



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

**Wednesday, March 10, 2010**

**3:00 P.M.**

VTA River Oaks Campus  
Auditorium  
3331 North First Street  
San Jose, CA

**AGENDA**

- 1. CALL TO ORDER/ROLL CALL**
- 2. PUBLIC PRESENTATIONS:** This portion of the agenda is reserved for persons desiring to address the Committee on any matter not on the agenda. Speakers are **limited to 2 minutes**. The law does not permit Committee action or extended discussion on any item not on the agenda except under special circumstances. If Committee action is requested, the matter can be placed on the next agenda. All statements that require a response will be referred to staff for reply in writing.
- 3. CHAIRPERSON'S REPORT**
- 4. INFORMATION ITEM - Review Sales Tax Projections.** (Mark Mullen – Moody's Analytics)
- 5. INFORMATION ITEM - Review Contracted Transit Service.** (Bill Lieberman - Jacobs)
  - Alternative Service Deliveries
- 6. ACTION ITEM - Forward a recommendation to VTA's Board of Directors regarding SB 83 Traffic Congestion: Motor Vehicle Registration Fees.**
- 7. ADJOURN**

**NOTE COMMITTEE MEMBERS:** In order to establish a quorum for this meeting, members are asked to call Board Office at (408) 321-5680 or E-mail: [bd.sec.polling@vta.org](mailto:bd.sec.polling@vta.org) before 5:00 p.m. on the day prior to the meeting. Thank you for your cooperation.

In compliance with the Americans with Disabilities Act (ADA), those requiring accommodations or accessible media for this meeting should notify the Board Secretary's Office 48 hours prior to the meeting at (408) 321-5680 or E-mail: [board.secretary@vta.org](mailto:board.secretary@vta.org) or TDD (408) 321-2330. VTA's Homepage is located on the web at: <http://www.vta.org>

**NOTE: THE COMMITTEE MAY TAKE ACTION ON ANY ITEM IDENTIFIED ON THE AGENDA.**

# **Outlook for Sales Tax Revenues**

**MARK MCMULLEN, DIRECTOR**

# The Great Recession Is Over...

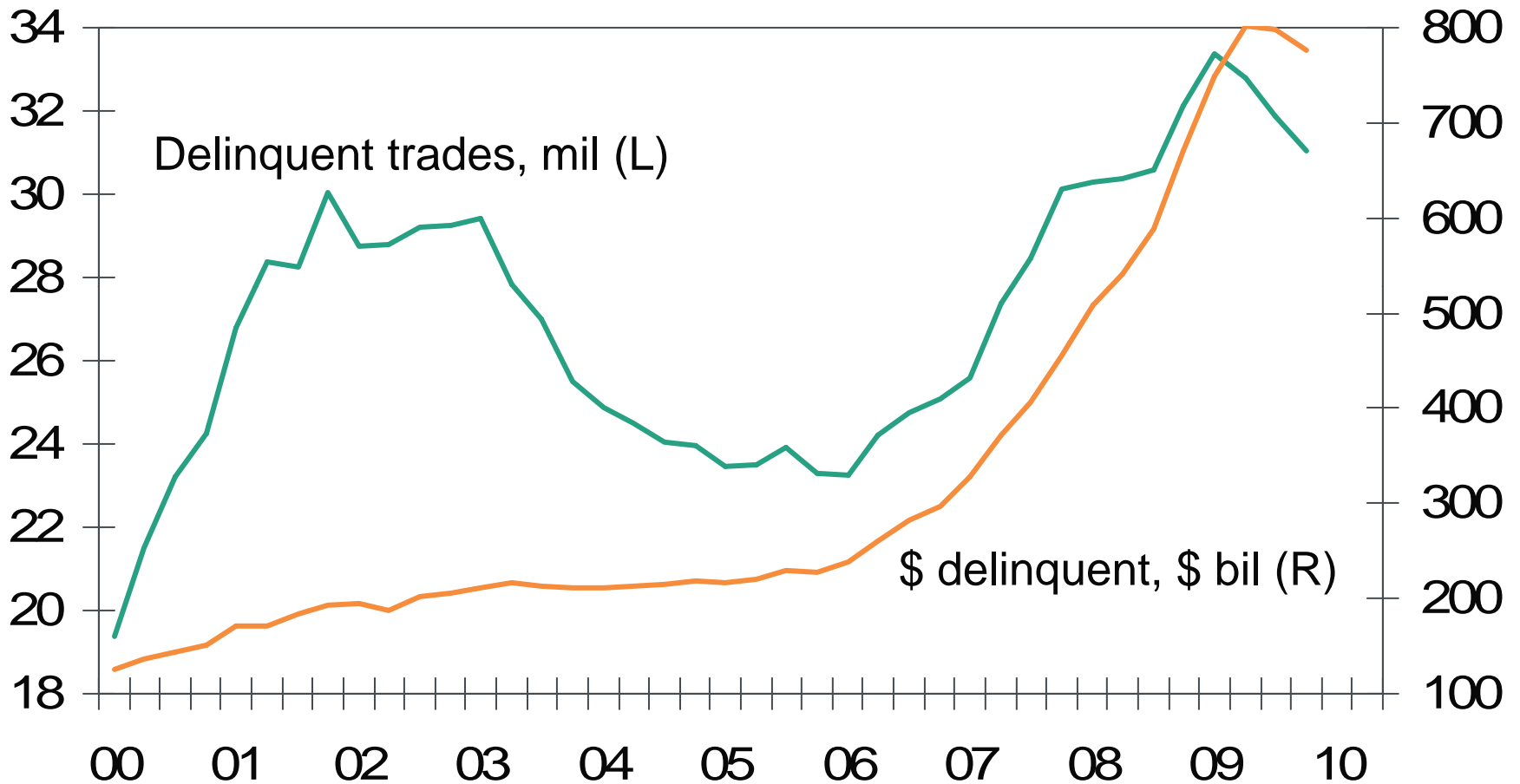
## Recessions since World War II

		Duration in Months		Peak-to-Trough % Change			Jobless Rate		
Peak	Trough	Recession Peak to Trough	Expansion Trough to Peak	Real GDP	Industrial Production	Nonfarm Employment	Low	High	Change
<b>Dec-07</b>	<b>Aug-09</b>	<b>20</b>	<b>73</b>	<b>-3.9%</b>	<b>-16.7%</b>	<b>-6.2%</b>	<b>4.4%</b>	<b>10.4%</b>	<b>6.0%</b>
Mar-01	Nov-01	8	120	-0.4%	-6.3%	-2.0%	3.8%	6.3%	2.5%
Jul-90	Mar-91	8	92	-1.3%	-4.3%	-1.5%	5.0%	7.8%	2.8%
Jul-81	Nov-82	16	12	-2.9%	-9.5%	-3.1%	7.2%	10.8%	3.6%
Jan-80	Jul-80	6	58	-2.2%	-6.2%	-1.3%	5.6%	7.8%	2.2%
Nov-73	Mar-75	16	36	-3.1%	-14.8%	-2.7%	4.6%	9.0%	4.4%
Dec-69	Nov-70	11	106	-1.0%	-5.8%	-1.4%	3.4%	6.1%	2.7%
Apr-60	Feb-61	10	24	-1.3%	-6.2%	-2.3%	4.8%	7.1%	2.3%
Aug-57	Apr-58	8	39	-3.8%	-12.7%	-4.4%	3.7%	7.5%	3.8%
Jul-53	May-54	10	45	-2.7%	-9.0%	-3.3%	2.5%	6.1%	3.6%
Nov-48	Oct-49	11	37	-1.7%	-8.6%	-5.1%	3.4%	7.9%	4.5%
<b>Average</b>		<b>10</b>	<b>57</b>	<b>-2.0%</b>	<b>-8.3%</b>	<b>-2.7%</b>	<b>4.4%</b>	<b>7.6%</b>	<b>3.2%</b>

