1. CALL TO ORDER AND ROLL CALL

Chairperson Bruins thanked the staff and public for their patience and efforts regarding the relocation of the Board Meeting to the VTA River Oaks Campus.

The Regular Meeting of the Santa Clara Valley Transportation Authority’s (VTA) Board of Directors (Board) was called to order by Chairperson Bruins at 5:31 p.m. in the Auditorium, VTA River Oaks Campus, 3331 North First Street, San Jose, California.

Chairperson Bruins welcomed new Board Member Savita Vaidhyanathan from the City of Cupertino and Alternate Board Member Rob Rennie from the Town of Los Gatos, representing Group 3 – West Valley Cities.

1.1 Oaths of Office

Elaine Baltao, VTA Board Secretary, administered the Oath of Office to Alternate Board Member Rob Rennie.

1.2. ROLL CALL

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<tr>
<th>Attendee Name</th>
<th>Title</th>
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<tr>
<td>Jeannie Bruins</td>
<td>Chairperson</td>
<td>Present</td>
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<tr>
<td>Larry Carr</td>
<td>Alternate Board Member</td>
<td>Present</td>
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<td>Magdalena Carrasco</td>
<td>Board Member</td>
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<td>Cindy Chavez</td>
<td>Board Member</td>
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<td>David Cortese</td>
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<td>Glenn Hendricks</td>
<td>Board Member</td>
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<td>Johnny Khamis</td>
<td>Board Member</td>
<td>Present</td>
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<td>Sam Liccardo</td>
<td>Vice Chairperson</td>
<td>Present</td>
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<td>John McAlister</td>
<td>Alternate Board Member</td>
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<td>Teresa O'Neil</td>
<td>Board Member</td>
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<td>Raul Peralez</td>
<td>Alternate Board Member</td>
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<td>Rob Rennie</td>
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<td>Savita Vaidhyanathan</td>
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<tr>
<td>Ken Yeager</td>
<td>Board Member</td>
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* Alternates do not serve unless participating as a Member.

A quorum was present.
1.3. Orders of the Day

Board Member Carrasco arrived and took her seat at 5:36 p.m.

Chairperson Bruins noted that staff requested the following items be removed from the Agenda: Closed Session #9.1.A. Conference with Legal Counsel – Anticipated Litigation and Closed Session #9.1.B. Conference with Real Property Negotiators.

Chairperson Bruins noted the recommendation language for Agenda Item #7.5., Peninsula Corridor Electrification Project Funding Commitment, has been revised as follows:

“Adopt a resolution committing up to $65 million as additional contingency for the Peninsula Corridor Electrification Project from revenues projected to be available from current sales tax measures to help cover potential cost overruns and to ensure the execution of a Full Funding Grant Agreement for the project with the Federal Transit Administration (FTA); Authorize the General Manager or her designee to execute an agreement with the funding partners that all funding partners equally share in meeting the obligations anticipated in this additional cost overrun contingency; and Direct staff to participate as an active partner in the Project Risk Management team, to oversee project implementation and review and approve cost reports, consultant selections, etc. & Capital Development.”

Chairperson Bruins noted the staff report and the resolution were in the Board Members’ reading folders and on the public table.

Board Member Khamis requested that the following Agenda Items be removed from the Consent Agenda and placed on the Regular Agenda: Agenda Item #6.6., One Bay Area Grant Cycle 2 - Program of Projects and Agenda Item #6.7., Review and Approve Updated Debt Management Policy.

Board Member Khamis noted he will recuse himself from Agenda Item #6.12., Mathilda Avenue Improvements at SR 237 and US 101 – Contract Amendment #2.

M/S/C (Chavez/Carr) to approve the Orders of the Day.

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<td>AYES:</td>
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<td>NOES:</td>
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<td>ABSENT:</td>
<td>Liccardo, Peralez</td>
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NOTE: M/S/C MEANS MOTION SECONDED AND CARRIED AND, UNLESS OTHERWISE INDICATED, THE MOTION PASSED UNANIMOUSLY.
2. AWARDS AND COMMENDATION

2.1 Employees and Supervisor of the Quarter for the First (1st) Quarter of 2017

Chairperson Jeannie Bruins recognized Andre Paradela, Information Systems Analyst, River Oaks; Mario Johnson, Bus Dispatcher, Chaboya Operations; Nickson Vidal, Transit Mechanic, Cerone Maintenance; as Employees of the First (1st) Quarter of 2017; and Thuy Montoya, Payroll Support Supervisor, River Oaks as our Supervisor of the First (1st) Quarter of 2017.

Board Member Peralez arrived and took his seat at 5:40 p.m.

2.2 Recognition - Family Giving Tree

Chairperson Bruins recognized the Family Giving Tree for being a valued community partner.

The Agenda was taken out of order.

2.4 Board Resolution of Appreciation

M/S/C (Yeager/Carr) to adopt a Resolution of Appreciation No. 2017.01.02 for 2016 VTA Board Chairperson Cindy Chavez.

