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CHAPTER FIVE *strategic planning element*



The Strategic Planning Element provides a framework for VTA to ensure that the agency is positioned to deliver the planning, funding, building and operating solutions described in VTP 2035. VTA Strategic Planning considerations reach beyond VTP 2035 and encompass all facets of the organization—from Board and Committee responsibilities to administrative functions such as human resource management, budgeting and financial planning to project delivery functions such as construction management and transit operations.



THE PURPOSE OF THE VTA STRATEGIC PLANNING ELEMENT

The Strategic Planning Element is a new component of the Valley Transportation Plan development process. Given the economic, environmental, regulatory and societal changes that are likely to occur over the course of VTP 2035, VTA as an agency must continually evolve to maintain its effectiveness. The strategic plan will be updated periodically to ensure that VTA continues to be well-positioned to respond to these anticipated changes.

VTA was formed in 1995 through the merger of the Santa Clara County Transit District and the Congestion Management Agency. As a result, VTA manages a wide spectrum of transportation decision-making processes for the county, including transportation planning, programming and service delivery. The

merger also created a closer link between transportation planning and land use policy.

VTA's mission and organizational structure served it well during its formative years. VTA successfully built and operated many of the transportation systems identified in predecessor plans. However, the recent recession and revenue shortfalls, combined with rising transportation costs and evolving housing and employment patterns within the county, are compelling reasons to reexamine transportation strategies.

To adapt to this changing environment, VTA initiated a series of activities to reexamine not only its mission and vision, but also how it is organized and governed to deliver services. This examination identified changes that are needed to ensure that VTA continues to meet its responsibilities in the future. VTA responded by making key strategic changes and accomplished the following:



- Developed a new mission and vision
- Realigned VTA's internal organization to improve its ability to achieve its mission effectively and efficiently
- Assisted the Board of Directors with taking a more countywide/regional approach to transportation decision-making

VTA's Strategic Plan aligns the agency's vision and mission with goals that support VTA's ability to obtain the objectives of VTP 2035. Supporting the goals are strategies that VTA will follow to advance the programs and projects enumerated in the plan. VTA will track key indicators to determine its success in delivering the plan. Figure 5-1 illustrates the relationship of these strategic planning elements.

The Strategic Plan Element describes VTA's new mission and vision, and the new governance and organizational structure. It charts the analysis of the agency's strengths and weaknesses, as well as its opportunities and external threats. It describes VTA's strategic

goals and specific strategies to achieve these goals. It shows how VTA is transforming so that it is prepared to deliver VTP 2035 programs and projects, and how it will continue to undergo critical analysis to improve its ongoing functions and evolve its corporate culture.

VISION, MISSION AND VALUES

VTA's new vision and mission statements provide strategic direction and establish a framework for decision-making. VTA recently evolved these statements to capture its primary focus on providing market-based services that are tailored to respond to the needs of the community, reflect resource constraints, protect environmental resources and emphasize the importance of designing solutions that improve mobility and increase ridership to improve the quality of life for the people in Santa Clara County. Concurrently, VTA adopted a set of values that support the vision and mission.

VISION

VTA builds partnerships to deliver transportation solutions that meet the evolving mobility needs of Santa Clara County.

MISSION

VTA provides sustainable, accessible, community-focused transportation options that are innovative, environmentally responsible and promote the vitality of our region.

VALUES

VTA's values reflect what we believe and how we will behave. They guide the agency's decision-making and are applied to everything VTA does.

Dependability

We provide services, and deliver projects, on schedule and within budget.

Quality

We ensure that the services we deliver, and projects that we build, are well designed and maintained to preserve the investment that has been made.

Sustainability

We design our services and projects to minimize the negative impacts on our environment, and in a way that can be maintained over time.

Safety

Our services are delivered in a way that promotes the health and safety of our employees and the public.

Integrity

We conduct our business in an ethical, honest, transparent manner.

Diversity

We value, respect and serve the unique needs of our community.

Accountability

As stewards of the natural resources and tax revenues of the county, we take responsibility for our actions and honestly report our successes and challenges to stakeholders and the public.