Sources: NBER, BEA, FRB, BLS, Moody's Economy.com

# ...As Household Credit Conditions Turn

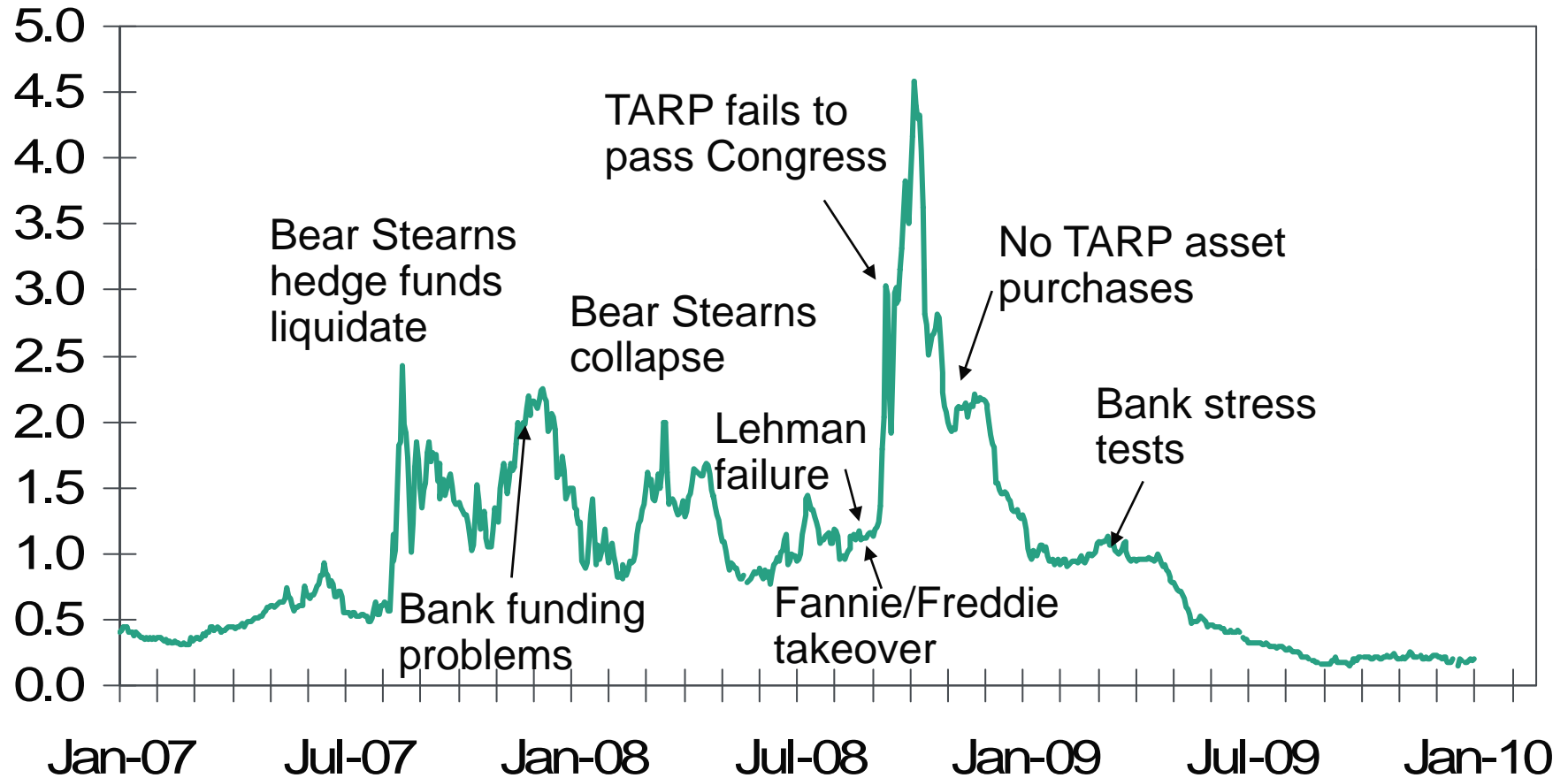
Delinquent consumer trades



Sources: Equifax, Moody's Economy.com

# Policymakers Stabilize the Banking System...

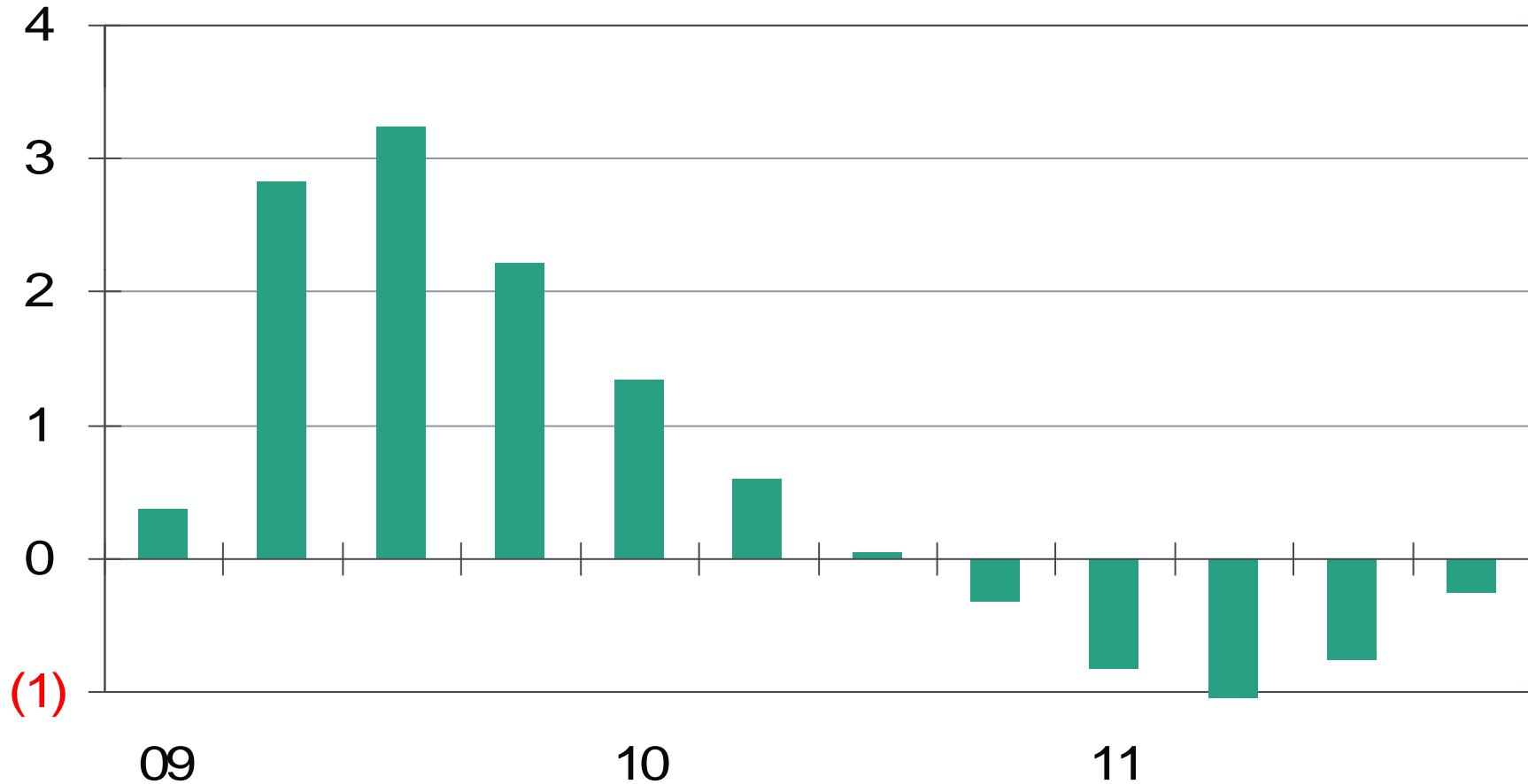
Difference between 3-mo Libor and Treasury bill yields



