

## Administration & Finance Committee

Thursday, August 17, 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	Member	Present
Dev Davis	Alternate Member	Excused
Daniel Harney	Alternate Member	Excused
Glenn Hendricks	Chairperson	Present
Sam Liccardo	Member	Present
John McAlister	Alternate Member	Excused

\*Alternates do not serve unless participating as a Member.

**A quorum was present.**

#### 2. PUBLIC PRESENTATIONS:

Roland Lebrun, Interested Citizen, commented about light rail refurbishment and encouraged VTA staff to find opportunities to increase light rail speed to 60 miles per hour (mph).

#### 3. ORDERS OF THE DAY

Chairperson Hendricks noted staff's request to defer **Agenda Item #6.**, Toshiba Air Conditioner Unit Parts.

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

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

<b>RESULT:</b>	<b>APPROVED [UNANIMOUS]</b>
	<b>Orders of the Day</b>
<b>MOVER:</b>	Larry Carr, Vice Chairperson
<b>SECONDER:</b>	Jeannie Bruins, Member
<b>AYES:</b>	Bruins, Carr, Hendricks, Liccardo
<b>NOES:</b>	None

**CONSENT AGENDA**

**4. Regular Meeting Minutes of May 18, 2017**

M/S/C (Bruins/Carr) to approve the Regular Meeting Minutes of May 18, 2017.

**5. Transit Assistance Program (TAP)**

M/S/C (Bruins/Carr) to recommend that the VTA Board of Directors authorize the General Manager to execute an agreement with the County of Santa Clara to continue the Transit Assistance program (TAP) for one year with four one-year extensions for an aggregate total of \$1,000,000

**6. (Deferred)**

Authorize the General Manager to execute a two year firm fixed price contract with Toshiba International Corporation in the amount of \$1,531,888.21 to procure various parts to be used in the Toshiba Heating, Ventilation and Air Conditioner (HVAC) units for VTA’s light rail vehicles.

**7. SR 237 Express Lanes Phase 2 – Mark Thomas and Company Contract Amendment**

M/S/C (Bruins/Carr) to recommend that the VTA Board of Directors authorize the General Manager to execute contract amendments with Mark Thomas and Company, Inc. in an amount not to exceed \$410,000, increasing the not-to-exceed total contract value to \$3,728,769 for the SR 237 Express Lanes Project (Project). This authorization would cover the cost of the additional Design Services to complete final design and the cost of Design Services During Construction (DSDC).

**8. Update on Silicon Valley Express Lanes Electronic Toll Systems Integration Services**

M/S/C (Bruins/Carr) to receive information on a new contract for Silicon Valley Express Lanes Electronic Toll Systems Integration Services with TransCore, LP.

**9. VTA-ATU Pension Plan Actuarial Valuation as of January 1, 2017**

M/S/C (Bruins/Carr) to receive the report on VTA-ATU Pension Plan Actuarial Valuation as of January 1, 2017.

10. **Quarterly Purchasing Report April 1 through June 30, 2017**

M/S/C (Bruins/Carr) to review the Quarterly Purchasing Report for April 1 through June 30, 2017.

11. **Legislative Update Matrix**

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

<b>RESULT:</b>	<b>APPROVED [UNANIMOUS] Consent Agenda #4-5; 7-11</b>
<b>MOVER:</b>	Jeannie Bruins, Member
<b>SECONDER:</b>	Larry Carr, Vice Chairperson
<b>AYES:</b>	Bruins, Carr, Hendricks, Liccardo
<b>NOES:</b>	None

**REGULAR AGENDA**

12. **Fiscal Year 2017 Federal Transit Administration (FTA) Grants**

Jeffrey Ballou, Senior Transportation Planner, provided an overview of the staff report.

Board Member Liccardo arrived and took his seat at 12:08 p.m.