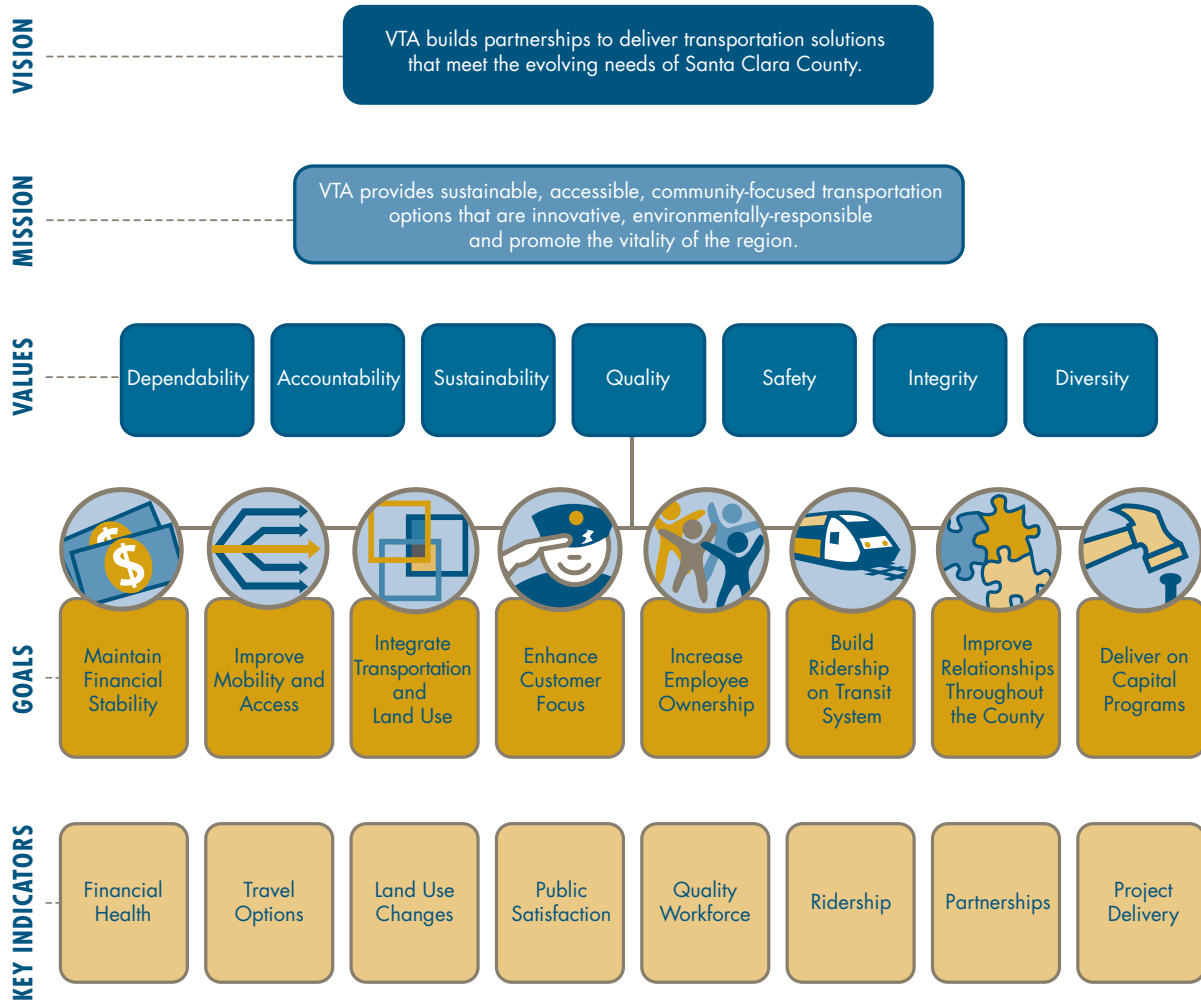
ORGANIZATIONAL STRUCTURE

This Strategic Plan Element describes how VTA is structured to fulfill its responsibilities for transportation planning, programming and service delivery. The new structure is guided by a critical review of the agency's past performance.