Sources: Federal Reserve Board, Moody's Economy.com

## ...And Fiscal Stimulus Provides a Vital Boost

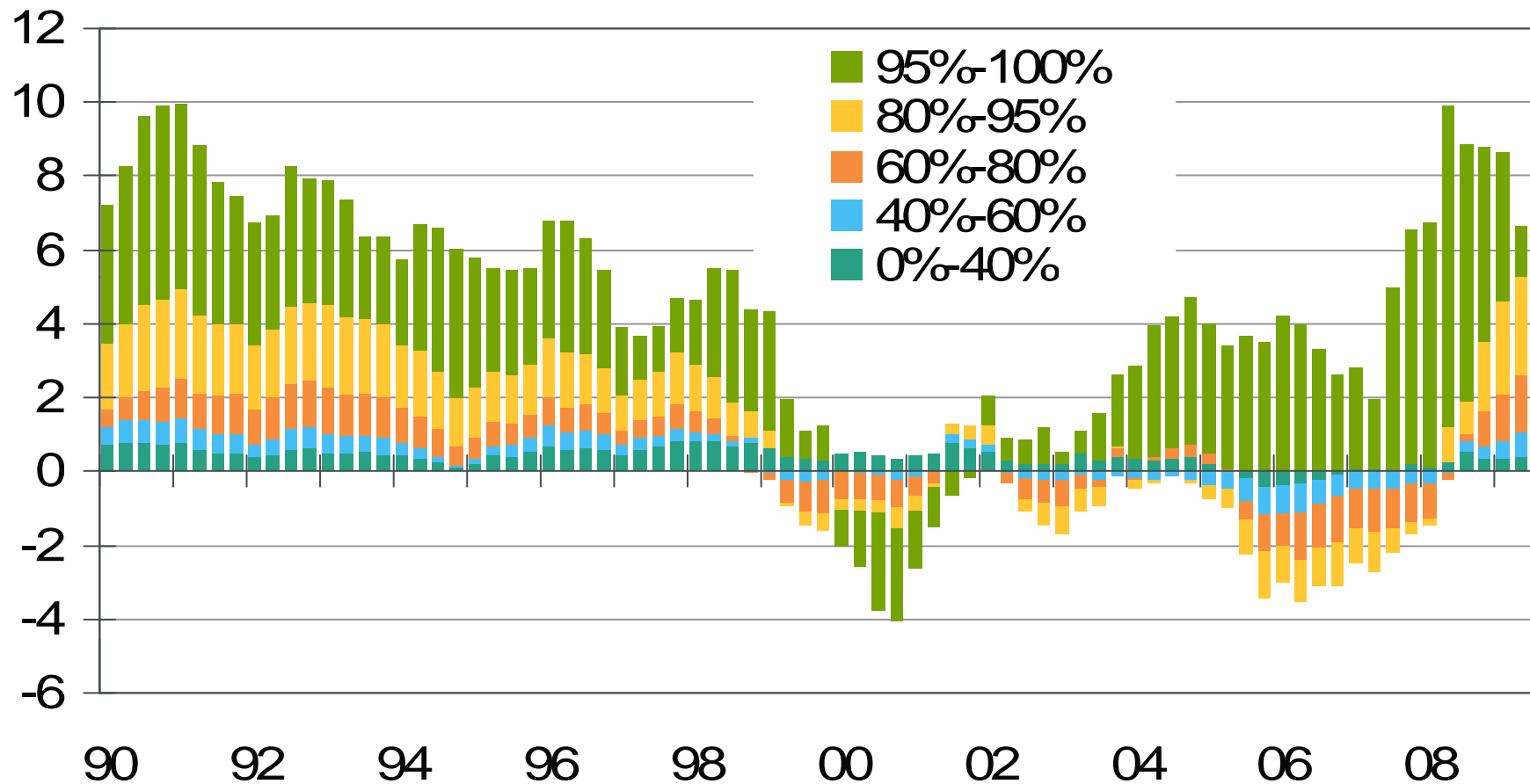
Contribution to real GDP growth, %



Source: Moody's Economy.com

# U.S. Households Are Fixing Their Finances...

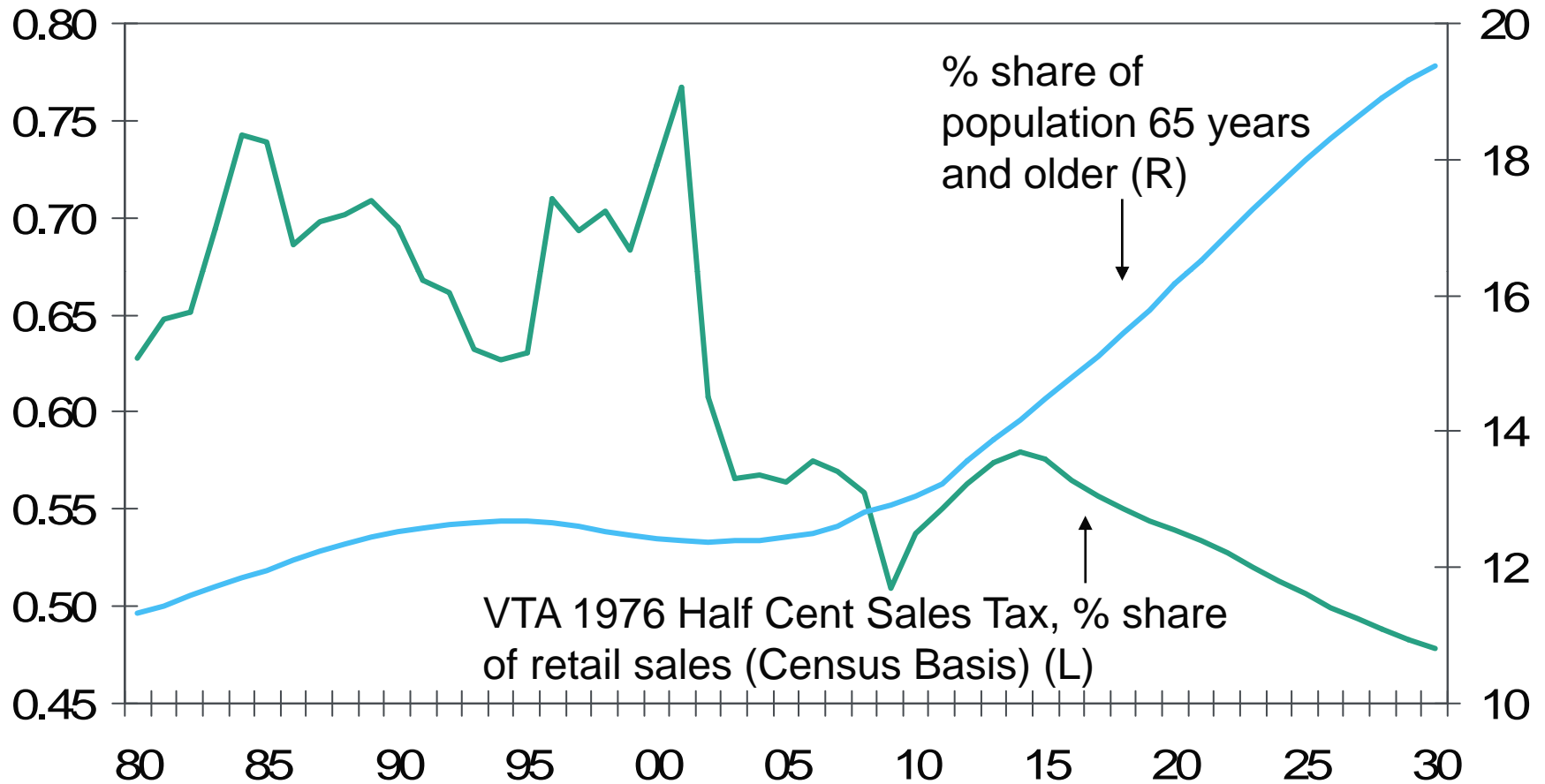
Contribution to personal saving rate, 4-qtr MA



Source: Moody's Economy.com

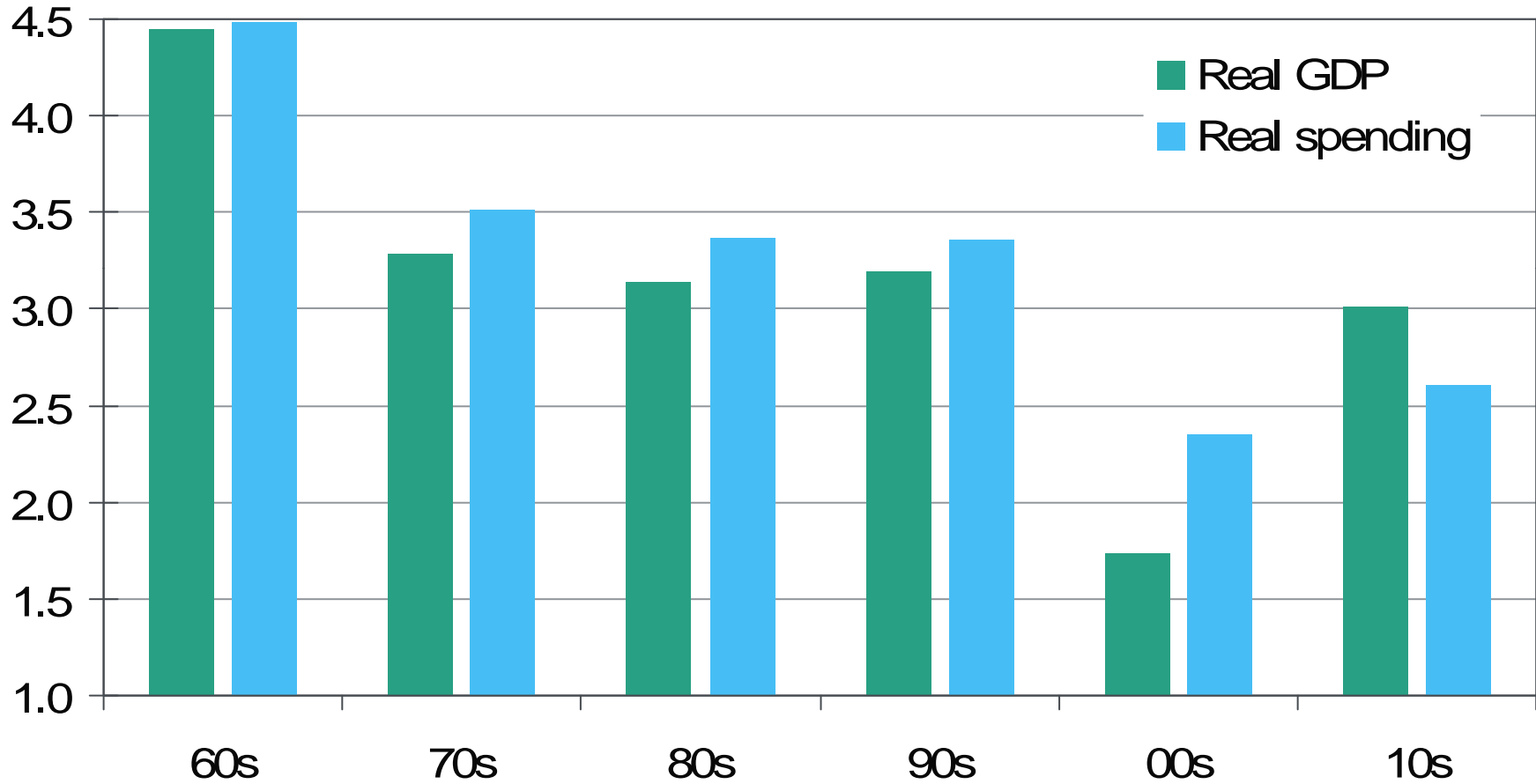
# ...and Consumption Patterns Are Changing...