Upon inquiry of Committee Members, staff confirmed the projects proposed to be funded under the federal grant programs were included in the approved budget. Committee Members asked staff to make that explicit in the staff report.

Discussion ensued about the safety projects noted in the staff report and speeding up the light rail system to improve ridership. Inez Evans, Chief Operating Officer, reported on the light rail slow zone locations and the current efforts to improve the light rail speed. Ms. Evans noted the critical component of speeding up light rail is to obtain signal pre-emption from the cities along VTA's light rail corridor.

M/S/C (Bruins/Liccardo) to recommend that the VTA Board of Directors authorize the General Manager to submit Federal Fiscal Year 2017 grant applications and execute grant agreements with the Federal Transit Administration (FTA) for Section 5307 Urbanized Area Formula, Section 5309 New Starts, Section 5337 Fixed Guideway and High Intensity Motorbus, and Section 5339 Bus and Bus Facilities funds.

<b>RESULT:</b>	<b>APPROVED [UNANIMOUS] – Agenda Item #12</b>
<b>MOVER:</b>	Jeannie Bruins, Member
<b>SECONDER:</b>	Sam Liccardo, Member
<b>AYES:</b>	Bruins, Carr, Hendricks, Liccardo
<b>NOES:</b>	None

### 13. Financing of Phase 2 SR 237 Express Lanes

Michael Smith Fiscal Resources Manager, and Murali Ramanujam, Transportation Engineering Manager, provided an overview of the staff report. Mr. Ramanujam provided a presentation entitled “Financing of Phase 2 State Route (SR) 237 Express Lanes (Phase 2),” highlighting: 1) Silicon Valley Express Lanes - Implementation Plan; 2) Phase 1 SR 237 Express Lanes; and 3) Phase 2 (SR 237 Express Lanes)

Mr. Smith continued the presentation, highlighting: 1) Next Steps; and 2) Action Requested.

#### Public Comment

Mr. Lebrun referred to page 2 of the presentation. He expressed concern about the further congestion impact of the Phase 2 project to the already congested segment of SR 85 right past SR 87. Mr. Lebrun suggested VTA focus on proving congestion relief on that particular segment of SR 85 before working on Phase 2.

Discussion ensued about the following: 1) financial risks, noting there are no pre-payment penalties for paying off the loan early; 2) how to cover contingency costs; 3) the benefits and constraints of issuing commercial paper versus bonds; 4) 2016 Measure B language related to issuing loans; 5) toll system revenues; 6) project schedule; and 7) other funding sources for the project.

Ms. Fernandez reported that the recently passed 2016 Measure B funds could not be used for express lanes, however, the 237 Express Lanes project qualifies for funding under Statewide Transportation Improvement Program (STIP) in SB1.

Robert Fabela, General Counsel, noted the 2016 Measure B language is very specific to what projects it could fund. Mr. Fabela further noted that the restrictions placed for loans is very harsh and would not benefit VTA in the long run.

Carrolyn Gonot, Director of Engineering and Transportation Program Delivery, noted VTA staff is diligently working to find funding sources to complete the 237 Express Lanes project. She informed the Committee that VTA staff would return in the future with updates.

**M/S/C (Carr/Bruins)** to recommend that the VTA Board of Directors adopt a resolution that approves the Loan Agreement and related documents that are on file with the Board Secretary and authorizes entry into a loan for a not to exceed principal amount of \$24,000,000, (the “Loan”) from Western Alliance Business Trust, a wholly-owned affiliate of Western Alliance Bank (“Western Alliance”), to fund costs of the Silicon Valley Express Lanes Program SR 237, Phase 2 Project (the “Project”).