RESTRUCTURING VTA

At the urging of the Board chair, and under the leadership of the new General Manager, VTA initiated a comprehensive assessment of its organizational structure and financial management. This independent review was designed to examine how VTA conducts business and assess its performance. It recommended changes to improve VTA's ability to

FIGURE 5-1 VTA Strategic Plan



deliver cost-effective service and provided recommendations in three areas: governance, organizational structure and financial management. Table 5-1 (page 144) shows the recommendations from the organizational and financial assessment.

The Board endorsed the findings and recommendations, and directed the General Manager

to develop and institutionalize both structural and procedural changes throughout the organization. The results of these changes are evident in the Board governance practices and in the organizational structure described below.

Governing Board

VTA’s organizational structure is centered around the Board of Directors. The Board sets

VTA policy and has decision-making authority. The Board has 12 voting members and two ex-officio, non-voting members, all of whom are elected officials appointed to serve on the Board by the jurisdictions they represent.

In the past year, the Board has taken steps to address the governance findings and recommendations from the organizational assessment.

Among the substantive changes, the Board:

- Eliminated the rotation schedule within city groupings to promote longer tenure and build transportation expertise among Directors
- Created an Audit Committee as a standing committee of the Board with fiduciary oversight responsibilities
- Developed a Board work plan to support decision-making and guide the activities of standing and advisory committees
- Initiated a process to engage advisory committees in improving their input to the Board on matters within their respective areas of responsibility and expertise
- Improved the quality and timing of Board materials, including additional information about financial impacts, potential conflicts of interest and input from standing committee discussions

The Board's work is now more transparent and accessible to stakeholders and the public.

In an effort to further satisfy its responsibility for providing policy guidance to the VTA staff and utilizing the governance structure to

fully vet strategic policy matters, the Board, during this last year, considered and approved a number of policies intended to strategically guide the development of VTA business programs over the long term. Before approving these policies the Board sought input from the Board advisory and standing committees. An example of such a policy is the Board's adoption of the Transit Sustainability Policy. This policy serves to guide the development of new service plans for VTA's bus business and was presented to the Board advisory committees for their consideration and input. The Transit Sustainability Policy was also considered by and recommended to the Board for adoption by the Transit Planning and Operations Committee. The Board intends to continue to use this model for policy development and adoption as it considers new or revised policies in its future work plans. Policies for future development and consideration include a policy that will serve to ensure the long-term financial health of VTA, a policy that will provide guidance for the delivery of the Measure A Program, and a joint development policy that will guide the management and development of VTA's real estate portfolio.

Board Committees

The VTA Board of Directors has established a set of standing and advisory bodies to review and provide input on policy matters. This allows Board members to carry out an in-depth

review of a wide range of complex policy issues before the Board takes final action. Four standing committees consist of four Board members each. Five advisory committees meet monthly, and a handful of policy advisory boards meet when projects in their area of focus are active.

Standing Committees

The Board has four standing committees that advise on policy matters within their assigned areas of responsibility, as defined in the administrative code. Committee input and recommendations are noted in the materials that are forwarded to the full Board for final approval.

Administration and Finance Committee

Reviews policy recommendations about the general administration of VTA, including administrative policies and procedures, legislative affairs, human resources and fiscal issues.

Congestion Management Program and Planning Committee

Reviews policy recommendations about the Congestion Management Program and Countywide Transportation Plan, including the integration of transportation and land-use planning, the programming of discretionary State and Federal funds, and air-quality planning.

Transit Planning and Operations

Committee Reviews policy recommendations about transit planning, transit capital projects, transit operations and marketing.

Audit Committee Exercises the Board's fiduciary and oversight responsibilities, including the integrity of VTA's financial statements, compliance with legal and regulatory requirements, and assuring an effective system of internal management and financial controls. The Audit Committee is responsible for selecting the Auditor General and approving the annual audit work plan. It also recommends a public accounting firm to conduct the annual financial audit.

Advisory Committees

The Board has established a group of advisory committees. These committees do not set VTA policy, but instead review policies under development to ensure that they meet the needs of constituents, customers, elected officials, the business community and other stakeholders. In addition, designated policy advisory boards meet when projects in their area of focus are active.

The five advisory committees meet once a month. The role of each committee and its membership is described below.