San Jose-Sunnyvale-Santa Clara, CA Metropolitan Statistical Area



# ...So Spending Will Not Lead Economy

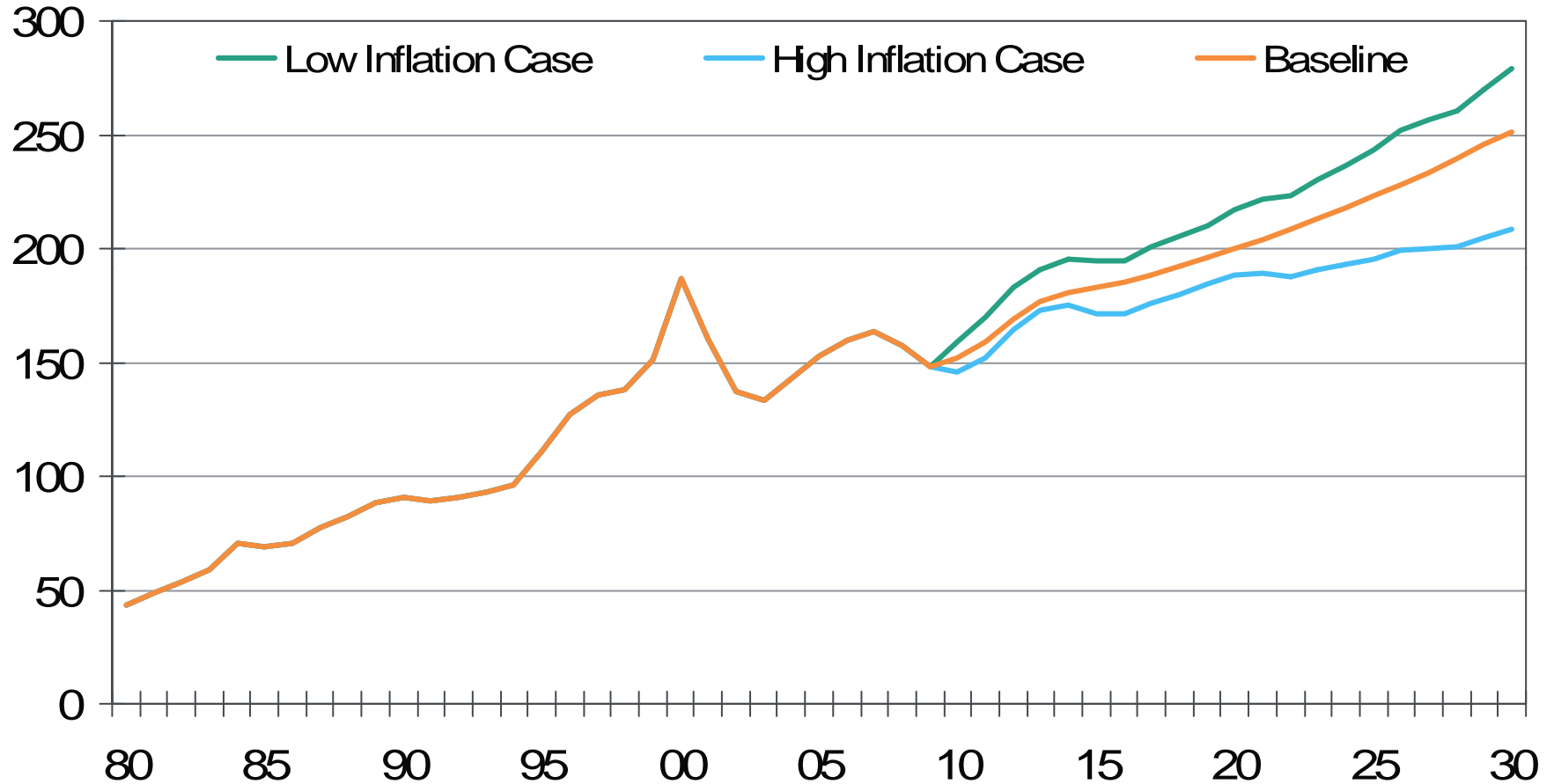
Average % change



Sources: BEA, BLS, FRB, Fiserv

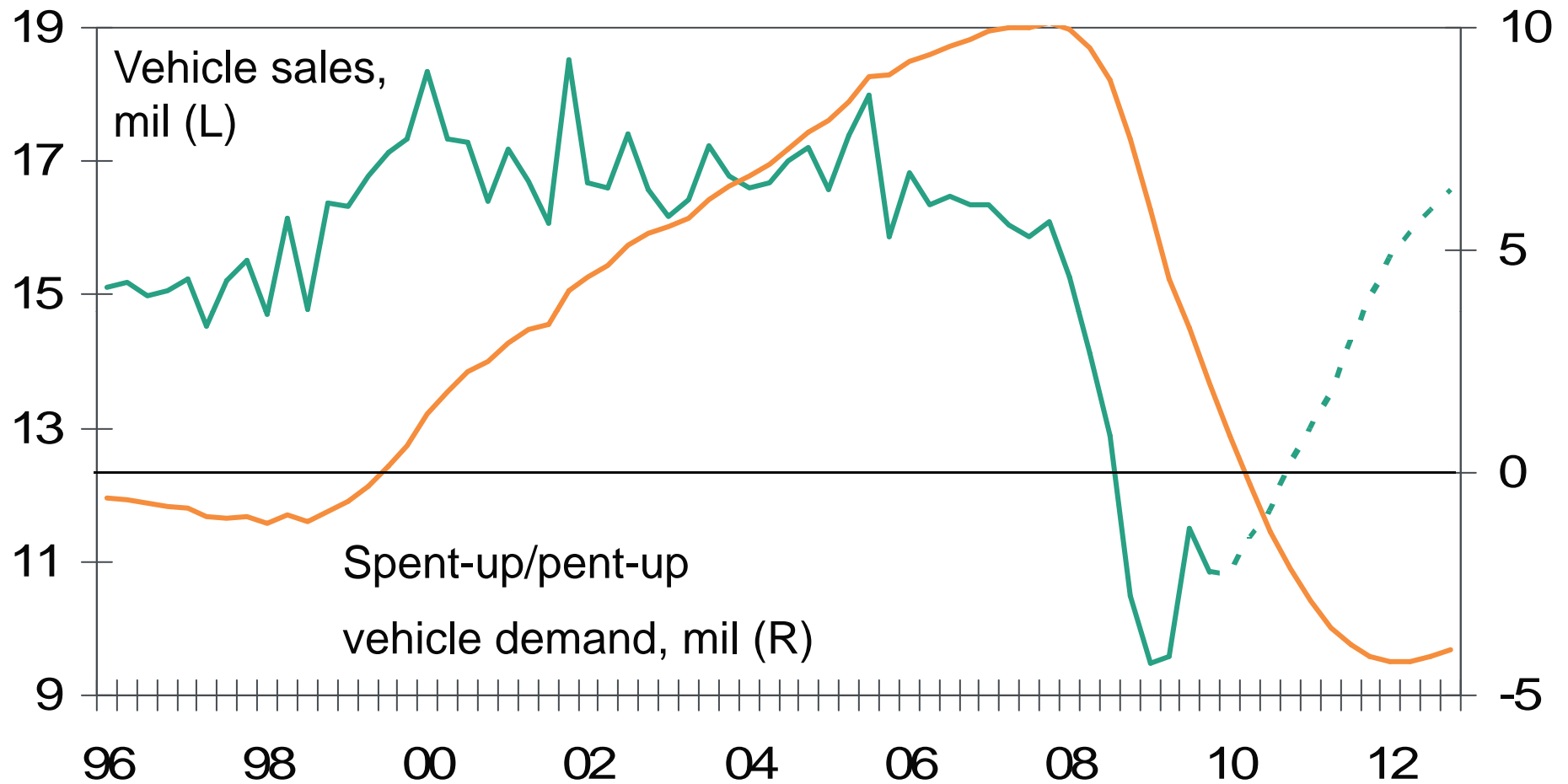
# Sales Tax Collections Have Bottomed Out

