



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

Wednesday, June 2, 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 3:05 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>		
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	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
William Hadaya	Santa Clara County Coalition of Chamber of Commerce	Present
Tom Williams	Santa Clara County City Managers Association	Absent
Aaron Morrow	Committee for Transit Accessibility	Present

A quorum was present.

2. **PUBLIC PRESENTATIONS**

There were no Public Presentations.

3. **CHAIRPERSON'S REPORT**

Chairperson Gage thanked the Committee for their hard work and provided a brief synopsis of topics covered thus far highlighting: 1) VTA's budget projections and history of the local sales tax, 2) Activities of prior committees and their recommendations, 3) Hay Group Report, 4) State Audit, 5) Short Range Transportation Plan, 6) Presentations from Moody's Analytics and Jacobs Engineering on sales tax projections and the use of contracted services, 7) Information on other transit agencies and analysis of financial stability ideas for consideration 8) Personnel costs 9) Presentation from Bob Kuo, Consultant, and his evaluation of assumptions and projections, 10) Reviewed position of partner agencies and reserve levels, and 11) Reviewed recommendations from Cindy Chavez and the South Bay Labor Council.

Chairperson Gage indicated the next steps include review of suggested prioritization and key principles with the goal of submitting the recommendations to the Board enabling them to provide policy guidance and allowing the organization to continue servicing the community, while retaining the flexibility to expand service in sustainable way.

4. **Draft Financial Stability Policy**

Jim Lawson, Government Affairs Manager, provided background information on the Draft Financial Stability Policy VTA Transit Enterprise Fund and the Ad-Hoc Financial Recovery Committee Key Principles, noting a suggestion from Members of the Board and stakeholders to develop a Revenue Enhancement Committee responsible for advising the Board on possible ways to increase VTA's operating revenues.

Priority #1 – Preserving the existing level of transit service

Stakeholder Chavez questioned the significance of integrating the VTA Transit Sustainability Policy and service design guidelines with the priority.

Mr. Lawson indicated the Transit Sustainability Program is very comprehensive Board adopted policy which helps support and justify the provision of service for buses and light rail.

Member Herrera requested staff provide a streamlined version of the Transit Sustainability Policy to aid in determining what services to maintain. She indicated her support but would like to be more informed about what the policy will affect.

Committee Stakeholders questioned who would serve on the Revenue Enhancement Committee noting the importance of input from the community and business leaders.

Chairperson Gage indicated the public will be represented on the Committee, but the details will be determined at a later date.

Member Abe-Koga questioned how often farebox policies and goals are reviewed. She indicated support of the recommendation noting more information is needed on the Transit Sustainability Policy and suggested implementing a review schedule.

The Members of the Committee agreed to forward Priority #1 to the Board of Directors for approval.

Stakeholder Springer expressed concern with changes that have been made to routes and service and the decrease in ridership and cautioned the Members to be careful when looking at the policies.

Member Herrera indicated the need to evaluate the policy and implement a review process before Board adopts Priority #1 and questioned if the language in the priority could be changed so it's less tied to the policy.

Mr. Lawson indicated the intent is not to define the policy but to preserve fixed route and paratransit service while giving the Board the ability to tailor it as best as possible for the ridership. He suggested changing the language to read "in the best interest of riders and general public."

Stakeholder Dhanota requested clarity on the list of priorities and written policies.

Chairperson Gage stressed the need to move forward with recommendations to the Board and have the Revenue Enhancement Committee work out the details.

Chairperson Gage indicated VTA is lobbying for federal transportation funds and the private sector is putting pressure on the government as well.

Stakeholder Chang indicated the Silicon Valley Leadership Group is looking at federal funding for transportation and making sure our region gets its fair share.

Committee Members approved on consensus submitting Priority #1 to the Board – Preserving the level of fixed route transit service and paratransit service provided to VTA riders to the greatest extent possible. The service plan shall be developed in accordance with VTA's Transit Sustainability Policy and service design guidelines which shall be periodically reviewed and in the best interest of the ridership.

Priority #2 Activities that directly support the provision of transit service

Stakeholder Chavez suggested adding "management functions" and, "comparing ourselves against other agencies relative to pyramid or organization structure."

Chairperson Gage indicated Michael T. Burns, General Manager, has committed to examine all areas and management will be assessed as well.

Member Herrera approved submitting the recommendation and suggested adding "benchmarking against best practices and looking at the organizational structure."

Stakeholder Springer expressed concern for the public and the disenfranchised because of service cuts and hopes this priority targets unnecessary layers and departments within VTA.

Member Herrera suggested adding “direct staff to look at areas where efficiencies can be achieved, including reducing layers of management”, to the priority.

The Committee approved on consensus submitting Priority #2 to the Board - Activities that directly support the provision of transit service ie., only those core operating, administrative, and management functions that are necessary and essential to support the provision of the existing level of transit service, both in terms of the types of functions required and the level of resources needed to support service as measured against industry standards and practices with consideration of efficiencies and reduction of layers of management.

Priority #3 – Support for transit service provided by partner agencies

Stakeholder Chavez suggested adding language “commensurate with partner agencies.”

Mr. Lawson suggested adding, “commensurate with partner agency contributions.”

Member Abe-Koga questioned if VTA should continue to support programs or services losing large percentages in ridership.

Committee Members approved on consensus submitting Priority #3 to the Board - Support for transit service provided by partner agency (e.g., Caltrain, ACE, Dumbarton Express, etc...) commensurate with partner agency contributions.

Priority #4 - Activities that clearly contribute to increasing VTA’s operating funding

Stakeholder Chavez suggested adding language “contribute to increasing and diversifying VTA’s operating fund”, and “opportunities for earned income.”

Committee Members approved on consensus submitting Priority #4 to the Board – Activities that clearly contribute to increasing and diversifying VTA’s operating fund (e.g. fare programs, joint development, advertising, opportunities for earned income, etc...)

Priority #5 – Activities that provide information to riders, employees, stakeholders, and the public

Mr. Lawson provided clarification of the priority noting the programs being referred to are not those legally required, but those which may be nice to have but are not essential.

Chairperson Gage noted the percentage of ridership relative to the advertising and marketing budget noting some activities may need to be eliminated.

Stakeholder Jacobvitz commented on the need for advertising and goodwill to support public transportation and reinforce need and continuity.

Member Herrera expressed VTA's need to maintain a goal of reaching out and promoting transit, but how it is done should be examined because there are less costly ways of getting the message out.

Stakeholder Dhanota expressed concern with the efficiencies within departments, specifically hiring consultants and the layers of management.

Chairperson Gage indicated after the policy guidelines are established and given to the Board, reorganization can be addressed.

Committee Members approved on consensus submitting Priority #5 to the Board – Activities that provide information to riders, employees, stakeholders and the public.

Priority #6 – Activities that would prudently expand VTA transit service when sustainable revenues are available to support service growth.

The Committee and Stakeholders discussed the importance of having a strategic plan.

Committee Members approved on consensus submitting Priority #6 to the Board – Activities that would strategically expand VTA transit service when sustainable revenues are available to support the service growth.

Chairperson Gage indicated the goal is to submit the recommendations to the Board in August, but suggested an additional meeting in June to discuss the remaining items.

Stakeholder Sedhev requested additional time to address these issues.

Chairperson Gage requested staff poll the committee try for a meeting on the June 9th from 3:30pm – 5:00pm.

7. ADJOURN

On order of Chairperson Gage and there being no objection, the Ad-Hoc Financial Recovery Committee meeting adjourned at 4:35 p.m.

Respectfully submitted,

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