2.3 2016 Outgoing Board Member Resolution

M/S/C (Yeager/Carr) to adopt a Resolution of Appreciation No. 2017.01.01 for outgoing VTA Alternate Board Member Howard Miller.

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<td>NOES:</td>
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<td>Liccardo</td>
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Vice Chairperson Liccardo arrived and took his seat at 5:57 p.m.

3. PUBLIC COMMENT

Thom Mayer, Interested Citizen, commented about his dependency on transportation and suggested solutions to reduce the time VTA light rail trains are stopped at red lights while saving dollars and increasing fare box revenue.
Marc Suidan, Interested Citizen, commented about the three key metrics that should drive Board decisions: increasing ridership, increasing farebox recovery, and how to reduce time travel. Mr. Suidan noted he wants to see plans on how to accomplish these goals and requested a follow up on how VTA will accomplish this.

Chairperson Bruins commented that the Next Network Draft Plan will address some of Mr. Suidan’s inquiries.

Eugene Bradley, Silicon Valley Transit Users, congratulated the Board on the passing of 2016 Measure B. Mr. Bradley expressed his support for the comments made by the previous two public speakers.

John Rainville, Interested Citizen, commented about being harassed on the VTA light rail and requested more fare inspectors and security be present on the trains.

John Courtney, Amalgamated Transit Union (ATU), Local 265 Financial Secretary, expressed concern about the service cuts, noting the hardship it is putting on the community, specifically, the veterans travelling to the Veterans Hospital via Bus Route 45.

4. PUBLIC HEARINGS

There were no Public Hearings.

5. COMMITTEE REPORTS

5.1. Citizens Advisory Committee (CAC) Chairperson's Report

Chairperson Bruins noted the CAC Chairperson’s report was contained in the Board Members’ reading folders and placed on the public table.

5.2. Policy Advisory Committee (PAC) Chairperson's Report

Chairperson Bruins noted the PAC Chairperson’s report was contained in the Board Members’ reading folders and placed on the public table.

Alternate Board Member Carr noted due to the many concerns and issues surrounding the Joint Development Parking Policy (JDP), the PAC could not provide a recommendation to the Board.

5.3. Standing Committee Chairpersons' Report

Chairperson Bruins noted the Standing Committee Chairpersons’ reports were contained in the Board Members’ reading folders and placed on the public table.

5.4. Policy Advisory Board Chairperson’s Report

Chairperson Bruins noted the Policy Advisory Board Chairpersons’ reports were contained in the Board Members’ reading folders and placed on the public table.
6. CONSENT AGENDA

Board Members Chavez and Khamis and Vice Chairperson Liccardo noted their recusal on Agenda Item #6.12., Mathilda Avenue Improvements at SR 237 and US 101 - Contract Amendment #2.

Vice Chairperson Liccardo noted his recusal on Agenda Item #6.15., Light Rail Signal Priority Detection Upgrades - Contract Award.

Board Member Chavez requested to comment on Agenda Item #6.11., Allied Universal Contract Amendment 2; and Agenda Item #6.18., Core Connectivity Study.

Board Member Chavez referred to Agenda Item #6.11 and noted the City of San Jose and other law enforcement agencies are conducting specialized training in various areas. Board Member Chavez explained the importance of providing staff with the appropriate training in order to effectively handle different situations. Board Member Chavez requested an offline report providing further detail on the following: 1) current training provided to staff; 2) any plans for future training in specialized areas, specifically in handling individuals with mental health; 3) the costs for current training versus future training; and 4) an outline on the current training needed.

Upon inquiry of Board Member Chavez, Jim Unites, Executive Manager Transit Planning and Capital Development, reported there were no commitments made with Uber and/or Lyft but those companies were used as examples in the Core Connectivity Study.

6.1. Board of Directors Regular Meeting Minutes of December 8, 2016

M/S/C (Chavez/Liccardo) to approve the Board of Directors Regular Meeting Minutes of December 8, 2016.

6.2. Amendments to the VTA Administrative Code and Board Rules of Procedure

M/S/C (Chavez/Liccardo) to adopt a Resolution No. 2017.01.03 amending the VTA Administrative Code and approve amendments to the Board Rules of Procedure.

6.3. Citizens Advisory Committee Appointments

M/S/C (Chavez/Liccardo) to ratify the appointments to the Citizens Advisory Committee of: (1) Chris O'Connor, representing the Silicon Valley Leadership Group; and (2) Aneliza Del Pinal, representing Senior Citizens.

6.4. Ratification of Appointments to the Bicycle & Pedestrian Advisory Committee

M/S/C (Chavez/Liccardo) to ratify appointments to the Bicycle & Pedestrian Advisory Committee for the two-year term ending June 30, 2018.
6.5. **Appointments to the Committee for Transportation Mobility & Accessibility**

M/S/C (Chavez/Liccardo) to appoint to the Committee for Transportation Mobility & Accessibility for the four-year term ending December 31, 2020 the following human service organizations: (1) Alzheimer's Association of Northern California & Northern Nevada; and (2) Sourcewise.