1976 Half Cent Sales Tax revenues, fiscal years, \$ millions



Source: Moody's Economy.com

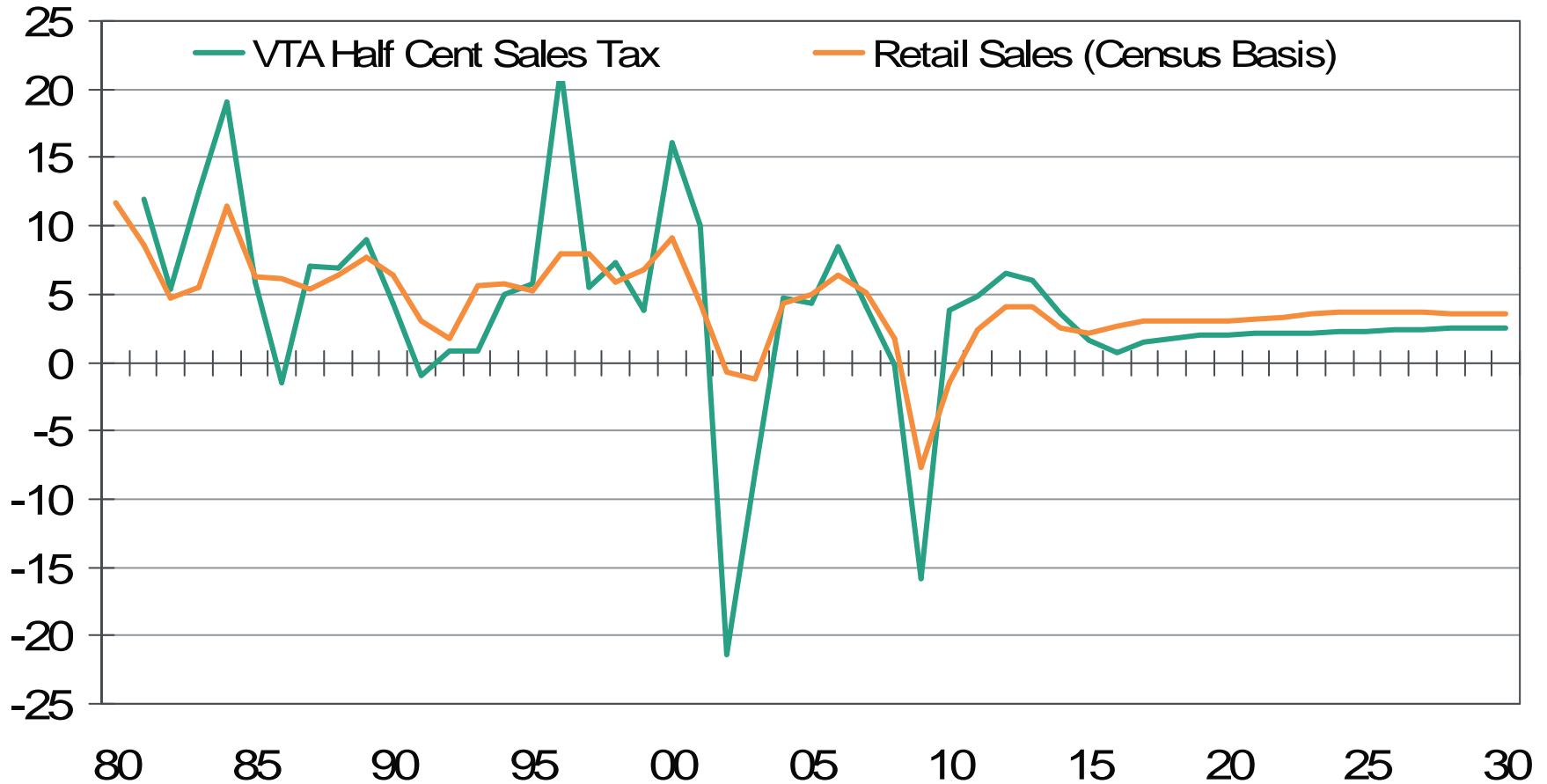
# From Spent-Up to Pent-Up Demand



Sources: BLS, Moody's Economy.com

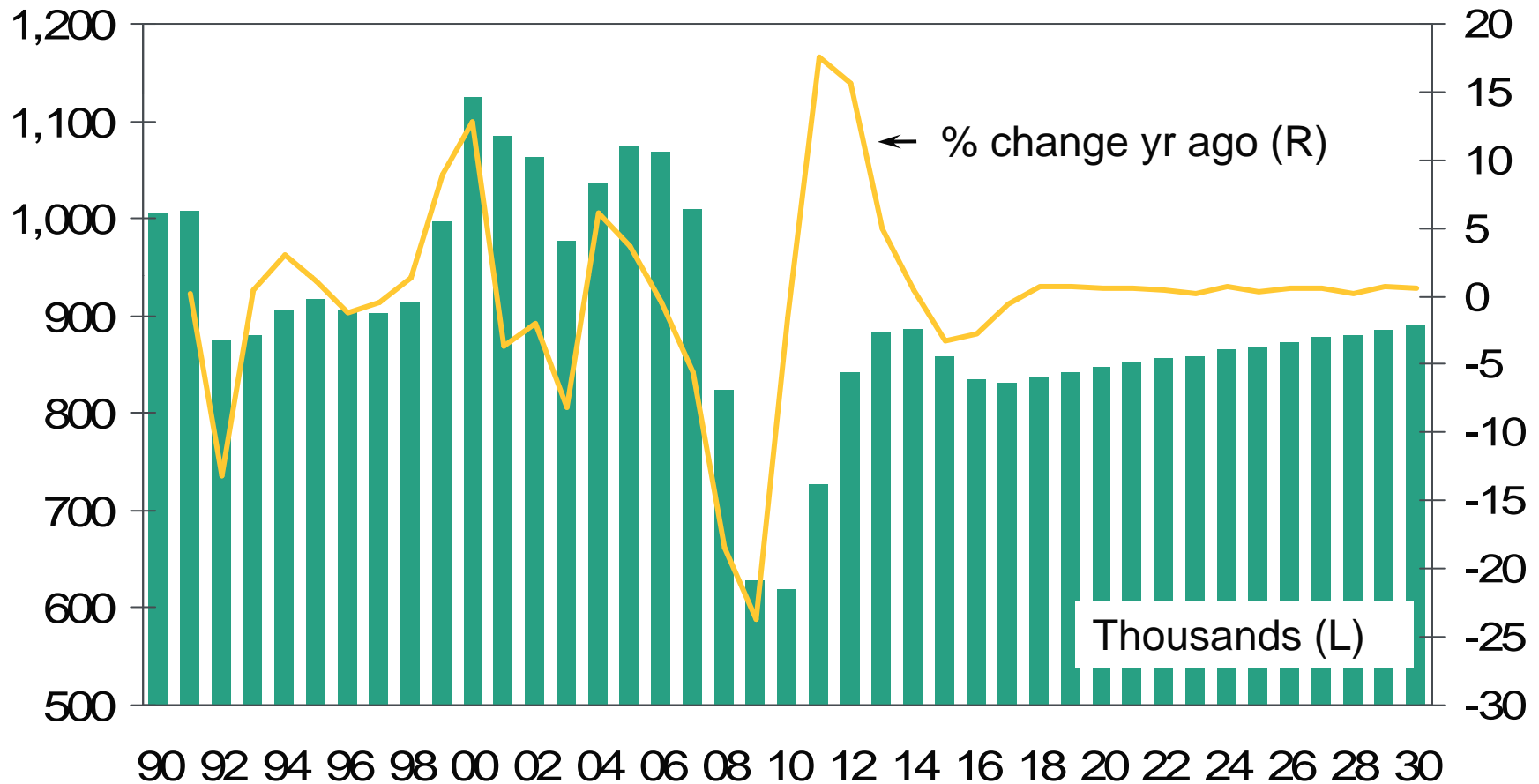
# Little Growth Following the Recovery

% change year ago, fiscal years




# Registration Fees: Fewer New Vehicles on the Road

CA new vehicle registrations



Sources: Polk, Moody's Economy.com





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# SAN JOSE

## EMPLOYMENT GROWTH RANK

Best=1 Worst=392

2008-2010

**298**  
4th quintile

2008-2013

**220**  
3rd quintile

## LIFE CYCLE PHASE

Growth

### VITALITY

U.S. = 100% **96%**

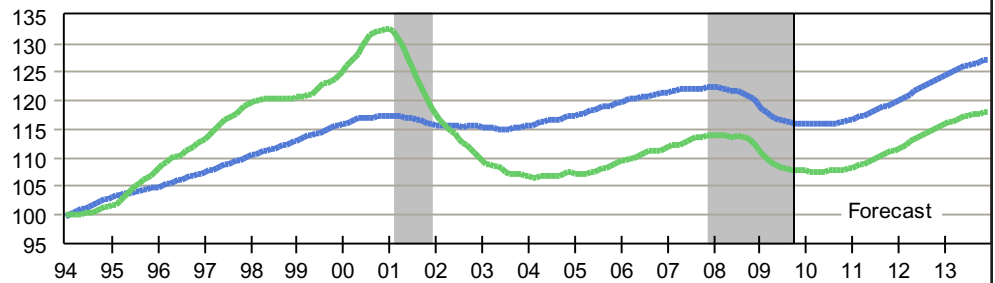
### COST OF DOING BUSINESS

U.S. = 100% **122%**

### COST OF LIVING

U.S. = 100% **164%**

## RELATIVE EMPLOYMENT PERFORMANCE (1994=100)



DataBuffet® MSA code: MSAJ

— U.S. — SAJ

2002	2003	2004	2005	2006	2007	2008	INDICATORS	2009	2010	2011	2012	2013
92.5	92.3	95.7	105.7	113.3	120.7	118.4	<b>Gross metro product (C\$B)</b>	111.6	116.0	122.8	132.1	138.5
-7.9	-0.2	3.7	10.4	7.1	6.6	-1.9	% change	-5.8	3.9	5.9	7.5	4.9
917.2	870.3	862.0	869.9	891.2	911.2	915.2	<b>Total employment (000)</b>	877.2	868.8	884.8	916.3	944.5
-9.9	-5.1	-0.9	0.9	2.4	2.3	0.4	% change	-4.2	-0.9	1.8	3.6	3.1
8.4	8.4	6.5	5.4	4.6	4.8	6.1	<b>Unemployment rate</b>	11.4	12.6	12.1	10.1	8.7
-6.9	1.5	4.4	6.9	9.7	7.7	1.0	<b>Personal income growth</b>	-6.3	0.7	2.9	4.7	5.4
1,730.4	1,726.4	1,728.4	1,742.9	1,762.3	1,786.4	1,819.2	<b>Population (000)</b>	1,834.9	1,854.1	1,872.0	1,889.7	1,906.9
2,239	2,565	2,787	2,416	2,151	1,955	958	<b>Single-family permits</b>	582	797	1,353	1,744	1,734
2,382	4,538	2,705	3,320	3,999	2,239	2,532	<b>Multifamily permits</b>	283	615	1,060	1,228	1,216
543.2	551.1	623.1	735.2	774.0	833.3	677.4	<b>Existing-home price (\$ths)</b>	491.6	422.7	453.1	485.3	517.2
62,269	77,980	51,577	49,171	42,239	39,630	26,704	<b>Mortgage originations (\$mil)</b>	33,784	30,945	25,091	22,843	25,568
-35.0	-23.5	-14.8	-2.4	1.8	6.0	15.3	<b>Net migration (000)</b>	-2.8	0.1	-1.7	-2.5	-3.3
4,536	5,245	5,145	6,286	1,578	2,374	4,189	<b>Personal bankruptcies</b>	6,825	8,843	10,964	10,772	9,537

## STRENGTHS & WEAKNESSES

### STRENGTHS

- High concentration of tech and venture capital firms.
- Highly skilled workforce.
- Internet-related firms are experiencing growth amid growing demand.

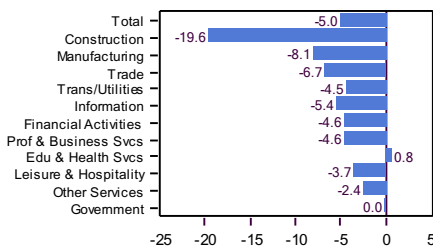
### WEAKNESSES

- Cost of doing business remains high.
- Mortgage delinquencies and foreclosures are still deteriorating.

## CURRENT EMPLOYMENT TRENDS

### NOVEMBER 2009

% change yr ago, 3-mo MA



## FORECAST RISKS

SHORT TERM ↓ LONG TERM ↑

RISK-ADJUSTED RETURN, '08-13 **-0.08%**

### UPSIDE

- Federal stimulus in renewable energy and broadband supports tech firms.
- Tech rebound increases demand for business services such as accountants.

### DOWNSIDE

- Defense procurement spending is stymied by federal spending constraints.
- Still rising mortgage delinquencies and foreclosures trigger more price drops.

## ANALYSIS

**Recent Performance.** San Jose is beginning to transition from recession into recovery. Industrial production levels are higher than they were during the trough reached in the middle of the year. However, job losses continue, led by weaknesses in food and tech manufacturing and the continued contraction of residential and commercial construction. Tech firms are offsetting some job losses with the continued hiring of computer systems design workers.

The housing market has registered some improvements—house prices have increased since the beginning of 2009, and sales levels are higher than a year earlier. However, weaknesses are still visible in the form of growing late-stage mortgage delinquencies and foreclosures.

