in supporting VTA's financial stability and urged the Board to utilize the Harvey Rose recommendations during the budget process.

Navtej Singh, Interested Citizen, introduced himself to the Board and expressed concern with the treatment of passengers. He requested free transit for the unemployed.

**8. CHAIRPERSON'S REPORT**

**A. El Camino Real Bus Rapid Transit Policy Board**

Chairperson Liccardo provided information on the El Camino Real PAB noting its composition, to ensure adequate representation from the cities in the affected corridor.

M/S/C (**Abe-Koga/Herrera**) to establish the El Camino Real Bus Rapid Transit Policy Board (El Camino Real PAB).

**B. VTA Board of Directors 2011 Schedule**

M/S/C (**Herrera/Page**) to approve the VTA Board of Directors Meeting Schedule for calendar year 2011.

**10. Citizens Advisory Committee (CAC) Chairperson's Report**

Charlotte Powers, CAC Chairperson reported CAC approved the STIP and Measure A Fund Swap and directed their auditor to track swaps ensuring they move forward as proposed. Ms. Powers announced she was re-elected to serve as Chairperson and Robert Jacobvitz was re-elected as Vice Chairperson for 2011.

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

Jamie Matthews, Policy Advisory Committee Chairperson and Alternate Board Member, provided a report highlighting PAC's recommendations to the Board on the following items: 1) Adoption of 2010 STIP reprogramming from Airport People Mover project to the BART extension; 2) Modification of the criteria used to evaluate the projects for Transportation Fund for Clean Air (TFCA) program; 3) Approval of the Vehicles Emission Reduction based at School (VERBS) list of projects; and 4) Approval of the Community Design and Transportation program. The Committee received an update on the Sustainable Communities Strategies activities.

**9. Ad-Hoc Financial Recovery Committee Report**

**A.** Mr. Burns provided a brief introduction and overview of the Ad-Hoc Financial Recovery Committee (Ad-Hoc FRC) process, highlighting: 1) The need to develop a committee to provide policy guidance for development of FY2012-FY2013 Biennial Budget; 2) Address VTA's long-term structural deficit; and 3) Demonstrate sound management practices to bond market.

Mr. Burns indicated financial guidance was based on assumptions of a \$40 million deficit over ten-year period of the Short Range Transit Plan, but acknowledged things have improved significantly. However, with proposed cuts to State and Federal funding and the economy, the financial environment is still tenuous and the Ad-Hoc FRC work will provide a good foundation and

framework for addressing longer term problems. He indicated the questions raised by the Harvey Rose report will be reviewed as part of the FY 2012 and FY 2013 budget discussion. Mr. Burns indicated staff is recommending the adoption of the Ad-Hoc FRC recommendations with the change of converting dollar figures to percentages to allow more flexibility.

Jim Lawson, Senior Policy Advisor, provided background information on the Ad-Hoc FRC and provided a presentation on the recommendations highlighting: 1) The need for the Committee and the process; 2) Ridership Estimates; 3) Financial projections and economic forecasts; 4) Reserve levels; 5) Committee prioritization of services and activities; and 6) Committee recommendations on key financial principles.

**B. Response to Harvey Rose, LLC. Report**

Mr. Lawson provided a presentation highlighting: 1) Harvey M. Rose, LLC. Report; 2) VTA Response to the Harvey Rose report; 3) Baseline Forecast; 4) Optimistic Forecast; 5) Pessimistic Forecast; and 6) Recommendations from Harvey Rose Analysis and VTA with regard to 10-year projections, Using Capital Funds for Operating costs, Reserves and Internal Service Funds, and Pensions.

Board Member Herrera thanked the committee for their hard work. She stressed the need for utilizing the efficiencies committee noting the importance of getting input from employees.

Vice Chairperson Abe-Koga thanked the staff, committee, and stakeholders for their hard work on establishing the guidelines and providing direction.

**Public Comment**

Franceen Weisert Anderson, VTA Employee and TAEA member, recognized everyone has made sacrifices because of the budget and expressed concern that union employees will be expected to make more.

Steve Barber, VTA Employee and Service Employees International Union (SEIU) 521 member, expressed support of the Harvey Rose report and expressed concern with VTA's current independent auditors.

LaVon Hamilton, representing the Amalgamated Transit Union (ATU) Local 265, commented on Employees' previous concessions and dedication to VTA and expressed support for outside auditing and the internal efficiencies committee.

Karen Grimes, VTA Employee and SEIU 521 member, expressed concern with VTA compensated absence and liability reserves.

Ruth Farnsworth, VTA Employee and SEIU 521 member, expressed concern with the

lack of raises and the effect it has had on pensions.

Bena Chang, representing the Silicon Valley Leadership Group (SVLG), expressed support for VTA, the Ad-Hoc FRC recommendations, and not diverting Measure A funds away from the BART project.

Jim Stallman, Interested Citizen, expressed concern with funding cuts to Caltrain.

Maria Valero, VTA Employee and SEIU 521 member, expressed concern with the increase in work and the cuts in pay. She expressed support for Harvey Rose report.

Bonnie Cosio, VTA Employee and SEIU 521 member, expressed support of Harvey Rose report and suggested VTA utilize employees to help find budget solutions.