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

Approve the One Bay Area Grant Cycle 2 (OBAG 2) program of projects.

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

Review and approve the updated Debt Management Policy. The policy has been updated to address new legislative filing, reporting and other requirements of SB 1029 as well as make other minor adjustments.

6.8. **State Legislative Consulting Services Contract**

M/S/C (Chavez/Liccardo) to authorize the General Manager to execute a contract with Gonzalez, Quintana, Hunter & Cruz, LLC, (GQHC) for state legislative consulting services for a period of five years in the amount of $360,000. The term of the contract will be from February 3, 2017, to February 2, 2022. The fixed monthly retainer will be $6,000 for the entire five-year term of the contract.

6.9. **Substance Abuse Testing, Medical Review Officer and Medical Exam Services**

M/S/C (Chavez/Liccardo) to authorize the General Manager to approve the award of the Substance Abuse testing contract to Alliance Occupational Medicine and Instant Urgent Care. The contract is for Substance Abuse Testing, Medical Review Officer Services, and Medical Examination Services for three (3) years at a cost up to $673,968, with an option for two (2) one-year extensions priced at up to $224,656 per year, for a total authorization of up to $1,123,280 for a five (5) year contract.

6.10. **Authorization for SVRT Utility & Public Agency Conveyances**

M/S/C (Chavez/Liccardo) to authorize the General Manager to approve and execute all documents necessary to convey or assign easement rights or fee title, as applicable, to third party agencies, who will operate and maintain certain facilities and infrastructure constructed as part of Phase 1 of the Silicon Valley Rapid Transit Program (“SVRT”), which includes the Silicon Valley Berryessa Extension (“SVBX”), the Kato Road Grade Separation, the Mission Boulevard and Warren Avenue Grade Separation, and the Freight Railroad Relocation Projects.
6.11. **Allied Universal Contract Amendment 2**

M/S/C (Chavez/Liccardo) to authorize the General Manager to execute an amendment to VTA’s contract with Universal Protection Services, LP, dba Allied Universal Security Services, increasing the contract amount by $7,589,000, for a new contract amount not to exceed $34,984,000 for the remaining three years of the existing five year agreement (through FY19).

6.12. **Mathilda Avenue Improvements at SR 237 and US 101 - Contract Amendment#2**

M/S/C (O’Neill, Carr) to authorize the General Manager to execute a contract amendment with WMH Corporation in an amount not-to-exceed $2,200,000 for a not-to-exceed total contract value of $4,844,551 and extend the contract term to December 31, 2018 to complete the Final Design and Right-Of-Way Engineering services for Mathilda Avenue Improvements at SR 237 and US 101 project.

6.13. **2016 Measure B Certification**

M/S/C (Chavez/Liccardo) to receive and declare the results of Measure B as set forth in the Certificates of Election Results for the General Election held on November 8, 2016, pursuant to Elections Code Section 15400.

6.14. **State Board of Equalization Agreements for Preparation and Administration of 2016 Transactions and Use Tax Ordinance**

M/S/C (Chavez/Liccardo) to: 1. adopt a Resolution No. 2017.01.04 authorizing the General Manager to execute agreements with the State Board of Equalization to prepare and administer VTA Tax Ordinance No. 2016.01, “An Ordinance of the Santa Clara Valley Transportation Authority Enacting a Transactional Use Tax, Subject to Adoption by the Electorate, Which Tax to Be Administered by the State Board of Equalization,” (also known as the Silicon Valley Transportation Solutions Tax Ordinance) adopted by VTA Board on August 4, 2016; 2. Adopt a separate Resolution No. 2017.01.05 authorizing the Chief Financial Officer, or other officer or employee of VTA designated in writing by the Chief Financial Officer, and VTA’s transaction and use tax auditor, MuniServices, LLC, to examine transaction and use tax records; and 3. Adopt a 2016 Measure B Transportation Improvement Program Fund Operating Budget of $175,000 for Fiscal Year 2017.

6.15. **Light Rail Signal Priority Detection Upgrades - Contract Award**

M/S/C (Chavez/Carr) to authorize the General Manager to enter into a contract with ACT Traffic Solutions for up to $1,480,000 to procure equipment and services for implementation of the Transit Signal Priority (TSP) detection upgrades for the light rail corridor. (Deferred from the December 8, 2016, VTA Board of Directors’ Meeting.).
6.16. **Audit Dashboard Follow Up: Audit Recommendations Issued by the Office of the Auditor General As of October 31, 2016**

M/S/C (Chavez/Liccardo) to review and receive the Internal Audit Program's Audit Dashboard on the status of implementation of recommendations issued by the Office of the Auditor General.

6.17. **Programmed Project Monitoring - Quarterly Report**

M/S/C (Chavez/Liccardo) to receive the Programmed Projects Quarterly Monitoring Report for July - September 2016.

