

ADMINISTRATION & FINANCE COMMITTEE

Thursday, May 18, 2017

MINUTES

CALL TO ORDER

The Regular Meeting of the Administration and Finance Committee (A&F) was called to order at 12:03 p.m. by Chairperson Hendricks in Conference Room B-106, VTA River Oaks Campus, 3331 North First Street, San Jose, California.

1. ROLL CALL

Attendee Name	Title	Status
Jeannie Bruins	Member	Present
Larry Carr	Vice Chairperson	Present
John McAlister	Alternate Member	NA
Dev Davis	Alternate Member	NA
Sam Liccardo	Member	Present
Glenn Hendricks	Chairperson	Present
Daniel Harney	Alternate	NA
Bob Nunez	Alternate	NA

*Alternates do not serve unless participating as a Member.

A quorum was present.

2. PUBLIC PRESENTATIONS

There were no Public Presentations.

3. ORDERS OF THE DAY

Chairperson Hendricks noted the addendum to the Agenda, **Agenda Item 24.X**. Special Event Service Policy.

Chairperson Hendricks noted staff's request to move **Regular Agenda Item #24**. Approval of On Call Consultant List for Real Estate Services, to the Consent Agenda.

M/S/C (Liccardo/Carr) to accept the Orders of the Day.

NOTE: M/S/C MEANS MOTION SECONDED AND CARRIED AND, UNLESS OTHERWISE INDICATED, THE MOTION PASSED UNANIMOUSLY.

RESULT:	APPROVED [UNANIMOUS]
	Orders of the Day
MOVER:	Sam Liccardo, Member
SECONDER:	Larry Carr, Vice Chairperson
AYES:	Carr, Hendricks, Liccardo
NOES:	None
ABSENT:	Bruins

CONSENT AGENDA

4. Regular Meeting Minutes of April 20, 2017

M/S/C (Carr/Liccardo) to approve the Regular Meeting Minutes of April 20, 2017.

5. Fiscal Year 2017 Statement of Revenues and Expenses for the Period Ending March 31, 2017

M/S/C (Carr/Liccardo) to recommend that the VTA Board of Directors review and accept the Fiscal Year 2017 Statement of Revenues and Expenses for the period ending March 31, 2017.

6. Casualty Property Operations Insurance Program for July 1, 2017 to July 1, 2018

M/S/C (Carr/Liccardo) to recommend that the VTA Board of Directors authorize the General Manager to purchase Property and Casualty insurance coverage for General and Auto Liability, Public Officials & Employment Practices Liability, Cyber Liability, Environmental Impairment & Pollution Liability, Crime, Blanket Railroad Protective Liability, and Property Insurance renewing the annual Operations Insurance Program for Fiscal Year 2018 for an amount not to exceed \$3,500,000.

7. Workers' Compensation Third Party Claims Administrator Contract Award -S16353

M/S/C (Carr/Liccardo) to recommend that the VTA Board of Directors authorize the General Manager to execute a fixed fee contract with Tristar Risk Management for Workers' Compensation Third Party Claims Administrator (TPA) for a five year term, from July 1, 2017 through June 30, 2022. The total five year contract cost for claims services will not exceed \$5,260,1.

8. Contract for Workers' Compensation Managed Care Services

M/S/C (Carr/Liccardo) to recommend that the VTA Board of Directors authorize the General Manager to execute a contract with EK Health for Workers' Compensation Managed Care Services for a five-year term, from July 1, 2017 through June 30, 2022 for a total cost not to exceed \$1,400,000.

9. Authorization of Developer Solicitation for Evelyn Joint Development Site

M/S/C (Carr/Liccardo) to recommend that the VTA Board of Directors authorize the General Manager to issue a developer solicitation for the Evelyn Joint Development site for the purpose of identifying a developer to recommend to the Board of Directors for an Exclusive Negotiations Agreement. The solicitation will seek developers to design, finance, build, and operate a 100% affordable housing development pursuant to a long-term ground lease from VTA.