Bicycle and Pedestrian Advisory

Committee Advises the Board on funding and planning issues for bicycle and pedestrian projects, and serves as the countywide bicycle advisory committee for Santa Clara County.

This committee is comprised of 16 voting members, one from each of the 15 cities and one from the county.

Citizens Advisory Committee Advises the Board on issues of interest to the committee's members and the communities they represent and serves as the oversight body for the 2000 Measure A Transit Sales Tax Program.

This committee consists of 17 members representing business, labor, environmental and other community groups.

Committee for Transit Accessibility

Advises the Board on bus and rail accessibility issues, paratransit service, public facilities and programs and the Federal Americans with Disabilities Act (ADA).

This committee is made up of 21 members, including nine representatives from

human service agencies within the county, 12 individuals with disabilities, and one Board member as a liaison.

Policy Advisory Committee Ensures that all jurisdictions within the county have access to the development of VTA's policies.

This committee includes 16 members, one from each of the 15 cities and one representing the county.

Technical Advisory Committee Advises the Board on technical issues related to transportation.

This committee is composed of 16 members, one from each of the 15 cities and one from the county.

TABLE 5-1 *Organizational and Financial Assessment Recommendations*

GOVERNANCE		
Recommendation <i>Implement governance processes and practices to enable transformation</i>		
Detailed Elements		
<ul style="list-style-type: none"> • Adopt the spirit of Sarbanes-Oxley practices, where applicable <ul style="list-style-type: none"> > Establish an Audit Committee > Implement an Auditor General function > Establish Board training on duties and responsibilities > Focus the Board on its fiduciary responsibilities > Conduct annual Board self-evaluations 	<ul style="list-style-type: none"> • Make the Board structure function effectively <ul style="list-style-type: none"> > Make the General Manager a Board member > Develop an annual Board Work Plan > Revalidate the Board's role in VTA policy making > Reduce the number of Advisory Committees 	<ul style="list-style-type: none"> > Change the Oath of Office to require a regional focus > Improve the conduct of Board and Committee meetings • Improve the quality of information that the Board receives

TABLE 5-1 (CONT'D) *Organizational and Financial Assessment Recommendations*

ORGANIZATION		
Recommendation <i>Operate VTA like a business</i>		
Detailed Elements		
<ul style="list-style-type: none"> Establish goals, objectives and performance management processes for the executive management team 	<ul style="list-style-type: none"> Delegate appropriate authority and accountability Require that all decisions be made within financial constraints 	<ul style="list-style-type: none"> Initiate a program to identify and implement required controls
Recommendation <i>Align VTA's mission with its operating practices</i>		
Detailed Elements		
<ul style="list-style-type: none"> Revise VTA's Mission to focus on transportation as a core business 	<ul style="list-style-type: none"> Develop a comprehensive transformational strategy and plan 	
Recommendation <i>Align the organization structure and executive team under the new strategy</i>		
<ul style="list-style-type: none"> General Manager to define and communicate the Vision and near-term structural changes 	<ul style="list-style-type: none"> Appoint or hire a Chief Transformation Officer Create the Office of External Affairs 	<ul style="list-style-type: none"> Select and appoint the new executive management team
Recommendation <i>Build VTA's commitments to the Commercial Development Program</i>		
Detailed Elements		
<ul style="list-style-type: none"> Commit to the Commercial Development Program's goals and objectives 	<ul style="list-style-type: none"> Adhere to the policies and procedures set forth by VTA's development experts 	<ul style="list-style-type: none"> Establish an account for the revenues generated by the Program, and develop a philosophy about how these revenues will be used
Recommendation <i>Make VTA a better place to work</i>		
Detailed Elements		
<ul style="list-style-type: none"> Establish norms for the conduct of business Communicate the need for and purpose of VTA's new mission, strategy and structure 	<ul style="list-style-type: none"> Establish and communicate roles and responsibilities on a broad basis Establish and implement a performance management system 	<ul style="list-style-type: none"> Create and implement an Organizational Development Plan, making training a priority