6.18. **Core Connectivity Study**

M/S/C (Chavez/Liccardo) to receive a presentation on the Core Connectivity Study on emerging mobility strategies.

| ADOPTED | APPROVED [UNANIMOUS] Consent Agenda Items #6.1-6.5; #6.8 - #6.11; #6.13-#6.14; #6.16-6.18 |
| MOVER: Cindy Chavez, Board Member |
| SECONDER: Liccardo, Vice Chairperson |
| AYES: Bruins, Carr, Carrasco, Chavez, Hendricks, Khamis, Liccardo, O’Neill, Peralez, Vaidhyanathan, Yeager |
| NOES: None |
| ABSENT: |

| ADOPTED | APPROVED - Consent Agenda Item #6.12 |
| MOVER: O’Neill, Board Member |
| SECONDER: Larry Carr, Board Member |
| AYES: Bruins, Carr, Carrasco, Hendricks, O’Neill, Peralez, Vaidhyanathan, Yeager |
| NOES: None |
| RECUSAL: Chavez, Khamis, Liccardo |
| ABSENT: None |

| ADOPTED | APPROVED - Consent Agenda Item #6.15 |
| MOVER: Cindy Chavez, Board Member |
| SECONDER: Larry Carr, Board Member |
| AYES: Bruins, Carr, Carrasco, Chavez, Hendricks, Khamis, O’Neill, Peralez, Vaidhyanathan, Yeager |
| NOES: None |
| RECUSAL: Liccardo |
| ABSENT: None |
7. **REGULAR AGENDA**

7.1. **Project Management and Support Services**

Vice Chairperson Liccardo and Board Member Chavez noted their recusal on Agenda Item #7.1., Project Management and Support Services.

M/S/C (Hendricks/O’Neill) to: 1) Authorize the General Manager to execute a contract with Mott MacDonald for project management and support services for a period of five years in an amount up to $49 million; and 2) Authorize the General Manager to execute a contract with Hill International for project management and support services for a period of five years in an amount up to $35 million.

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7.2. **Fare Policy Review**

Ali Hudda, Accounting Deputy Director, and Laura Wolfgram from Four Nines Technologies, provided an overview of the staff report and provided a presentation entitled “VTA Fare Policy Review,” highlighting: 1) Intra-Operator Transfers; 2) Youth Fares; 3) Low Income Fares; 4) Community Bus; 5) Base Fare Adjustment; 6) Eco Pass; and 7) Fare Review Schedule.

Jennifer Largaespada, Clipper Program at Metropolitan Transportation Commission (MTC), further explained the reasons for the $3 Clipper card acquisition fee. The fee covers the card purchase costs only and additional costs in delivering the card to the customers is not recovered.

**Public Comment**

Mr. Bradley requested that Silicon Valley Transit Users review the suggested policy changes.

Adina Levin, Friends of Caltrain, made the following comments: 1) expressed support about the Next Network recommendation in reducing the transfer penalty; 2) expressed gratitude to staff for reaching out to the public to use VTA; 3) suggested finding opportunities for the smaller businesses to participate in the Eco Pass program; 4) recommended using 2016 Measure B dollars to help fund the Low Income Fare Program; and 5) encouraged VTA to work with the various transit agencies in the county to better support low income fares.
Kevin Kittila, Interested Citizen, expressed opposition about the following: 1) VTA raising fares, noting VTA was established to serve the riders and not make money; 2) the new Bus Route 523, noting it will take away from the riders of Bus Route 23; and 3) the Bay Area Rapid Transit (BART) extension to San Jose.

Mr. Rainville expressed opposition to raising the fares, noting it will result in losing riders.

Kai Wetlesen, Interested Citizen, commented that raising fares will only hardship to the communities and urged the Board to consider all the negative impacts before implementing any fare increases.

Members of the Board inquired about the following: 1) the cost for kids; 2) the marketing strategies for non-clipper / ECO Pass customers; 3) the percentage of riders who require transfers; and 4) about current conditions versus future conditions when conducting the analysis.

Members of the Board made the following comments: 1) consider hiring a third party agency to provide input on how to market VTA’s fare structure; 2) commented that it is up to the constituents of each city to help push marketing; 3) noted the importance of understanding how generating revenue increases work; 4) expressed concern about individual’s needs, however, noted the importance of looking at the broader picture when discussing revenue increases; 5) commented on the relation between revenue and hours of service; 6) noted the importance of federal dollars being contingent on farebox revenue; 7) noted the complexities of Title VI analysis; 8) suggested researching service delivery versus revenue sources; 9) noted the importance of addressing issues from a policy perspective and implementing changes at a policy level.

Ms. Fernandez noted that VTA staff will put together a roll out strategy for outreach and marketing.