**Tech.** Growth in SAJ's sizable tech industry will spill over into other industries and help the metro area to enter into a recovery in 2010. Currently, tech companies in Silicon Valley are directly hiring workers for new Internet-based platforms for corporate databases and consumer games. Tech companies are also increasing demand for temporary workers for both technical and administrative positions—a positive signal of future hiring intentions.

Improvements in financial markets in 2010 will help SAJ tech industries grow, although in new directions from the recent past. Venture capital investments in the metro area have increased since the second quarter of 2009 according to the PWC/NVCA/MoneyTree Report. Recent investments have been geared towards renewable energy technologies and networking equipment and away from software design.

**Office space.** SAJ's office markets will take longer to recover than its tech industries. Tech firms were quick to jettison excess workers and office space during the recession in order to maintain profitability. The contraction of demand beginning in the first half of 2008 coincided with the comple-

tion of several new office buildings. As a result, office vacancies have soared to above 22%—the highest in the Bay Area.

The initial recovery of office-using employment in 2010 will help to slowly revive demand for construction. While the oversupply of office buildings will dampen interest in new construction in the near term, SAJ will avoid the large-scale loss of office-using employment that it experienced at the end of the tech boom of the 1990s. The most recent peak-to-trough loss of office-using employment is forecast to total 5% by Moody's Economy.com—a fifth of the loss registered during the prior recession.

**Housing.** The housing market in SAJ will backpedal in 2010 from recent improvements. Continued job losses and the growing volume of late-stage mortgage delinquencies will increase the number of distressed house sales in early 2010. As a result, house prices will fall by 20% from current levels by the middle of next year.

Renewed house price depreciation in the near term will increase house sales. Rising prices slowed the rate of growth of house sales in the second half of 2009. The near-term boost in housing affordability will help previously discouraged homebuyers, as will the recently extended and expanded federal tax credit for first-time buyers.

**San Jose's economy will slowly begin to emerge from recession in 2010 before growing at a faster rate in 2011. Job losses will linger into the first half of 2010, as will new declines in house prices. Longer term, SAJ's cluster of leading technology companies, its ability to create innovative new companies, and its highly educated population will remain major boosts for the metropolitan area. High costs will act as a drag on growth, keeping SAJ's performance average at best.**

*Eduardo J. Martinez  
December 2009*

## EMPLOYMENT & INDUSTRY

### TOP EMPLOYERS

Cisco Systems, Inc.	17,200
Stanford University Hospital, Linear Accelerator	16,600
Stanford University	9,821
Lockheed Martin Corporation	8,000
Intel Corporation	6,720
IBM Corporation	6,650
San Jose State University	5,727
Santa Clara Valley Medical Center	4,063
Applied Materials, Inc.	4,000
Yahoo, Inc.	4,000
Kaiser Permanente	3,696
Sun Microsystems, Inc.	3,500
eBay, Inc.	3,010
Fujitsu America, Inc.	3,000
Google, Inc.	2,882
Hitachi America Ltd.	2,800
Symantec Corporation	2,542
VMware, Inc.	2,500
Xilinx, Inc.	2,440
Network Appliances, Inc.	2,324

Sources: San Francisco Business Times, 2008 and San Jose Business Journal Book of Lists, 2008

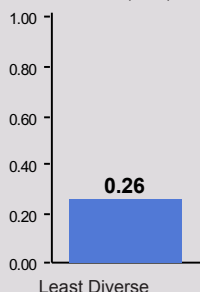
### PUBLIC

Federal	11,009
State	7,481
Local	79,349

2008

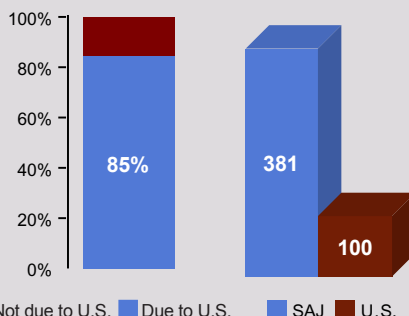
### INDUSTRIAL DIVERSITY

Most Diverse (U.S.)



### EMPLOYMENT VOLATILITY

Due to U.S. fluctuations      Relative to U.S.



■ Not due to U.S. ■ Due to U.S. ■ SAJ ■ U.S.