TABLE 5-1 (CONT'D) *Organizational and Financial Assessment Recommendations*

FINANCIAL		
Recommendation <i>Upgrade the SAP System</i>		
Detailed Elements		
<ul style="list-style-type: none"> • Immediately initiate a project for implementing the latest upgrades for the SAP software 	<ul style="list-style-type: none"> • Consider implementing new modules that support VTA's operational and financial transformation initiatives 	
Recommendation <i>Develop a labor negotiation strategy that is aligned with VTA's financial capabilities</i>		
Detailed Elements		
<ul style="list-style-type: none"> • Develop a labor contract negotiation strategy that reflects the context of the existing expenditure constraints 	<ul style="list-style-type: none"> • Extend VTA's labor-management partnership to contract negotiations 	
Recommendation <i>Improve VTA's financial condition and stability</i>		
Detailed Elements		
<ul style="list-style-type: none"> • Balance VTA's 30-Year Revenue and Expenditure Plan • Develop an effective asset management system • Cash • Real estate • Capital project planning and maintenance 	<ul style="list-style-type: none"> • Strengthen financial reporting for VTA decision-making • Provide the true picture of VTA's financial condition and liquidity • Institutionalize full disclosure about the short- and long-term financial consequences of proposals • Include financial policy as a prominent part of Board fiduciary duty 	<ul style="list-style-type: none"> • Identify and promote financial strategies within VTA • Explore measures to reduce unfunded pension and retiree health care obligations • Develop new revenue sources for VTA • Close the gap between capital project demands and funding • Reduce reliance on operating reserves

Transportation Corridor Policy Advisory Boards Ensures that local jurisdictions affected by major transportation improvement projects are involved in planning, design and construction.

These boards are comprised of a rotating group with two VTA Board members and

elected officials from jurisdictions within the corridor.

VTA'S STRUCTURE

The organizational assessment found that VTA's structure could be better aligned to more effectively deliver services. VTA's transformation efforts addressed this concern

by redefining the roles and responsibilities of each division to reduce overlap and redundancy and foster coordination and cooperation between divisions.

VTA's broad array of responsibilities and functions are organized into seven divisions, as depicted in the organization chart (Figure 5-2 on the following page). With the same responsibilities of a president and chief executive officer, VTA's General Manager oversees and manages all facets of the organization under policy direction from the Board of Directors. While each division has distinct roles and responsibilities, they work collaboratively to deliver results. The streamlined organizational structure aligns VTA's operating practices with the agency's new vision and mission.

VTA's structure continues to transform and evolve to ensure an efficient and effective organization, which is the primary objective of the reorganization.

ENVIRONMENTAL ANALYSIS

An understanding of the current and future environment in which VTA operates can help to identify the opportunities and threats potentially facing the Agency. Similarly, identifying VTA's strengths and weaknesses can help build a more efficient and effective organization. Drawing on interviews with current and former Board members and with

agency staff (including the General Manager and division chiefs), as well as external assessments conducted by an independent consultant and by the Bureau of State Audits, VTA has compiled a list of strengths, weaknesses, opportunities and threats (SWOT). The SWOT analysis (Table 5-2 on page 150) is being used by the Agency to make strategic choices that will ensure that it can deliver the programs described in VTP 2035.

