



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

Wednesday, August 25, 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 3:00 p.m., in Building B-Room B-104, 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>		
Jeff Ballou for 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	NA
Brian Darrow	South Bay AF of L/CIO Labor Council Alternate	Present
Tammy Dhanota	Service Employees International Union (SEIU)	Present
Steve Barber	Service Employees International Union (SEIU) Alternate	NA
William Hadaya	Santa Clara County Coalition of Chamber of Commerce	Present
Robert Jacobvitz	Citizens Advisory Committee (CAC) and 2000 Measure A Citizens Watchdog Committee (CWC)	Absent
Aaron Morrow	Committee for Transit Accessibility (CTA)	Absent
Emma Eljas	Committee for Transit Accessibility (CTA) Alternate	Absent
Joe Pirzynski	Policy Advisory Committee (PAC)	Present
Raj Sedhev	Transportation Authority Engineers & Architects Association (TAEA)	Present
Marc Delong	Transportation Authority Engineers & Architects Association (TAEA) Alternate	NA

Mike Aldea	Transportation Authority Engineers & Architects Association (TAEA) Alternate	NA
Loretta Springer	Amalgamated Transit Union (ATU)	NA
LaVon Hamilton	Amalgamated Transit Union (ATU) Alternate	Present
Tom Williams	Santa Clara County City Managers Association	Absent

A quorum was present.

2. PUBLIC PRESENTATIONS

Judi Smith, VTA employee, expressed concern regarding the dual medical coverage policy for married employees.

Tim Melander, VTA employee, expressed concern regarding further proposed employee medical contributions and wage reductions.

Mark Knollmueller, VTA employee and SEIU representative, expressed concern with wage freezes, work furloughs, and the Final Report.

Linda Gouveia, VTA employee, expressed concern with proposed increased employee medical contributions.

Ruth Farnsworth, VTA employee, expressed concern with the VTA Sheriff contract and the proposed employee costs of medical benefits.

Peddy Pascual, VTA employee, expressed concern with the cost of benefits.

Teresa Szerlip, VTA employee, expressed concern with the cost of benefits.

Arthur Lira, VTA employee, expressed concern regarding further proposed employee medical contributions and wage reductions.

Janet McCarthy, VTA employee, expressed concern regarding the further proposed employee medical contributions and wage reductions.

3. CHAIRPERSON'S REPORT

Chairperson Gage recapped last week's Ad-Hoc Committee meeting of August 18, 2010. He stated the document entitled, Ad-Hoc Financial Recovery Committee Guidance on Operating Expenditure Priorities, Key Financial Principles and Deficit Reduction Targets," will be discussed at today's meeting. He noted this document or some modified form should represent the Committee's recommendation to the Board of Directors.

Chairperson Gage provided an overview of internal efficiencies, employee expenses, and service delivery.

4. Recommendations for Financial Recovery

Bob Kuo, Consultant, provided a PowerPoint Presentation entitled, “VTA Expenditure Priorities, Key Financial Principles and Proposed Deficit Reduction Targets.” He reviewed VTA’s guidance on expenditure prioritization, key financial principles: pros, cons and alternatives and deficit reduction targets by category.

Alternate Stakeholder Hamilton expressed concern with employee/management ratios and the need for a consultant to compile this information. Jim Lawson, Senior Policy Advisor, stated additional help was needed to prepare and compile the information for this study.

Alternate Stakeholder Hamilton requested clarification with Principle Number 5: Negotiate Sustainable Bargaining Unit Agreements. Mr. Lawson stated all employees are included in the principle.

Mr. Kuo referenced the document entitled, “Ad Hoc Financial Recovery Committee Guidance on Operating Expenditure Priorities, Key Financial Principles and Deficit Reduction Targets.” He reviewed the Additional Recommendation for the Board’s Consideration. He directed attention to the recommendation of establishing a Joint Labor/Management Task Force responsible for advising the Board on possible mechanisms for increasing VTA’s operating revenues. The Task Force will also be responsible for developing specific recommendations to the Board regarding revenue measures that could be implemented administratively by VTA.

Member Abe-Koga requested clarification regarding operating reserves and the Preventative Maintenance Fund.

Member Herrera requested clarification regarding reducing reserves for the short term.

Alternate Stakeholder Darrow expressed concern with the “Cons” category. He noted the category should also include the impact of recruiting and the retention of employees.

Stakeholder Dhanota expressed concern regarding employee wage freezes and medical benefits.

Member Abe-Koga requested clarification with the ten-year operating projections regarding Bus Rapid Transit (BRT). Kim Koenig, Fiscal Resources Manager, commented the costs are not additional instead they are reallocations of resources from the existing bus system.

Stakeholder Sedhev expressed concern regarding construction contracts and costs. He requested clarification regarding long term contracted employees.

Member Herrera recommended extending the discussion and duration of the Committee. Chairperson Gage recommended extending the Committee’s duration for an additional week.

Member Herrera expressed concern with the operating reserve funds, internal efficiencies, and the employee expense funds. She would like to revisit the information and discuss at a future meeting.

Chairperson Gage stated the Committee will discuss Member Herrera's concerns as well as the "State of Good Repair" at its next meeting.

Member Abe-Koga expressed concern with the Committee being able to provide a recommendation to the Board after the September 1, 2010, Ad-Hoc Committee Meeting.

Chairperson Gage announced the Ad-Hoc Financial Recovery Committee would meet Wednesday, September 1, 2010 at 3:00 pm at the River Oaks Auditorium.

On order of Chairperson Gage and there being no objection, the Ad-Hoc Financial Recovery Committee meeting adjourned at 4:51p.m.

Respectfully submitted,

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