Mr. Hudda informed the Board that VTA staff will continue to conduct community outreach and will hold a series of public meetings in order to receive feedback. Mr. Hudda noted that he would have more specifics on revenue impacts, percentages of transfers, and individual impacts at the April 2017 Board of Directors Workshop meeting. He further noted the goal is to provide as much information at the April meeting to help address the many questions raised by the Board.

**On Order of Chairperson Bruins** and there be no objection, the Board received a report on Fare Policy Review.

7.3. **Appointments to Board Standing Committees, Joint Powers Boards, Policy Advisory Boards, and Ad Hoc Committees for 2017**

Chairperson Bruins noted the Transit Planning and Operations (TPO) Committee has been renamed the Safety, Security, and Transit Planning and Operations (SSTPO) Committee. Chairperson Bruins referenced the newly created Capital Projects Oversight Committee (CPOC).

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7.4. **Next Network Draft Plan**

Jim Unites, Executive Manager of Transit Planning and Capital Development, provided an overview of the staff report.


Mr. Unites continued the presentation, highlighting: 15) Next Steps; 16) Community Engagement; and 17) Project Website.

Members of the Board made the following comments: 1) inquired about the 85/15 model being cost neutral; 2) clarified that the gray mark up, on page 7 of the map did not indicate loss of service; 3) suggested reaching out to the community to see if there was any interest in viewing the presentation; 4) noted the importance of outreach, specifically to the Transit Justice Alliance and Labor Unions; 5) recommended reaching out to Human Resource Departments of larger companies that do not participate in the ECO Pass Program; 6) requested the financial implications be presented in three parts: a) revenue recovery; b) cost; and c) what drives those costs; 7) protect VTA’s assets when entering partnerships and evaluate the rate of return; and 8) noted the importance of Key Performance Indicators (KPI) to measure success.

Ms. Fernandez encouraged the Board to contact VTA staff and invite staff to attend and present at any meeting within their jurisdiction.
Mr. Unites reported that VTA will send a link to the Board members so they could include it in their local newsletters. He further reported that cities can request VTA staff to provide a presentation. Mr. Unites noted that as it gets closer to the final plan, goals and key performance indicators will be provided.

**Public Comments**

Penny Ellson, Gun High School PTSA Traffic Safety representative, made the following comments: 1) route 88 is an important resource to Palo Alto residents; 2) encouraged staff to work with Palo Alto residents to make schedule adjustments that will improve ridership; 3) expressed concern that the feedback reported from Palo Alto residents were not accurately reflected; 4) suggested using 2016 Measure B funds to help keep route 88 operating; 5) requested one or two Board Members be present at the community outreach meetings in Palo Alto; and 6) engage the Palo Alto residents in the Title VI analysis.

Chairperson Bruins reminded the public that the Board is not adopting a plan, but approving a draft plan to be released to the public for feedback. Chairperson Bruins also noted the importance of attending the public meetings.

Mr. Bradley noted that compromises were made between VTA staff and the residents of Palo Alto regarding bus service. Mr. Bradley expressed concern about the lack of time between bus to bus connections and urged the Board to make better connection times.

Mr. Wetlesen noted his support for the Board seeking Jarrett Walker + Associates services in executing a Next Network Plan. Mr. Wetlesen urged the Board to use the 2016 Measure B funds for additional transit service, specifically for the West Valley area.

Mr. Kittila expressed opposition for the Next Network Draft Plan, specifically the changes to Bus Route 60 that would not end at Great America like it currently does.

James Wightman, Interested Citizen, expressed support of the Next Network draft plan and recommended route changes to the transit system.

Mr. Mayer expressed frustration about the following: 1) the recommendation of Bus Route 81 reduced service; and 2) the lack of buses along Lawrence Expressway.

Roland Lebrun, Interested Citizen, referenced slide seven in the presentation, noting the lack of service in South County. Mr. Lebrun recommended increasing the frequency of Bus Route 68. Mr. Lebrun further commented that residents of Palo Alto have access to the Caltrain and multiple Express Bus services, where South County has limited Caltrain access and one regular bus route from San Jose to Gilroy.
Anthony Nachor, Interested Citizen, expressed concern about the Next Network Plan eliminating the community buses for the standard Gillig 29 Foot bus. Mr. Nachor noted by eliminating the community buses, the fares will increase and it will be a waste of resources by letting the community buses sit at the yards. He recommended keeping the community buses in service.

Howard Miller, Interested Citizen, made the following comments: 1) inquired about the transfers showing on the interactive maps; 2) suggested that when the maps go out to the public that they show transfers; and 4) requested that Bus Route 26 be extended to the business district that surrounds Saratoga / Saratoga Sunnyvale Road.

Mr. Walker noted that the interactive map shown was designed to reflect where any two lines crossed you could transfer.

John McAlister, City of Mountain View, urged staff to reconsider keeping an Express bus from Milpitas to Mountain View and noted the benefits of having an Express Bus from BART to Mountain View.