10. Construction Contract Award Contract C650 (C16349) SVBX Sitework

M/S/C (Carr/Liccardo) to recommend that the VTA Board of Directors authorize the General Manager to execute a contract with Granite Rock Company, the lowest responsive and responsible bidder, in the amount of \$3,743,468 for the construction of SVBX Sitework plus a contingency amount of \$1,310,214 (35% of the contract value) to address unforeseen and unforeseeable conditions due to the nature of the work.

11. Project Labor Agreement for C650 SVBX Sitework

M/S/C (Carr/Liccardo) to recommend that the VTA Board of Directors adopt a resolution of findings that use of a Project Labor Agreement (PLA) in the C650 SVBX Sitework Contract will ensure the availability and stability of labor resources throughout the duration of construction.

12. De Anza College Stelling Road Bus Stop Improvement Contract

M/S/C (Carr/Liccardo) to recommend that the VTA Board of Directors authorize the General Manager to execute a contract with the lowest responsive and responsible bidder, for the construction of the De Anza College Stelling Road Bus Stop Improvement.

13. Amend the C836 Alum Rock Avenue Roadway, Busway and Station Improvements Contract for Alum Rock - Santa Clara Bus Rapid Transit Project with Ghilotti Construction Company

M/S/C (Carr/Liccardo) to recommend that the VTA Board of Directors authorize the General Manager to amend the C836 Alum Rock Avenue Roadway, Busway and Station Improvements Contract with Ghilotti Construction Company by an amount of \$2,663,038 for additional electrical and communications work for the Alum Rock - Santa Clara Bus Rapid Transit Project, increasing the total contract amount to \$23,218,312.

14. Radio Equipment and Services for SVRCS and CAD/AVL

M/S/C (Carr/Liccardo) to recommend that the VTA Board of Directors authorize the General Manager to execute a purchase order, in an amount not to exceed \$5,965,276 for console radios, subscriber radios and related equipment and professional services from Motorola Solutions, Inc., under the pricing terms and conditions obtained through the cooperative agreement dated September 25, 2012, between the County of Santa Clara and Motorola Solutions, Inc., for goods and related services for use on the Silicon Valley Regional Communications System (SVRCS) and the CAD/AVL (Computer Aided Dispatching-Automatic Vehicle Location) system.

15. Procurement of Three Position Exterior Bike Racks

M/S/C (Carr/Liccardo) to recommend that the VTA Board of Directors authorize the General Manager to execute a contract with Sportworks Northwest Inc. of Woodinville, Washington for the purchase of 391 three-position exterior bike racks in the amount of \$654,924.67.

16. Resolution to Commit Low Carbon Transit Operations Program (LCTOP) Funds to the Purchase of Zero Emission Electric Buses

M/S/C (Carr/Liccardo) to recommend that the VTA Board of Directors adopt a program resolution for VTA's 2017 Through 2019 Low Carbon Transit Operations Program (LCTOP) for the VTA Zero Emission Bus project.

17. Resolution to Support Certifications and Assurances for 2017 - 2019 Low Carbon Transit Operations Program (LCTOP)

M/S/C (Carr/Liccardo) to recommend that the VTA Board of Directors adopt a resolution authorizing the General Manager or Designee to file and execute grant applications, agreements, and certifications and assurances with the California Department of Transportation (Caltrans) for all current and future funds available through the Greenhouse Gas Reduction Fund (GGRF), Low Carbon Transit Operations Program (LCTOP).

18. On-call Stormwater Consultant Services

M/S/C (Carr/Liccardo) to recommend that the VTA Board of Directors approve an eligible list of three stormwater consultants to provide professional services on projects/programs that include, but are not limited, to the following categories: Phase II Small MS4 Permit, Industrial General Permit, Utility Vault and Underground Structures Permit, and Construction General Permit for Stormwater Consultant services with Engeo, Haley and Aldrich, and Keish Environmental; and authorize the General Manager to execute contracts with firms on this list. The list will be valid for a five-year period. The total amount of all contracts shall not exceed \$4,000,000.