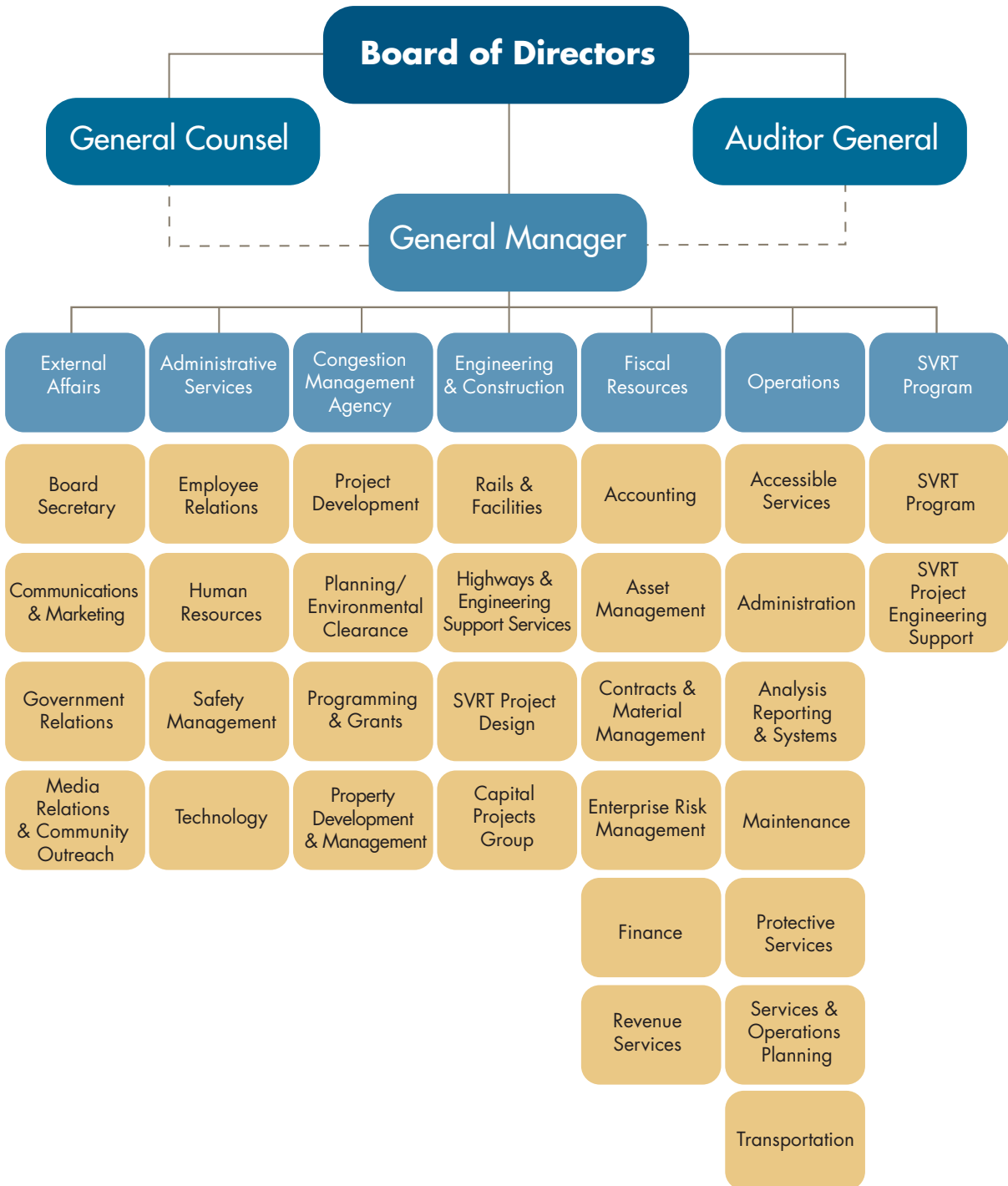
GOALS AND STRATEGIES

Strategic goals are a fundamental component of the planning process, as they provide a framework for the development of strategies to attain the objectives of VTP 2035. VTA's Strategic Plan is built on its vision, mission and values. The agency has defined eight goals that, taken together, advance VTA's new vision and mission.

VTA STRATEGIC PLAN GOALS

1. **Maintain Financial Stability:** VTA seeks to manage costs, maximize revenues and balance system expansion with maintenance of existing service.
2. **Improve Mobility and Access:** VTA will invest resources and services in areas with greatest need to enhance the quality of life of all residents, including vulnerable populations. VTA will provide a selection of transportation modes to attract choice riders, as well as promote the economic vitality of our region.

FIGURE 5-2 VTA's Responsibilities and Organization



3. **Integrate Transportation and Land Use:** VTA will advance the principles and practices in the Community Design and Transportation Program and promote transit-oriented and pedestrian development in the county.
4. **Enhance Customer Focus:** VTA will put customers first by providing safe, reliable, demand-driven service that reflects community input and promotes the benefits of transit.
5. **Increase Employee Ownership:** VTA aims to offer professional development, advancement opportunities and reward personal investment to make VTA an employer of choice.
6. **Build Ridership on Transit System:** Increase VTA's operating efficiency, reduce road congestion and promote sustainability.
7. **Improve Relationships throughout the County:** Leverage resources, facilitate information sharing and tap expertise in private and public sector organizations.
8. **Deliver on Capital Program:** Build projects that complement and enhance the core services within available resources.