Ms. Levin suggested to use 2016 Measure B funds to help increase transit and frequency. She commented about the cuts that would impact low income and disabled riders, and noted the need to preserve service for those individuals. She also expressed concern about using Uber and Lyft as first and last mile alternatives. Ms. Levin noted that the Board needs to look at the short term and long term impacts prior to making a decision.

Davis Hirsch, Interested Citizen, expressed support for Eugene Bradley’s comments.

Upon Vice Chairperson Liccardo’s inquiry, Mr. Unites noted that some of the reasons for decreased ridership is the change in demographics. Mr. Unites reported that the population in Santa Clara County has changed, going from a manufacturing climate to a tech industry.

Members of the Board made the following comments: 1) thanked staff for their diligent effort; 2) expressed concern about the proposed reduction/elimination of service for the west side cities; 3) requested an additional map that would show the medical centers, and various institutions that the public would visit; 4) noted the potential negative impacts, but reminded the public to look at the overall objective; 5) requested map overlays that show what lines are proposed to be reduced or eliminated; 5) noted the need to discuss policies and the parameters surrounding them; and 6) inquired about the reasons for the changes in Bus Route 60.

Chairperson Bruins noted the importance of having a network design that serves the greatest needs, specifically on closing the first and last mile gaps.

Member Chavez left her seat at 8:07 p.m.
M/S/C (Khamis/Liccardo) to approve the Draft Transit Service Plan for release to the public for review and comment.

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Member Chavez returned to her seat at 8:09 p.m.

7.5. **Peninsula Corridor Electrification Project Funding Commitment**

Jim Lawson, Director of Public Affairs and Executive Policy Advisor, introduced Seamus Murphy, Chief Communications Officer, Caltrain, who assisted with answering questions regarding the staff report.

Board Member Chavez requested that an oversight protocol committee be established and a report be provided to one of VTA’s Committees in addition to a full report to the Board regarding the Peninsula Corridor Electrification Project. She noted the importance in having a stronger partnership with Caltrain. Board Member Chavez wants the VTA Board to be aware of costs, cost overruns and expenditures especially when there are funds available to Caltrain projects through Measure B. Board Member Chavez requested that a discussion be agendized regarding the type of partnership VTA should have with Caltrain and if there is any need to change it, reestablish it or altogether rethink the relationship.

Mr. Murphy reported that as a requirement established an oversight protocol for about a year that each of the funding partners participate so they can have firsthand information regarding the project.

Mr. Lawson noted the VTA Board Members serving on the Caltrain Board had much more knowledge of the process.

**Public Comment**

Mr. Lebrun made the following comments: 1) noted the high cost of electrification; 2) commented that the trains would not meet Caltrain’s current/future capacity needs; 3) expressed concern with Caltrain’s utilization of funds; and 4) commented that VTA take over the Caltrain administration.
Ms. Levin expressed support for the recommendation. Ms. Levin noted that San Francisco and San Mateo Transit approved the electrification and they too fully support an oversight committee on the project. She further encouraged a stronger partnership between the transit agencies in the county.

Members of the Board made the following comments: 1) inquired about VTA Board Members serving on the Caltrain Board; 2) reminded the VTA Board about the need to pass the agenda item; 3) thanked Board Member Yeager and former Board Member Woodward for their efforts to move the project forward; 4) echoed Board Member Chavez’s comments regarding the importance of monitoring the project as it relates to distributing funds to Caltrain; 5) inquired about any foreseen project cost challenges; and 6) inquired about the specifics of the grant; and 7) expressed concern about any changes to the South County service.

Mr. Lawson assured the Board that the language is very specific on what VTA would be responsible for.

M/S/C (Chavez/Carr) to adopt a Resolution No. 2017.01.06 committing up to $65 million as additional contingency for the Peninsula Corridor Electrification Project from revenues projected to be available from current sales tax measures to help cover potential cost overruns and to ensure the execution of a Full Funding Grant Agreement for the project with the Federal Transit Administration (FTA); Authorize the General Manager or her designee to execute an agreement with the funding partners that all funding partners equally share in meeting the obligations anticipated in this additional cost overrun contingency; and further, direct staff to participate as an active partner in the Project Risk Management team, to oversee project implementation and review and approve cost reports, consultant selections, etc. & Capital Development. Further requested that the reports from the oversight protocol committee are provided to a Committee of VTA’s choice and then a full report to the Board; 2) that VTA Board be aware of costs, cost overruns and expenditures as it relates to Caltrain; and 3) that a discussion be agendized regarding the type of partnership VTA should have with Caltrain and if there is any need to change it, reestablish it or altogether rethink the relationship

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6.6. **One Bay Area Grant Cycle 2 - Program of Projects**

Vice Chairperson Liccardo expressed concern about making funding commitments to projects and not having enough resources to fund the projects up front.
Carolyn Gonot, Interim Director - Planning & Program Development, explained that the term continues through 2022, and because of the length of time not all projects that are showing in the current report will remain. Ms. Gonot reported that VTA’s commitment was only to fund the pre-construction phase.