Tammy Dhanota, VTA Employee and SEIU 521 member and Ad-Hoc FRC stakeholder, expressed appreciation for the Ad-Hoc Committee Members efforts. She expressed concern with losing the trust of employees and noted support of developing an internal efficiencies committee.

Board Members Kalra and Pyle expressed appreciation to the Committee and stakeholders for their efforts and thanked Mr. Burns and staff for working with bargaining units. He noted the motion will allow everyone to move forward together and indicated his support.

Board Member Kniss commented on the difficulty to make projections in volatile economic times. She admonished staff to keep things in perspective going forth.

**M/S/C (Herrera/Reed)** to Approve the Expenditure Prioritization, Key Financial Principles and Deficit Reduction Targets as recommended by the Ad-Hoc Financial Recovery Committee; include the following language in Principle Number 2: Limit Use of Capital Funding: *Revenue collected from the 2000 Measure A Sales Tax shall be dedicated to the delivery of the Measure A Capital Projects maintaining the BART Extension to Santa Clara County as the Board's adopted first priority. The Board policy of committing only a small share of these funds to support transit service should remain unaltered, to uphold the public commitment to the voters to use these funds for highest-priority capital projects*; and further, include the italicized language in the first sentence under Guidance on Expenditure Prioritization to read as follows: "In developing VTA's Biennial Operating Budget and associated financial plans, VTA shall prioritize its activities *for the expenditure of operating funds* in the following order.": 2) Direct staff to prepare the FY 2012 and FY 2013 Biennial Operating Budget according to these recommendations and further direct staff to utilize the Expenditure Prioritization, Key Financial Principles and Deficit Reduction Targets in guiding the Santa Clara Valley Transportation Authority (VTA) to financial sustainability; 3) Convert the deficit reduction targets to percentages; 4) Direct staff to facilitate the creation an internal efficiencies committee comprised of employee representatives; 5) Bring back the recommendations from the Harvey Rose report for consideration during the budget process; and 6) Utilize the Audit Committee for focused engagements.

## 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

**On order of Chairperson Liccardo** 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. Administration and Finance Committee

There was no Report from the Administration and Finance Committee.

#### B. Congestion Management Program and Planning Committee

**On order of Chairperson Liccardo** and there being no objection, the November 19, 2010 Congestion Management & Planning Committee Minutes as contained in the Agenda Packet.

#### C. Transit Planning and Operations Committee

**On order of Chairperson Liccardo** and there being no objection, the November 22, 2010 Transit Planning & Operations Committee were accepted as contained in the Agenda Packet.

#### D. Audit Committee

**On order of Chairperson Liccardo** and there being no objection, the November 4, 2010 Audit Committee Minutes were accepted as contained in the Agenda Packet.

### 25. REPORTS (UNAPPROVED MINUTES) FROM ADVISORY COMMITTEES

#### A. Committee for Transit Accessibility (CTA)

There was no Report from the Committee for Transit Accessibility.

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

**On order of Chairperson Liccardo** and there being no objection, the November 10, 2010 Minutes were accepted as contained in the Agenda packet.

**C. Bicycle & Pedestrian Advisory Committee (BPAC)**

**On order of Chairperson Liccardo** and there being no objection, the November 10, 2010 Minutes were accepted as contained in the Agenda packet.

**D. Technical Advisory Committee (TAC)**

**On order of Chairperson Liccardo** and there being no objection, the November 10, 2010 Minutes were accepted as contained in the Agenda packet.

**E. Policy Advisory Committee (PAC)**

**On order of Chairperson Liccardo** and there being no objection, the November 10, 2010 Minutes were accepted as contained in the Agenda packet.

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

**A. Peninsula Corridor JPB**

**On order of Chairperson Liccardo** and there being no objection, the December 2, 2010, Summary Notes from the Peninsula Corridor Joint Powers Board were accepted as contained on the dais.

**B. Capitol Corridor JPB**

**On order of Chairperson Liccardo** and there being no objection, the November 17, 2010, Summary Notes from the Capitol Corridor Joint Powers Board were accepted as contained on the dais.

**C. Dumbarton Rail Corridor Policy Committee**

**On order of Chairperson Liccardo** and there being no objection, the November 5, 2010 Summary Notes from the Dumbarton Rail Corridor Policy Committee were accepted as contained on the dais.

**D. Metropolitan Transportation Commission (MTC)**

**On order of Chairperson Liccardo** and there being no objection, the November 17, 2010, Summary Notes from the Metropolitan Transportation Committee Meeting were accepted as contained on the dais.

**E. Sunol Smart Carpool Lane Joint Powers Authority**

**On order of Chairperson Liccardo** and there being no objection, the November 8, 2010, Summary Notes from the Sunol Smart Carpool Lane Joint Powers Authority Governing Board were accepted as contained on the dais.

**27. 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 & BART Warm Springs Extension PAB**

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

**C. Downtown East Valley PAB**

There was no report from the Downtown East Valley Policy Advisory Board.

**28. ANNOUNCEMENTS**

There were no Announcements.

**29. ADJOURNMENT**

**On order of Chairperson Liccardo** and there being no objection, the meeting was adjourned at 10:48 a.m.

Respectfully submitted,

Menominee L. McCarter, Board Assistant  
VTA Office of the Board Secretary