



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

Wednesday, April 28, 2010

**MEETING RECORD**

**1. CALL TO ORDER**

The Santa Clara Valley Transportation Authority’s (VTA’s) Ad-Hoc Financial Recovery Committee (Ad-Hoc FRC) meeting was called to order by Chairperson Gage at 3:04 p.m., in Building A - Auditorium, VTA River Oaks Campus, 3331 North First Street, San Jose, California.

**ROLL CALL**

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

**A quorum was present.**

**2. PUBLIC PRESENTATIONS**

There were no Public Presentations.

**3. CHAIRPERSON'S REPORT**

Chairperson Gage noted: 1) Under Agenda Item #4, staff would provide an update of the FY 2010 & FY2011 Budget deficit; and 2) The majority of the meeting would consist of a discussion on suggestions provided at the April 7, 2010, Ad-Hoc FRC meeting to help VTA achieve financial stability and review the use of funds.

Chairperson Gage noted the Committee's focus is on the long-term structural deficit facing VTA.

Chairperson Gage reported, at the request of some stakeholders, budget documents from the last ten years are available for review.

Chairperson Gage reported the next As-Hoc Financial Recovery meeting is scheduled for Wednesday, May 5, 2010.

**4. FY2010 & FY2011 Budget Deficit Update**

Joe Smith, Chief Financial Officer, provided a PowerPoint Presentation entitled, "FY2010 and FY2011 Budget Deficit Update." Mr. Smith noted the presentation has also been provided to the Administration and Finance (A&F) Committee for review. Mr. Smith noted the genesis of the report is the result of instruction in December 2009 from the Board of Directors to provide a FY10 and FY11 update to the A&F Committee in April 2010.

Mr. Smith reported sales tax revenues are significantly lower than projected. He reported the Board of Directors provided direction to: 1) Reduce appropriations of \$7.5 million in the operating budget for FY10 & FY11; 2) Provided flexibility to utilize a portion of Measure A funds; and 3) Use of the debt reduction fund.

Mr. Smith noted with the savings from internal efficiencies, STA funds, additional stimulus funds and the impact of 1<sup>st</sup> and 2<sup>nd</sup> quarter sales tax receipts of \$37 million more than projected reduced the 2 year budget deficit to \$21 million. He summarized the drawdown of an additional \$25 million Measure A operating assistance is not needed at this time nor are further mitigation actions.

Member Abe-Koga expressed concern with projection formulas.

**5. Financial Stability Ideas for Consideration (continued from April 7, 2010 meeting)**

Carol Lawson, Fiscal Resources Manager, provided an overview of the revised handout entitled, "Financial Stability Ideas for Consideration." She stated the document contained the same information as the previous version of the document emailed to the Committee April 2, 2010. Ms. Lawson reported the review contains key components to achieve financial stability.

Ms. Lawson provided a PowerPoint Presentation entitled, “Financial Stability Ideas for Consideration Review,” highlighting: 1) Key Components to Achieve Financial Stability; 2) Implementation Timeframes; 3) Identify and Implement Recurring Savings; 4) Level of Service; 5) Cost of Service; 6) Labor and Benefits; 7) Non-Labor; and 8) Contracted Services/Regional Partnerships.

Members of the Committee requested the actuarial analysis assumptions. Ms. Lawson stated she would provide the information.

Ms. Lawson provided an overview of the Peer Salary Comparison and the Peer Salary Survey - February 2010.

Members of the Committee expressed concern regarding contracted services and the tenure of contracted employees.

Stakeholder Cindy Chavez distributed a handout entitled, “Feedback on Chairperson Gage’s Recommendations and Additional Suggestions.” She inquired if the Committee would have time to discuss the document at the next Ad-Hoc Committee meeting. Chairperson Gage responded in the affirmative, if time permits.

**6. Review Use of Funds**

Carol Lawson, Fiscal Resources Manager, reviewed the Use of Funds.

**7. ADJOURN**

**On order of Chairperson Gage** and there being no objection, the Ad-Hoc Financial Recovery Committee meeting adjourned at 4:38 p.m.

Respectfully submitted,

Jacqueline F. Golzio, Board Assistant  
VTA Office of the Board Secretary