## MIGRATION FLOWS

### INTO SAN JOSE, CA

### NUMBER OF MIGRANTS

Oakland, CA	8,000
San Francisco, CA	7,979
Los Angeles, CA	3,224
Sacramento, CA	2,383
Stockton, CA	2,377
Modesto, CA	1,738
Santa Cruz, CA	1,678
Merced, CA	1,645
San Diego, CA	1,540
Salinas, CA	1,251
<b>Total In-migration</b>	<b>63,406</b>

### FROM SAN JOSE, CA

Oakland, CA	9,984
San Francisco, CA	8,615
Sacramento, CA	3,073
Los Angeles, CA	2,424
Stockton, CA	2,402
Santa Cruz, CA	1,663
San Diego, CA	1,471
Merced, CA	1,420
Modesto, CA	1,389
Salinas, CA	1,158
<b>Total Out-migration</b>	<b>63,393</b>

### Net Migration

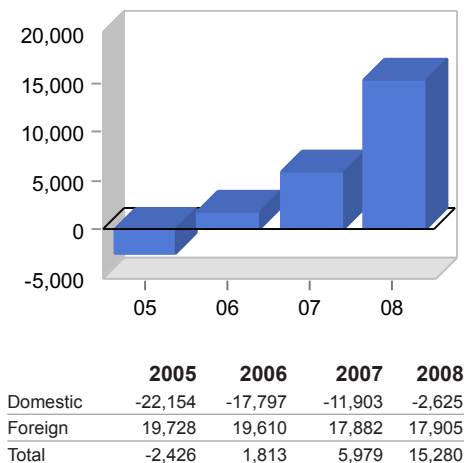
13

## COMPARATIVE EMPLOYMENT AND INCOME

Sector	% of Total Employment			Average Annual Earnings		
	SAJ	CA	U.S.	SAJ	CA	U.S.
Mining	0.0%	0.2%	0.5%	\$73,176	\$90,172	\$93,330
Construction	4.8%	5.2%	5.3%	\$67,239	\$67,561	\$52,869
Manufacturing	18.4%	9.5%	9.8%	\$166,389	\$82,641	\$68,860
Durable	92.3%	63.2%	63.1%	nd	\$91,847	\$70,136
Nondurable	7.7%	36.8%	36.9%	nd	\$67,055	\$66,651
Transportation/Utilities	1.5%	3.4%	3.7%	\$182,671	\$62,093	\$57,176
Wholesale Trade	4.4%	4.7%	4.4%	\$117,619	\$75,911	\$72,229
Retail Trade	9.2%	11.0%	11.2%	\$44,970	\$37,009	\$30,169
Information	4.6%	3.2%	2.2%	\$200,050	\$103,049	\$85,435
Financial Activities	3.8%	5.7%	5.9%	\$45,566	\$53,324	\$51,702
Prof. and Bus. Services	19.5%	15.0%	13.0%	\$91,640	\$62,468	\$56,434
Educ. and Health Services	11.7%	11.5%	13.8%	\$62,384	\$51,575	\$45,677
Leisure and Hosp. Services	8.5%	10.5%	9.8%	\$25,636	\$28,355	\$23,049
Other Services	2.8%	3.4%	4.0%	\$29,993	\$36,112	\$32,271
Government	10.7%	16.8%	16.4%	\$76,735	\$70,829	\$60,777

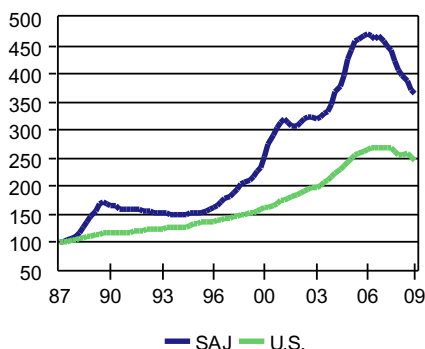
Sources: Percent of total employment — Moody's Economy.com & BLS, 2008; Average annual earnings — BEA, 2007

### Net Migration, SAJ



Sources: IRS (top), 2008; Census Bureau, 2008

## HOUSE PRICES



Source: FHFA, 1987Q1=100, NSA

## LEADING INDUSTRIES

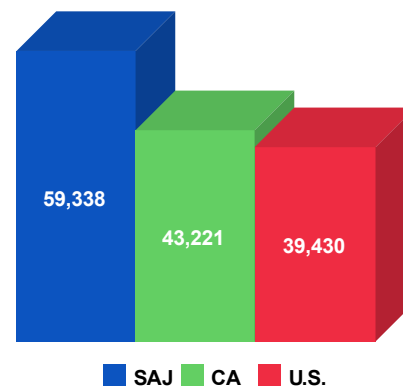
### NAICS INDUSTRY      EMPLOYEES (000)

GVSL State & Local Government	86.8
5415 Computer Systems Design and Related Svcs.	51.0
3344 Semi. & Other Elect. Component Manuf.	47.1
3341 Computer and Peripheral Equipment Manuf.	36.9
7221 Full-Service Restaurants	29.5
7222 Limited-Service Eating Places	24.2
6221 General Medical and Surgical Hospitals	23.4
5613 Employment Services	22.1
6113 Colleges, Universities & Professional Schools	21.6
5417 Scientific Research and Development Services	20.1
3345 Nav., Meas., Electromed. & Ctrl. Inst. Manuf.	18.2
5617 Services to Buildings and Dwellings	15.2
5191 Other Information Services	14.9
4451 Grocery Stores	14.1
4234 Prof. & Comm. Equip. & Supp. Merch. Whlsrs.	13.8

High-tech employment	228.9
As % of total employment	24.5

Sources: BLS, Moody's Economy.com, 2008

## PER CAPITA INCOME



■ SAJ ■ CA ■ U.S.

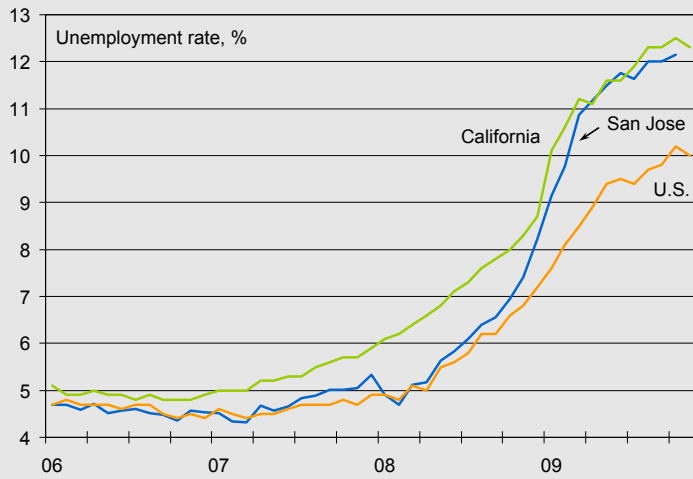
Source: Bureau of Economic Analysis, 2007

## CREDIT QUALITY

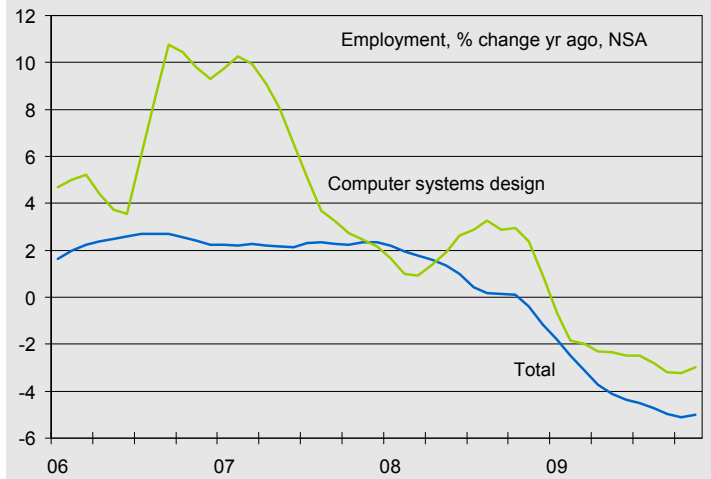
MOODY'S RATING

**Aa2** COUNTY

## Labor Market Lags Initial Signs of Recovery

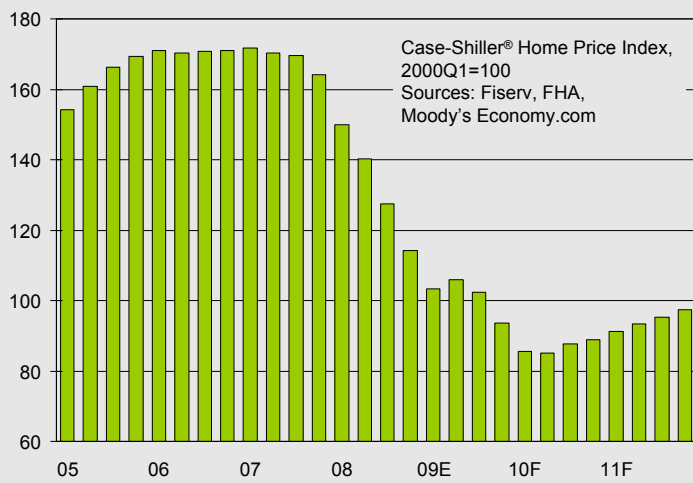


## San Jose Internet Firms Avoid Larger Job Losses

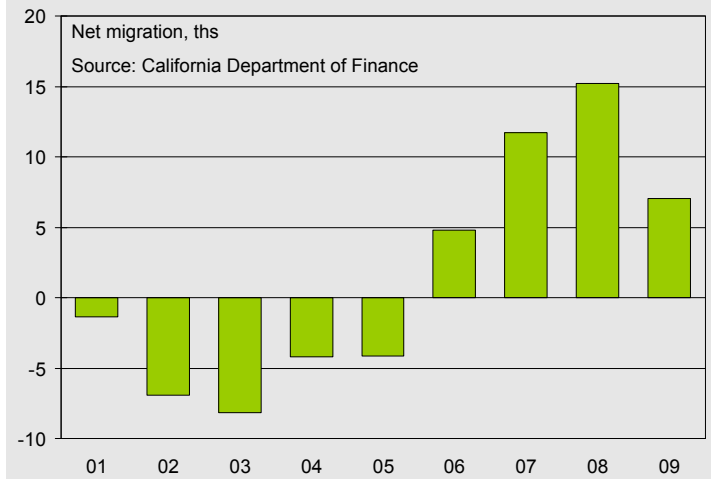


SAJ's internet-related firms will be among the first companies to add workers during the initial stages of the recovery. Social networking leader Facebook Inc. will triple its office space within SAJ next year in order to accommodate its growing number of workers and new business ventures. Search engine leader Google Inc. is actively acquiring smaller tech companies in Silicon Valley in search of new internet-based data sharing technologies. This growth will fuel the need for computer engineers and help to create a floor for the currently depressed office market.