19. Monthly Investment Report - March 2017

M/S/C (Carr/Liccardo) to receive the Monthly Investment Report for March 2017.

20. Legislative Update Matrix

M/S/C (Carr/Liccardo) to review the Legislative Update Matrix.

24. Approval of On Call Consultant List for Real Estate Services

M/S/C (Carr/Liccardo) to recommend that the VTA Board of Directors authorize the General Manager to establish an on-call list of qualified firms for the following real estate consultant services: relocation assistance, appraisal, appraisal review, furniture/fixtures/equipment appraisal, goodwill valuation, title and escrow, and general real estate services. The General Manager will be authorized to negotiate and execute service contracts with the firms for a term of five years and a value not to exceed \$11,000,000 for all firms combined. The contracts will have an option for an additional two year term, at a combined value not to exceed \$4,400,000 for the option term.

RESULT:	APPROVED [UNANIMOUS]
	Consent Agenda 4-20; 24
MOVER:	Larry Carr, Vice Chairperson
SECONDER:	Sam Liccardo, Member
AYES:	Carr, Hendricks, Liccardo
NOES:	None
ABSENT:	Bruins

REGULAR AGENDA

Member Bruins arrived and took her seat at 12:07 p.m.

Agenda Items #21 and #22 were heard together.

Agenda Items #21 and 22

21. Approval of Biennial Budget for Fiscal Years 2018 and 2019

22. Fare Policy Review

Ali Hudda, Deputy Director Accounting, and Carol Lawson, Fiscal Resources Manager, provided an overview of the staff report. Mr. Hudda and Ms. Lawson provided a presentation entitled “Biennial Budget & Fare Changes Fiscal Years 2018 & 2019,” highlighting: 1) Adopted Service Level Budget Impact; 2) Proposed Funding for Bus & Light Rail Enhancement; 3) Summary of Fare Changes; 4) Fare Comparison Table; Concerns About Eco Pass Program; 5) Eco Pass Changes; Fare related Community Concern; 6) Revenue Impact of Proposed Fare Policy Changes; 7) VTA Transit – Projected Operating Deficit; 8) Operating Deficit Management; and 9) Next Steps.

Members of the Committee inquired about the following: 1) the feedback from San Jose State University (SJSU) students regarding the fare policy; 2) proposed Eco Pass fee scheduled increases for De Anza Community College; 3) De Anza’s timeline for the new fare increases; and 4) the source of repayment from using the short-term financing method of the Commercial Paper Program.

Discussion ensued about the following: 1) south county service; 2) customers choosing between additional fare versus additional time; 3) the new tiers in the proposed Eco Pass program; 4) VTA budget's structural problems; 5) a monthly or quarterly report regarding growth rates; 6) the need for fare increases to help with farebox recovery; 7) the challenge of obtaining clipper cards and ways to make them more available; 8) VTA's deficit; 9) the importance of having discipline at the Board level when it comes to dealing with the deficit and the budget; 10) the downside of delaying decisions until the fall once more data has been received from certain revenue sources; and 11) VTA's Key Performance Indicators (KPI) for the new service.

Members of the Committee made the following comments: 1) suggested VTA use a more conservative approach to alleviate the deficit; 2) expressed concern that the level of service is not sustainable, suggesting an overall reduction in service; 3) expressed concern about borrowing money to pay a deficit; and 4) requested that if there is a drop in the Eco Pass program once the new plan has been implemented, that VTA staff consider including Express buses in the base rate again.

Mr. Srinath, Chief Operating Officer, reported on the feedback he has received regarding the expectations for the growth rates, highlighting the expectations are positive.