DIVISION STRATEGIES

Building on VTA's goals and objectives, each division has defined the strategies it will employ to ensure its efforts support the vision and mission. Division strategies are aligned with one or more goals, as illustrated

in Table 5-3 (page 151). Division managers have defined near-term activities (those that can be accomplished within a two-year time-frame) under each strategy. These activities and associated performance measures are reflected in division work plans, which are reviewed by the General Manager to ensure that ongoing efforts are aligned with the strategic plan.

KEY INDICATORS

The VTP 2035 Strategic Planning Element has eight key indicators, which will help VTA track progress toward achieving its goals:

- Financial Health
- Travel Options
- Land Use Changes
- Public Satisfaction
- Quality Workforce
- Ridership
- Partnerships
- Project Delivery

Appendix D, Systemwide Performance Results, provides a summary of the performance of the VTP 2035 programs and projects. This includes traffic level-of-service, mode split, vehicle miles traveled, vehicle hours of delay (duration of congestion), air quality, transit access, and travel time.

TABLE 5-2 VTA SWOT Analysis

INTERNAL	<p>Strengths</p> <ul style="list-style-type: none"> • VTA is proactively advocating for public support for land use patterns that support transit, biking and walking, and for the use of new technologies and programs • VTA has dedicated revenue sources for both capital and operating expenditures • VTA combines the organizational structure of multiple transportation agencies (e.g. transit builder and operator, CMA, funding authority) and enjoys integration and opportunity of scale efficiencies compared with neighboring counties • Fleet and infrastructure are relatively new and in good condition • Board of elected officials from each jurisdiction provides a solid framework for policy making • Staff is experienced and dedicated • General Manager is experienced and willing to innovate • Organization demonstrated high level of responsiveness to internal audit findings • Recent organizational changes and new Board and evolving policies are reshaping the agency to achieve greater efficiency and service effectiveness • New transit service model is focusing on key corridors where transit is in high demand and competitive with automobiles • Can improve Board and committee structure and procedures • Can improve Board focus on regional/countywide VTA transportation issues • Employee rotation programs and succession planning efforts can support evolving agency needs 	<p>Weaknesses</p> <ul style="list-style-type: none"> • High transit operating cost compared industry average • Funding demands greatly exceed projected resources • Funds to build are more reliable than funds to operate and maintain • Long-term maintenance has been a low priority • More effort would help fully engage agency partnerships • Board members tend to focus on local rather than VTA/county-wide/regional issues • High turnover rates limits the historical perspective of the Board • High learning curve for new Board members • Difficult to find Board members with transportation experience • Predicted employee retirements could trigger significant loss of institutional knowledge • Financial controls can be improved • Dependence on sales tax (+70% of operating revenues) leaves agency vulnerable to economic cycles • Pool of elected officials who know transportation issues well to serve as potential board members is limited • Board members, as local elected officials, are challenged to support regional measures, where local benefit appears to be limited • Retirements of senior staff will result in leadership gaps and loss of institutional knowledge
	EXTERNAL	<p>Opportunities</p> <ul style="list-style-type: none"> • Santa Clara County is a desirable place to live and work • Network of potential express lanes may provide new local revenue sources • Santa Clara County citizens have a proven willingness to tax themselves for desired programs • Projected Santa Clara County growth over 25 years can yield significant improvements in transit and pedestrian friendly development patterns • Transit's significant role with climate protection, energy use and other environmental factors • Rising fuel costs can attract new ridership • Public support for public transit is growing • Public is more willing to consider new funding mechanisms, especially those that manage growth in congestion and provide for transit expansion • Increasing support for public/private partnerships • Legislation including AB32 and SB375 contain requirements that support agency goals • History as a self-help county • Current levels of jobs and population and projected growth in the county