## Foreclosures Will Push Down San Jose Prices Again

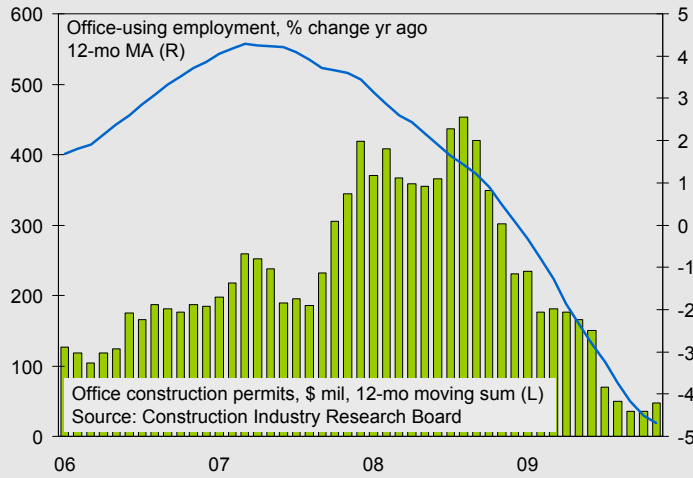


## San Jose Avoids Outmigration of the Tech Bust Years



SAJ will avoid a repeat of the earlier outmigration that occurred at the end of the tech boom. The housing-related makeup of the most recent recession is softening the demographic impact for SAJ. After reaching its peak in 2000, employment fell by 20% through 2004. The peak-to-trough drop through 2010 is forecast by Moody's Economy.com to be only 6%. The relative strength of tech companies in Silicon Valley and the absence of near-term job opportunities in hard-hit housing metro areas will act as a strong retention for skilled workers in SAJ.

## Office Building Construction Slows in Face of Falling Demand



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Santa Clara Valley Transportation Authority  
Ad Hoc Committee on Fiscal Recovery

# Competitive Bidding Transit Service

March 10, 2010

**JACOBS**



# Research Objectives

This VTA research focused on Express Bus.

- Quantify possible cost savings
- Determine staffing required to monitor contracts
- Are private providers involved in service planning?
- What lessons can be learned from others?



# Research Components

- Literature review
- Public agency interviews
- Local employer on-line survey
- Private provider interviews



# Research Components

- Public Agency Interviews
  - Metropolitan Transit System (San Diego, CA)
  - North County Transit District (Oceanside, CA)
  - Regional Transportation District (Denver, CO)
  - SamTrans (San Mateo County, CA)
- Local Employer Survey
  - Survey conducted by VTA staff
  - 7 eligible respondents
- Private Provider Interviews
  - 5 respondents



# The Big Picture

- 60% of US transit agencies contract out some service
- 30% contract out some or all *fixed-route* service
- Contracting especially advantageous for peak-hour, long-haul lines in low-density areas
  
- VTA currently contracts some transit services:
  - Paratransit
  - ACE Shuttles
  - Light Rail Shuttles
  - Caltrain
  - ACE
  - Capitol Corridor



# Service Delivery Mode

- 6 alternative outsourcing models
  - Service Contracting
  - Franchising
  - Brokering
  - Concession
  - Entrepreneur
  - Open Market
- Most in US follow Service Contracting model
- “Entrepreneur” scenario in Santa Clara County (private employers independently provide competing service)



# Reasons for Contracting

- Desire to expend public dollars efficiently
- Literature revealed that promoting efficiency and saving costs are main motivators
- 3 of 4 public agencies contacted are motivated by economics; 4<sup>th</sup> agency (Denver RTD) is legislative
- Employers view providing free transit service as an employee benefit
- Employers utilize contracting because they don't have the expertise in-house and don't want to develop it
- Expand the transit system



# Contracting Arrangements

- Fixed Price: fixed dollar amount allocated to private provider for a given service level; adjustments in miles or hours at a corresponding price
  - Incentive for provider to become more efficient
  - Possibility of reducing quality
  - Spreads risk well between agency and provider
  - Used by NCTD, MTS, RTD, SamTrans and local employers that were surveyed
  - Favored by private providers
- Cost Plus: private provider paid for miles/hours operated + management fee
  - Flexible to changing service but more difficult to track costs
  - Little incentive for provider to become more efficient
- P3: agency sets standards for service, buses, secures other tax benefits for operator



# Unadjusted Cost Savings

- Literature cites savings of 10%-40% per unit of service
- Three agencies contacted saved 32%-38% of fully allocated operating costs
- Cost differences are the result of reduced operator wages, benefits, and work rules

HOWEVER, These costs do not include overhead such as:

- Management
- Planning
- Accounting



# Adjusted Cost Savings/Contract Mgmt

- 3 agencies average 5+ FTE monitoring the contracts
- Employers need 1-2 FTE, depending on size of contract
- Smaller contracts = higher ratio of FTEs per unit of service (diseconomies of scale)
- Contract management costs
  - VTA's fully allocated rate: \$245,000/year/FTE
  - Staff of 5: ~\$1.35 million
  - Equivalent to 5-15% of expected cost savings
- Conclusion: Even with management expenses, cost savings still potentially substantial
  - (still not included is service planning, marketing, etc.)



# Service Planning

- Service planning, operations planning, long-range planning handled by agency staff and most employers, not by service providers
- Some agencies welcome suggestions by providers or operators, but not actively solicited
- One employer does give provider general schedule parameters and asks provider to develop its best operating plan
- One provider reported active involvement in service planning as part of “managed contract” arrangements
- Fares generally set by public agencies; employer-provided usually free



# Vehicles and Amenities

- Agencies contacted utilize conventional buses for contract service
- Employers prefer smaller buses or vans, often with amenities
- Private providers offer what's specified in the contract
- Independent “entrepreneur” providers sometimes use upscale vehicles with amenities



# Labor Considerations

- Labor protections provided by Section 13c of Urban Mass Transportation Act
- Contracting often limited to service expansion or through attrition
- Several public agencies included in their contracts recognition of current union and hiring of existing O&M staff
- Private operators generally do not have unions



# Lessons Learned

- Any cost reduction is due to lower wage rates, benefits and fewer work rules for contracted drivers and mechanics
- Service contracting is the most common outsourcing model in use, though brokering could be advantageous if partnerships can be forged with employers
- Major disadvantage of outsourcing is potential loss of control, depending on the contract parameters



# Lessons Learned

- Set up the competitive process early; it's lengthy and needs to be well thought out in advance
- Communicate early and often with affected unions and employees about possible competitive processes
- Set realistic expectations
- The quality of the service you get depends on your due diligence in researching providers' past performance and contract oversight
- Engage private providers as partners, not adversaries; communicate with them openly and regularly
- Establish solid contract monitoring procedures
- Consider all possible outcomes and structure the contract with the flexibility to make adjustments
- Elicit feedback from customers as well as staff

## **SB 83 – Vehicle Registration Fee**

### **SB 83**

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- Statute authorizes VTA to place an annual fee of up to \$10 on motor vehicles registered within the county for transportation programs and projects.
- Fee requires a ballot measure with a simple majority voter approval.
- Fee can only pay for programs/projects bearing a relationship or benefit to the owners of motor vehicles paying the fee.
- Programs and projects must be consistent with regional transportation plan and requires specified findings of fact.
- Governing board must adopt an expenditure plan detailing the programs and projects that would result.

### **Expenditure Plan**

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The expenditure plan may include the following eligible categories:

1. Matching fund for other grant sources.
2. Congestion mitigation programs such as HOV/HOT lanes, local streets and roads rehabilitation, bicycle and pedestrian improvements, signal coordination and roadway operational improvements, traveler information systems, intelligent transportation systems and transit service expansion.
3. Automobile-related pollution mitigation programs.

### **Expected Revenues - \$14 Million Annually**

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### **Requested Actions**

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1. Recommend the VTA Board of Directors authorize up to \$30,000 to contract with a polling firm to determine the feasibility of placing a \$10 vehicle registration fee on the ballot for residents of Santa Clara County.
2. Direct staff to develop an expenditure plan to detail the programs and projects that would be developed through the potential vehicle registration fee.
3. Return to the Board in mid-2010 with the draft expenditure plan and the polling results to determine whether or not to place the vehicle registration fee on the November 2010 ballot.