Mr. Hudda noted the negative feedback from the students regarding the surcharge for Express buses under the proposed Eco Pass fee structure. Mr. Hudda noted that VTA staff will meet with De Anza College again to answer any questions.

21. **M/S/C (Carr/Bruins)** on a vote of 3 ayes, 1 no, and 0 abstentions, to recommend that the VTA Board of Directors adopt a resolution approving the Fiscal Years 2018 and 2019 Biennial Budget for the period July 1, 2017 through June 30, 2019. Member Liccardo opposed.

RESULT:	APPROVED
MOVER:	Larry Carr, Vice Chairperson
SECONDER:	Jeannie Bruins, Member
AYES:	Bruins, Carr, Hendricks,
NOES:	Liccardo
ABSENT:	None

22. **M/S/C (Liccardo/Bruins)** to recommend that the VTA Board of Directors:

1. Adopt a finding that a fare increase is necessary to meet operating expenses, including employee wages and fringe benefits and purchasing or leasing supplies, equipment, or materials.
2. Invoke a Statutory Exemption under CEQA, P. R.C. §21080(b)(8) and CEQA Guidelines Section 15273(a) (Rates, Tolls, Fares and Charges) for the purpose of modifying and increasing fares.
3. Adopt a resolution establishing rates and fares for VTA bus, light rail, and paratransit services effective January 1, 2018.
4. Adopt a resolution establishing rates and fares for VTA bus, light rail, and paratransit services effective January 1, 2019.

RESULT:	APPROVED
MOVER:	Sam Liccardo, Member
SECONDER:	Jeannie Bruins, Member
AYES:	Bruins, Carr, Hendricks, Liccardo
NOES:	None
ABSENT:	None

23. Technology Maintenance & Support Contracts

Gary Miskell, Chief Technology Officer, provided an overview of the staff report.

M/S/C (Liccardo/Bruins) to recommend that the VTA Board of Directors authorize the General Manager to approve technology maintenance and support agreements with the specified technology firms for software and hardware support services. Each contract shall be for a maximum three-year period, with an option for two additional years, with an aggregate value not to exceed \$5,500,000 for all agreements in the first three years and \$3,850,000 for all agreements in years four and five.

RESULT:	APPROVED
MOVER:	Sam Liccardo, Member
SECONDER:	Jeannie Bruins, Member
AYES:	Bruins, Carr, Hendricks, Liccardo
NOES:	None
ABSENT:	None

24. (Removed from the Regular Agenda and placed on the Consent Agenda.)

Authorize the General Manager to establish an on-call list of qualified firms for the following real estate consultant services: relocation assistance, appraisal, appraisal review, furniture/fixtures/equipment appraisal, goodwill valuation, title and escrow, and general real estate services. The General Manager will be authorized to negotiate and execute service contracts with the firms for a term of five years and a value not to exceed \$11,000,000 for all firms combined. The contracts will have an option for an additional two year term, at a combined value not to exceed \$4,400,000 for the option term.

24.X Special Event Service Policy

Inez Evans, Chief Operating Officer, provided an overview of the staff report, highlighting the need to recover costs associated with providing augmented service to special events. Ms. Evans referenced a 2009 Environmental Impact Report (EIR) for Levi's Stadium, which stated that the former VTA General Manager noted that a third party would need to help with the cost of extra service for the special events.

Members of the Committee made the following comments: 1) noted frustration about the unwillingness the 49ers Stadium staff in assisting with cost recovery solutions; 2) expressed concern about taxpayers paying for the extra service to prevent any safety risks; 3) requested VTA staff look into possible software that would be able to add an event charge to those riders attending games and non-game events; and 4) expressed support for finding a solution that would help VTA recover the costs due to providing extra service.

Jim Lawson, Director of Public Affairs and Executive Policy Advisor, reported that VTA staff thought about an event fee, but noted the difficulty in distinguishing regular riders traveling in the Levis' Stadium direction versus riders attending an event at the stadium.

