



**SANTA CLARA VALLEY TRANSPORTATION AUTHORITY
AD-HOC FINANCIAL RECOVERY COMMITTEE**

Wednesday, February 10, 2010

MEETING RECORD

1. CALL TO ORDER

The Santa Clara Valley Transportation Authority's (VTA) Ad-Hoc Financial Recovery Committee meeting was called to order by Chairperson Gage at 3:00 p.m., in Building A - Auditorium, VTA River Oaks Campus, 3331 North First Street, San Jose, California.

ROLL CALL

Attendee Name	Represents	Status
<u>Recovery Committee Members</u>		
Don Gage	VTA Board of Directors	Present
Rose Herrera	VTA Board of Directors	Present
Margaret Abe-Koga	VTA Board of Directors	Present
<u>Recovery Committee Stakeholders</u>		
Robert Jacobvitz	Citizens Advisory Committee (CAC) and 2000 Measure A Citizens Watchdog Committee (CWC)	Present
Emma Eljas	Committee for Transit Accessibility (CTA)	Present
Joe Pirzynski	Policy Advisory Committee (PAC)	Present
Tom Williams	Santa Clara County City Managers Association	Present
Gaye Morando	Santa Clara County Coalition of Chamber of Commerce	Absent
TBD	Silicon Valley Leadership Group (SVLG)	Absent
Cindy Chavez	South Bay AF of L/CIO Labor Council	Present
Loretta Springer	Amalgamated Transit Union (ATU)	Present
John Carlson	American Federation of State County and Municipal Employees (AFSCME)	Present
Tammy Dhanota	Service Employees International Union (SEIU)	Present
Raj Sedhev	Transportation Authority Engineers & Architects Association (TAEA)	Present

A quorum was present.

2. PUBLIC PRESENTATIONS

There were no Public Presentations.

3. CHAIRPERSON'S REPORT

Chairperson Gage noted the changes made to the Committee schedule.

The Committee received a copy of the presentation entitled, "Overview of VTA Budget Structure" updated with dollar figures. This presentation was given to the Committee on January 27, 2010, at which time the dollar figures were requested.

Stakeholder Dhanota took her seat at 3:05 p.m.

4. Ad-Hoc Financial Stability Committee Recommendations

Jim Lawson, Senior Policy Advisor and Staff Liaison, provided a report about the Ad Hoc Financial Stability Committee, January 2003 – October 2003 that highlighted: 1) Committee members and stakeholders; 2) Consultants; 3) Scope; 4) Committee findings; 5) Recommendations; 6) Consultant identified revenue sources; 7) Questions addressed; 8) Board adopted strategies; and 9) The Challenge, 2010.

Stakeholder Chavez took her seat at 3:16 p.m.

Vice Chairperson Herrera inquired on the current status of the VTA's operating reserves.

Joseph Smith, Chief Financial Officer, responded there is a 15 percent goal for operating reserves. For calendar year 2009, the operating reserves were at 13 percent. He noted the current operating reserves will all be utilized for the 2010 and 2011 budget.

Stakeholder Jacobvitz inquired on Measure A funds used to support operations.

Kevin D. Allmand, General Counsel, explained the Board of Directors has discretion to allocate portion of the Measure A funds for bus service and operations. There is goal to repay Measure A for the used funds, but it is not mandated by ballot measure.

Mr. Lawson provided a report on the Organizational and Financial Assessment, Hay Group, March 2007 that highlighted: 1) Hay Group report; 2) Phase one; and 3) Phase two.

Mr. Lawson provided a report on the California Bureau of State Audits (BSA), July 2008 that highlighted: 1) BSA recommendations; 2) Financial reporting and planning; and 3) project planning.

Stakeholder Pirzynski inquired if staff conducted an evaluation of the changes made based from the Hay Group recommendations.

Mr. Lawson responded VTA has benefitted from the implemented recommendations by the Hay Group.

Stakeholder Sedhev requested information regarding the benefits received from the Financial Stability Committee and Hay Group recommendations, as they relate to fiscal control.

Stakeholder Jacobvitz requested a comparison of VTA's workforce and overhead costs during fiscal year 2004 versus the current.

Stakeholder Chavez suggested the following recommendations be explored: 1) joint procurement; 2) establish new contracting benchmarks and policies; and 3) partnering opportunities with other districts and agencies.

Chairperson Gage commented on the importance to have a regional perspective regarding transportation, for example, work with other transit agencies to improve transportation service and eliminate duplicate service.

Stakeholder Jacobvitz requested information on sustainability, and any potential savings from fuel and energy costs.

Member Abe-Koga requested a list of all the potential revenue sources considered by the Financial Stability Committee.

Chairperson Gage stressed the importance of Transit Oriented Development to help build ridership and create a sustainable transportation system.

Vice Chairperson Herrera recommended the following: 1) staff work with the City of San Jose and the development community on Transit Oriented Development opportunities; and 2) to attach dollar figures on proposals made by the Committee.

Stakeholder Pirzynski requested an overview of VTA's real estate portfolio with dollar figures.

Member Abe-Koga suggested staff consider the following approach regarding the budget deficit: 1) cost containment; 2) service changes; and 3) revenue generation.

Stakeholder Springer requested the VTA Organizational chart. She also requested information on the proposal to divert sales tax revenues for transportation and what is being done to prevent it.

Stakeholder Springer requested the following: 1) information about revenue from offshore drilling; and 2) as a green industry, can VTA get protection and funding from the Federal Emergency Management Agency (FEMA) during financial crisis?

Stakeholder Williams recommended including a representative from the hospitality industry as a stakeholder. He also recommended taxing the hospitality industry that benefit from transportation.

Stakeholder Chavez recommended involving staff from the San Jose Airport in any discussions about taxing the hospitality industry.

Stakeholder Dhanota requested to receive Committee documents a few days before the meeting to provide ample time for Members and Stakeholders to review the materials. She also requested the financial reports that were part of the audit conducted by the Bureau of State Audits.

5. ADJOURN

On order of Chairperson Gage and there being no objection, the Ad-Hoc Financial Recovery Committee meeting adjourned at 4:26 p.m.

Respectfully submitted,

Michael Diaresco, Board Assistant
VTA Office of the Board Secretary