TABLE 5-3 *Division Strategies and Goals*






DIVISION	STRATEGIES	GOALS (refer to Figure 5-1 for key)
Administrative Services	<ul style="list-style-type: none"> • Manage agency risk through risk identification, mitigation and prevention • Build human capital • Promote partnerships with represented and non-represented employees • Leverage technology to deliver agency services 	
Congestion Management Agency	<ul style="list-style-type: none"> • Secure grants and leverage local contribution • Establish vision and path for transportation investments in Santa Clara County • Set up projects for success • Capture the value of VTA assets • Align division resources and future responsibilities and challenges 	
Engineering and Construction	<ul style="list-style-type: none"> • Develop and implement a uniform project delivery model • Deliver projects (on time and within budget) • Develop comprehensive reporting structure on project and program status 	
External Affairs	<ul style="list-style-type: none"> • Increase revenue • Manage division resources • Promote benefits of VTA services • Learn and share information about evolving mobility and accessibility needs • Promote importance of integrated land use and educate community • Improve communication with staff at all levels in VTA and solicit input in decision-making and planning efforts • Ensure response to and resolution of customer complaints 	
Fiscal Resources	<ul style="list-style-type: none"> • Satisfy external financial reporting requirements • Develop and maintain financial planning tools • Prepare and disseminate information for agency financial decision-making • Manage financial transactions • Support development of new revenue sources • Provide procurement and contract management services that meet the needs of other division objectives • Manage agency risk through risk identification, mitigation and prevention 	

TABLE 5-3 (CONT'D) *Division Strategies and Goals*

DIVISION	STRATEGIES	GOALS
Operations	<ul style="list-style-type: none"> • Maintain an effective and efficient annual service plan • Refine and expand application of performance tools • Factor operating and maintenance expenses into capital project planning • Manage Division resources for greater efficiency and effectiveness • Improve system security • Upgrade Fleet Maintenance Management Program • Review paratransit service delivery 	
Silicon Valley Rapid Transit	<ul style="list-style-type: none"> • Reenter Federal New Starts process and position project for federal funding • Develop SVRT financial plan and seek funding revenues • Position SVRT project as a high priority at the local and regional levels • Build the SVRT Project Delivery Team 	

MEASURES AND METRICS

VTA currently uses a wide range of measures and metrics to gauge the performance and status of its activities. Table 5-4 presents measures for gauging VTA’s progress with achieving its Strategic Plan Element goals. VTA is currently in the process of developing additional strategies for measuring and refining its services and business practices, and better linking those with its goals. The results of this process may refine or add to those listed in Table 5-4. This includes traffic level-of-service,

mode split, vehicle miles traveled, vehicle hours of delay (duration of congestion), air quality, transit access, and travel time.

UPDATING THE STRATEGIC PLAN ELEMENT

In conclusion, the Strategic Planning Element is dynamic, and will be periodically updated and used to measure VTA’s progress in meeting its goals. It will be considered in each update of the VTP, if not more frequently, and used to inform the Board’s discussion of programs and projects.

TABLE 5-4 *Goals, Indicators, Measures and Metrics*

GOALS	KEY INDICATORS	MEASURES	METRIC
Maintain Financial Stability	Financial Health	Maintain adequate levels of funding to sustain the existing transit system and secure new funds for expansion	y/n
Improve Mobility and Access	Travel Options	Diversification of mode share	+ / -
		Increase share of alternate modes (transit, carpool, car-share, walk, bike)	+ / -
		Decrease VMT and VHT	+ / -
		Percent of population with access to transit	+ / -
Integrate Transportation and Land Use	Land Use Changes	Jobs and housing approvals within 1.3 mile of transit and cores, corridors and station areas	+ / -
		City Plan changes that focus development within 1/3 mile of transit	+ / -
Enhance Customer Focus	Public Satisfaction	Increase VTA's customer satisfaction rate	+ / -
		Maintain or improve system reliability	y/n
		Ensure that comprehensive public participation is a key input to transportation plans and projects	y/n
		Build awareness of VTA (measure through annual phone surveys)	+ / -
Increase Employee Ownership	Quality Workforce	Conduct annual employee surveys and respond to key areas of organizational areas identified	y/n
		Provide training, education and coaching opportunities for employees	y/n
Build Ridership on the Transit System	Ridership	Increase ridership: riders per capita, ridership in COA core corridors, ridership in CDT cores, corridors and station areas, ridership per passenger mile, ridership per passenger hour	+ / -
Improve Relationships Throughout the County	Partnerships	Build support for VTA services and programs	+ / -