Member Bruins left the meeting at 1:45 p.m.

M/S/C (Carr/Liccardo) to recommend that the VTA Board of Directors approve the Special Event Service Policy.

RESULT:	APPROVED
MOVER:	Larry Carr, Vice Chairperson
SECONDER:	Sam Liccardo, Member
AYES:	Bruins, Carr, Hendricks, Liccardo
NOES:	None
ABSENT:	None

OTHER ITEMS

25. Items of Concern and Referral to Administration

There were no items of Concern and Referral to Administration.

26. Committee Work Plan

On order of Chairperson Hendricks and there being no objection, the Committee reviewed the Committee Work Plan.

27. Committee Staff Report

There was no Committee Staff Report.

28. Chairperson's Report

There was no Chairperson's Report.

29. Determine Consent Agenda for the June 1, 2017, Board of Directors Meeting

CONSENT:

Agenda Item #5. Recommend that the VTA Board of Directors review and accept the Fiscal Year 2017 Statement of Revenues and Expenses for the period ending March 31, 2017.

Agenda Item #6. Recommend that the VTA Board of Directors authorize the General Manager to purchase Property and Casualty insurance coverage for General and Auto Liability, Public Officials & Employment Practices Liability, Cyber Liability, Environmental Impairment & Pollution Liability, Crime, Blanket Railroad Protective Liability, and Property Insurance renewing the annual Operations Insurance Program for Fiscal Year 2018 for an amount not to exceed \$3,500,000.

Agenda Item #7. Recommend that the VTA Board of Directors authorize the General Manager to execute a fixed fee contract with Tristar Risk Management for Workers' Compensation Third Party Claims Administrator (TPA) for a five year term, from July 1, 2017 through June 30, 2022. The total five year contract cost for claims services will not exceed \$5,260,100.

Agenda Item #8. Recommend that the VTA Board of Directors authorize the General Manager to execute a contract with EK Health for Workers' Compensation Managed Care Services for a five-year term, from July 1, 2017 through June 30, 2022 for a total cost not to exceed \$1,400,000.

Agenda Item #9. Recommend that the VTA Board of Directors authorize the General Manager to issue a developer solicitation for the Evelyn Joint Development site for the purpose of identifying a developer to recommend to the Board of Directors for an Exclusive Negotiations Agreement. The solicitation will seek developers to design, finance, build, and operate a 100% affordable housing development pursuant to a long-term ground lease from VTA.

Agenda Item #10. Recommend that the VTA Board of Directors authorize the General Manager to execute a contract with Granite Rock Company, the lowest responsive and responsible bidder, in the amount of \$3,743,468 for the construction of SVBX Sitework plus a contingency amount of \$1,310,214 (35% of the contract value) to address unforeseen and unforeseeable conditions due to the nature of the work.

Agenda Item #11. Recommend that the VTA Board of Directors adopt a resolution of findings that use of a Project Labor Agreement (PLA) in the C650 SVBX Sitework Contract will ensure the availability and stability of labor resources throughout the duration of construction.

Agenda Item #12. Recommend that the VTA Board of Directors authorize the General Manager to execute a contract with the lowest responsive and responsible bidder, for the construction of the De Anza College Stelling Road Bus Stop Improvement.

Agenda Item #13. Recommend that the VTA Board of Directors authorize the General Manager to amend the C836 Alum Rock Avenue Roadway, Busway and Station Improvements Contract with Ghilotti Construction Company by an amount of \$2,663,038 for additional electrical and communications work for the Alum Rock - Santa Clara Bus Rapid Transit Project, increasing the total contract amount to \$23,218,312.