Ms. Fernandez reminded the Board to encourage their City staff to volunteer to serve on the Evaluation Committee, noting it was a great opportunity to be a part of the process and setting the parameters for the scoring criteria. Marcella Rensi, Transportation Planning Manager, noted the differences between the commitments the VTA Board was willing to make for OBAG 1 versus OBAG 2.

Members of the Board made the following comments: 1) expressed concern about the cities not having a clear understanding of parameters; 2) inquired if the projects from the smaller cities have the resources to move forward and if not, those funds could be going towards other projects; 3) noted the difficulty for the smaller cities with minimal staff to attend or be part of the Evaluation Committee; 4) requested that there be more transparency and clarity regarding the parameters; and 5) noted the neighboring cities could have an impact on whether a project can move forward, noting it was important to look at all elements that could affect a project.

**M/S/C (Liccardo/Peralez)** to approve the One Bay Area Grant Cycle 2 (OBAG 2) program of projects. Further requested that in six months staff: a) provide an alternate source of funding; b) request for more time; and/or c) alter the scoring criteria that would shorten the list.

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**6.7. Review and Approve Updated Debt Management Policy**

Board Member Khamis referenced attachment 6.7.a., page 2 of 10, Section IV., B., #5, Finance Unfunded Actuarial Liabilities and requested the section be stricken. Board Member Khamis also requested more language surrounding best case and worse scenarios be added.

Raj Srinath, Chief Financial Officer, reported that some language in the policy has worse and best case implications. Mr. Srinath further reported that VTA staff will strike the language on attachment 6.7.a., page 2 of 10. Section I., B., #5, Finance Unfunded Actuarial Liabilities.
Ms. Fernandez suggested agendizing an item for the Administration and Finance (A&F) Committee that will discuss in more detail the debt policy.

**M/S/C (Khamis/Liccardo)** to review and approve the updated Debt Management Policy. The policy has been updated to address new legislative filing, reporting and other requirements of SB 1029 as well as make other minor adjustments. Further requested to strike language in attachment 6.7.a., page 2 of 10. Section IV. B., #5, Finance Unfunded Actuarial Liabilities.

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8. **OTHER ITEMS**

**8.1. General Manager Report**

Ms. Fernandez provided a report, highlighting:

- Announced the new brand for VTA’s buses, trains, signage and communications launched in January 2017, noting it has received positive feedback from the public. Santa Clara County will see the slogan “the solutions that move you” throughout VTA’s new branding.

- Announced that VTA’s embarking on a plan to establish alliances with the corporations of the tech industry in Silicon Valley, hoping to increase ridership.

- January 20, 2017, President elect Trump will take office and VTA is looking forward to see what infrastructure investments will be proposed/implemented in the new administration.

- VTA Board’s adoption of the Strategic Plan will guide the business plan and service delivery in the future.

- Phase II of VTA’s Bay Area Rapid Transit (BART) Silicon Valley Extension environmental review process has begun.

- Business Diversity initiatives are continuing to be a priority for VTA, partnering and encouraging businesses owned by disadvantaged groups such as, Women, disabled Veterans, Minorities, and lesbian, gay, bisexual, transgender, and queer (LGBTQ).
• Ridership and Security reports were in the Board Members’ reading folders.

8.1.A. Government Affairs Update

Chairperson Bruins noted the Government Affairs Update was included in the Board Members’ reading folders and placed on the public table.

8.1.B. Silicon Valley Rapid Transit (SVRT) Program Update

Dennis Ratcliffe, Interim Director Engineering and Transportation Infrastructure Development, discussed the progress of the SVRT program and provided a presentation entitled, “SVRT Program Update,” highlighting: 1) SVRT Program Cost Summary; 2) Berryessa Extension Cost Summary; 3) Berryessa Extension Earned Progress this Period; 4) South Milpitas Boulevard Construction Progress; 5) Milpitas Station Construction Progress; 6) Berryessa Station Construction Progress; and 7) Phase II Extension Activities.

On order of Chairperson Bruins and there being no objection, the Board received the Silicon Valley Rapid Transit (SVRT) Program Update.

8.2. Chairperson’s Report

8.2.A. Receive remarks from 2017 Chairperson Jeannie Bruins

Chairperson Bruins announced VTA’s following five priorities for 2017:

• Priority 1: Safety and Security, noting safety is the number one priority for VTA’s customers, employees and the public at large;

• Priority 2: Establishing systems for implementing 2016 Measure B, noting the funds combined with local, state and federal dollars will help VTA’s near and long-term needs;

• Priority 3: Making public transit more convenient and useful for more people, noting VTA wants to be the alternative to solo driving;

• Priority 4: Creating and implementing a two-year operations budget that soundly supports mobility solutions; and

• Priority 5: Keep Moving with Innovation, noting that with VTA’s new trip planner, customers have available step by step directions with real-time data.