<b>RESULT:</b>	<b>APPROVED [UNANIMOUS] – Agenda Item #13</b>
<b>MOVER:</b>	Larry Carr, Vice Chairperson
<b>SECONDER:</b>	Jeannie Bruins, Member
<b>AYES:</b>	Bruins, Carr, Hendricks, Liccardo
<b>NOES:</b>	None

**14. Electric Bus Charging Infrastructure, Cerone Phase 1 Contract (C17156)**

Ken Ronsse, Deputy Director, Rail & Facilities, provided an overview of the staff report, noting the contract protest period will close by end of business day and staff would update the report for the September 7, 2017, Board of Directors (Board) Meeting.

Upon inquiry of Board Member Liccardo, Mr. Ronsse clarified that the development is within the current Cerone facility and will not impact any joint development opportunities previously discussed with the Board.

**M/S/C (Bruins/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 Electric Bus Charging Infrastructure, Cerone Phase 1 project.

<b>RESULT:</b>	<b>APPROVED [UNANIMOUS] – Agenda Item #14</b>
<b>MOVER:</b>	Jeannie Bruins, Member
<b>SECONDER:</b>	Sam Liccardo, Member
<b>AYES:</b>	Bruins, Carr, Hendricks, Liccardo
<b>NOES:</b>	None

**15. Monthly Investment Report - June 2017**

Sean Bill, Investment Program Manager, provided an overview of the staff report.

**On order of Chairperson Hendricks** and there being no objection, the Committee receive the Monthly Investment Report for June 2017.

**OTHER ITEMS**

**16. Items of Concern and Referral to Administration**

There were no Items of Concern and Referral to Administration.

**17. Review Committee Work Plan**

There was no Committee Work Plan.

**18. Committee Staff Report**

There was no Committee Staff Report.

**19. Chairperson's Report**

There was no Chairpersons Report.

**20. Determine Consent Agenda for the September 7, 2017, Board of Directors Meeting**

**CONSENT:**

**Agenda Item #5.** Recommend that the VTA Board of Directors authorize the General Manager to execute an agreement with the County of Santa Clara to continue the Transit Assistance program (TAP) for one year with four one-year extensions for an aggregate total of \$1,000,000.

**Agenda Item #7.** Recommend that the VTA Board of Directors authorize the General Manager to execute contract amendments with Mark Thomas and Company, Inc. in an amount not to exceed \$410,000, increasing the not-to-exceed total contract value to \$3,728,769 for the SR 237 Express Lanes Project (Project). This authorization would cover the cost of the additional Design Services to complete final design and the cost of Design Services During Construction (DSDC).

**Agenda Item #8.** Receive information on a new contract for Silicon Valley Express Lanes Electronic Toll Systems Integration Services with TransCore, LP.

**Agenda Item #9.** Receive the report on VTA-ATU Pension Plan Actuarial Valuation as of January 1, 2017.

**Agenda Item #11.** Review the Legislative Update Matrix.

**Agenda Item #12.** Recommend that the VTA Board of Directors authorize the General Manager to submit Federal Fiscal Year 2017 grant applications and execute grant agreements with the Federal Transit Administration (FTA) for Section 5307 Urbanized Area Formula, Section 5309 New Starts, Section 5337 Fixed Guideway and High Intensity Motorbus, and Section 5339 Bus and Bus Facilities funds.

**Agenda Item #14.** 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 Electric Bus Charging Infrastructure, Cerone Phase 1 project.

**REGULAR:**

**Agenda Item #13.** Recommend that the VTA Board of Directors adopt a resolution that approves the Loan Agreement and related documents that are on file with the Board Secretary and authorizes entry into a loan for a not to exceed principal amount of \$24,000,000, (the "Loan") from Western Alliance Business Trust, a wholly-owned affiliate of Western Alliance Bank ("Western Alliance"), to fund costs of the Silicon Valley Express Lanes Program SR 237, Phase 2 Project (the "Project

**21. Announcements**

There were no Announcements.

22. **Adjournment**

**On order of Chairperson Hendricks** and there being no objection, the meeting adjourned at 1:02 p.m.

Respectfully submitted,

Theadora Abraham, Board Assistant  
VTA Office of the Board Secretary