Agenda Item #14. Recommend that the VTA Board of Directors authorize the General Manager to execute a purchase order, in an amount not to exceed \$5,965,276 for console radios, subscriber radios and related equipment and professional services from Motorola Solutions, Inc., under the pricing terms and conditions obtained through the cooperative agreement dated September 25, 2012, between the County of Santa Clara and Motorola Solutions, Inc., for goods and related services for use on the Silicon Valley Regional Communications System (SVRCS) and the CAD/AVL (Computer Aided Dispatching-Automatic Vehicle Location) system.

Agenda Item #15. Recommend that the VTA Board of Directors authorize the General Manager to execute a contract with Sportworks Northwest Inc. of Woodinville, Washington for the purchase of 391 three-position exterior bike racks in the amount of \$654,924.67.

Agenda Item #16. Recommend that the VTA Board of Directors adopt a program resolution for VTA's 2017 Through 2019 Low Carbon Transit Operations Program (LCTOP) for the VTA Zero Emission Bus project.

Agenda Item #17. Recommend that the VTA Board of Directors adopt a resolution authorizing the General Manager or Designee to file and execute grant applications, agreements, and certifications and assurances with the California Department of Transportation (Caltrans) for all current and future funds available through the Greenhouse Gas Reduction Fund (GGRF), Low Carbon Transit Operations Program (LCTOP).

Agenda Item #18. Recommend that the VTA Board of Directors approve an eligible list of three stormwater consultants to provide professional services on projects/programs that include, but are not limited, to the following categories: Phase II Small MS4 Permit, Industrial General Permit, Utility Vault and Underground Structures Permit, and Construction General Permit for Stormwater Consultant services with Engeo, Haley and Aldrich, and Keish Environmental; and authorize the General Manager to execute contracts with firms on this list. The list will be valid for a five-year period. The total amount of all contracts shall not exceed \$4,000,000.

Agenda Item #20. Review the Legislative Update Matrix.

Agenda Item #23. Recommend that the VTA Board of Directors authorize the General Manager to approve technology maintenance and support agreements with the specified technology firms for software and hardware support services. Each contract shall be for a maximum three-year period, with an option for two additional years, with an aggregate value not to exceed \$5,500,000 for all agreements in the first three years and \$3,850,000 for all agreements in years four and five.

Agenda Item #24. Recommend that the VTA Board of Directors authorize the General Manager to establish an on-call list of qualified firms for the following real estate consultant services: relocation assistance, appraisal, appraisal review, furniture/fixtures/equipment appraisal, goodwill valuation, title and escrow, and general real estate services. The General Manager will be authorized to negotiate and execute service contracts with the firms for a term of five years and a value not to exceed \$11,000,000 for all firms combined. The contracts will have an option for an additional two year term, at a combined value not to exceed \$4,400,000 for the option term.

REGULAR:

Agenda Item #21. Recommend that the VTA Board of Directors adopt a resolution approving the Fiscal Years 2018 and 2019 Biennial Budget for the period July 1, 2017 through June 30, 2019.

Agenda Item #22. Recommend that the VTA Board of Directors:

1. Adopt a finding that a fare increase is necessary to meet operating expenses, including employee wages and fringe benefits and purchasing or leasing supplies, equipment, or materials.
2. Invoke a Statutory Exemption under CEQA, P. R.C. §21080(b)(8) and CEQA Guidelines Section 15273(a) (Rates, Tolls, Fares and Charges) for the purpose of modifying and increasing fares.
3. Adopt a resolution establishing rates and fares for VTA bus, light rail, and paratransit services effective January 1, 2018.
4. Adopt a resolution establishing rates and fares for VTA bus, light rail, and paratransit services effective January 1, 2019.

Agenda Item #24.X. Recommend that the VTA Board of Directors approve the Special Event Service Policy.

30. Announcements

There were no Announcements.

31. Adjournment

On order of Chairperson Hendricks and there being no objection, the meeting was adjourned at 1:50 pm.

Respectfully submitted,

Theadora Abraham, Board Assistant
VTA Office of the Board Secretary