8.3. Items of Concern and Referral to Administration

Upon query of Board Member Hendricks, Ms. Fernandez noted that VTA was aware and prepared for the foreseen weather schedule.
8.4. **Unapproved Minutes/Summary Reports from VTA Committees, Joint**

8.4.A. VTA Standing Committees

- Silicon Valley Rapid Transit (SVRT) Program Working Committee – December 5, 2016, Minutes were accepted as contained in the Agenda Packet.

- Governance and Audit Committee – The November 30, 2016, Minutes were accepted as contained in the Agenda Packet.

- Congestion Management Program & Planning (CMPP) Committee – There was no report.

- Administration & Finance (A&F) Committee – The December 15, 2016, Minutes were accepted as contained in the Agenda Packet.

- Transit Planning & Operations (TP&O) Committee – There was no report.

8.4.B. VTA Advisory Committees

- Committee for Transit Accessibility (CTA) - There was no report.

- Citizens Advisory Committee (CAC) and 2000 Measure A Citizens Watchdog Committee (CWC) - The December 7, 2016, Minutes were accepted as contained in the Agenda Packet.

- Bicycle & Pedestrian Advisory Committee (BPAC) - The December 7, 2016, Minutes were accepted as contained in the Agenda Packet.

- Technical Advisory Committee (TAC) - There was no report.

- Policy Advisory Committee (PAC) - The December 8, 2016, Minutes were accepted as contained in the Agenda Packet.

8.4.C. VTA Policy Advisory Boards (PAB)

- State Route 85 Corridor PAB – The December 12, 2016, Minutes were accepted as contained in the Agenda Packet.

- Downtown East Valley Policy Advisory Board – There was no report.

- Diridon Station Joint Policy Advisory Board - The December 16, 2016, Minutes were accepted as contained in the Agenda Packet.
• El Camino Real Rapid Transit PAB – There was no report.

8.4.D. Joint Powers Boards and Regional Commissions

• Caltrain Peninsula Corridor Joint Powers Board - The January 5, 2017, Summary Notes were accepted as contained in the reading folder.

• Capitol Corridor Joint Powers Authority – There was no report.

• Dumbarton Rail Corridor Policy Committee - There was no report.

• Metropolitan Transportation Commission (MTC) - There was no report.

• Sunol Smart Carpool Lane Joint Powers Authority - There was no report.

• SR 152 Mobility Partnership - There was no report.

8.5. ANNOUNCEMENTS

Board Member Chavez announced that on January 17, 2017, at 6:30 p.m. the Children, Seniors, and Families Committee will have a hearing on the potential impacts the new Administration may have on women and children. Board Member Chavez invited anyone who is interested in attending to see her after the Board Meeting.

Board Member Chavez announced that on January 21, 2017, a Women’s March from City Hall to Cesar Chavez Park will begin at 10:00 a.m.

9. CLOSED SESSION

9.1. Recessed to Closed Session at 9:44 p.m.

A. (Removed from the Agenda.)

Conference with Legal Counsel -- Anticipated Litigation
[Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2)]

Number of potential cases: 1
B. (Removed from the Agenda.)

Conference with Real Property Negotiators
[Government Code Section 54956.8]

Property: Morgan Hill Caltrain Park and Ride Lot, Morgan Hill, CA
(APN: 726-15-069, -070, 071)

Agency Negotiator: Ron Golem, Deputy Director, Real Estate & Joint
Development

Negotiating Parties: Successor Agency to the City of Morgan Hill
Redevelopment Agency

Under Negotiation: Exercise VTA Right of Refusal to Purchase Portion of
Morgan Hill Caltrain Park and Ride Lot

C. Conference with Labor Negotiators
[Government Code Section 54957.6]

VTA Designated Representatives:
Cindy Chavez, 2016 Board Chairperson
Alberto Lara, Director of Business Services

Unrepresented Employee:
General Manager

9.2. Reconvened to Open Session at 10:01 p.m.

9.3. Closed Session Report

C. Conference with Labor Negotiators
[Government Code Section 54957.6]

VTA Designated Representatives:
Cindy Chavez, 2016 Board Chairperson
Alberto Lara, Director of Business Services

Unrepresented Employee:
General Manager

Chairperson Bruins noted no reportable action was taken during Closed
Session.
9.4. Fifth Amendment to Employment Contract for General Manager - Nuria I. Fernandez

M/S/C (Chavez/Liccardo) to adopt the Fifth Amendment to the employment contract between Santa Clara Valley Transportation Authority (VTA) and General Manager Nuria I. Fernandez (copy attached). The amendment (1) extends the term of the agreement to expire on December 17, 2021 with an option to extend the term of the agreement for two (2) additional years, (2) modifies the severance language, and 3) establishes a framework for annual compensation increases.

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10. ADJOURNMENT

On order of Chairperson Bruins and there being no objection, the meeting was adjourned at 10:03 p.m.

Respectfully submitted,

Theadora Abraham, Board Assistant
VTA Office of the Board Secretary