



MEMORANDUM

Engineering Division

To: Honorable Mayor and City Council

Through: Thomas C. Williams, City Manager

From: Greg Armendariz, Public Works Director/City Engineer

By: Jaime O. Rodriguez, Traffic Engineer

Subject: **Summary of Santa Clara Valley Transportation Authority Board Governance Proposal**

Date: April 4, 2008

Background:

As part of the 2007 VTA Organization and Financial Assessment prepared by the Hay Group an Ad Hoc "Governance Committee" was developed to study and make recommendations regarding the governance structure of the VTA Board of Directors (hereinafter "Board"). The Board designated Councilmember Greg Sellers from the City of Morgan Hill as Committee Chair of the Governance Committee to work with Karen Antion Consulting, LLC and VTA staff to study and prepare recommendations regarding key areas of concern from the Hay Group study including Board Member turnover, Board Member representation as a responsible "regional policy Board", and City grouping representation on the Board.

The Board is currently made up of twelve elected officials from five Cities Groupings: County of Santa Clara, MGM, North County, San Jose, and West Valley. The City of Milpitas is currently represented within the "MGM City Group" which holds one (1) seat and one (1) Alternate position on the Board on a rotation basis between the City of Milpitas, City of Gilroy and City of Morgan Hill (MGM). The current rotation within the MGM Group allows each City to serve as an Alternate Seat Member for two years, hold the Board seat for two years, and then be on Stand-By for two years. Milpitas began its two-year Alternate Seat rotation in 2008. The rotation schedule that the MGM Group had been following does not extend past 2009. If the rotation schedule were extended, it would be reasonable to expect that Milpitas would be due to hold a seat on the VTA Board beginning in 2010. However, no action regarding on-going rotation sequence within the MGM has been decided. Currently, the rotation of representation within the groups is determined by agreement between the members of that group. With the exception of the City of San Jose and Santa Clara County, the Enabling Act creating VTA as well as VTA's Administrative Code are silent on how representatives are picked within the groups.

The Governance Committee sent a letter to all the cities in Santa Clara County with suggested recommendations on February, 2008 for comment and review. Four recommendations are provided in the report including:

- 1) Reconfigure the City Groupings and add a new group based on geographic proximity and population to create "regional representation" on the Board,
- 2) Eliminate the concept of City rotation within the Region and allow each Regional Group to select their "Regional Representative(s)" to the Board,
- 3) VTA Directors will still serve two-year terms. However, the appointing authorities will be encouraged to reappoint representatives to consecutive terms.
- 4) Develop a process for selection of Regional Representatives.

Analysis:

The four VTA Governance Committee recommendations and their impacts to City of Milpitas VTA Board representation are discussed below by recommendation.

Recommendation No. 1: Reconfigure the City Grouping and add new groups based on geographic proximity and population to create “Regional Representation” on the Board.

This recommendation includes a reorganization of the existing four City Groups into five Regional Groups based off of geography and population. Specifically, the report proposes to create an additional group called the “North East County Group” which would include representation from the City of Milpitas, City of Santa Clara and City of Sunnyvale. In addition, the report recommends that the North East County Group hold 2 seats on the VTA Board and one (1) Alternate position. The existing MGM City Group would be reorganized into a “South County Group” and continue to retain one Board seat but be comprised of representatives from the City of Gilroy, City of Morgan Hill and the City of San Martin that is actively seeking incorporation as a city. These and other proposed City Grouping changes are provided below.

Existing VTA Grouping

City of San Jose Group (5 Seats)	
Member Cities	Population
San Jose	975,000

County of Santa Clara Group (2 Seats)	
Member Cities	Population
County	-

North County Group (3 Seats)	
Member Cities	Population
Los Altos*	29,300
Los Altos Hills	8,482
Mountain View	71,995
Palo Alto*	62,000
Santa Clara*	110,771
Sunnyvale**	133,754

MGM Group (1 Seat)	
Member Cities	Population
Gilroy	48,527
Milpitas**	65,050
Morgan Hill*	37,091

West Valley Group (1 Seat)	
Member Cities	Population
Campbell	38,138
Cupertino*	53,000
Los Gatos	29,132
Monte Sereno	3,900
Saratoga**	31,097

Proposed VTA Groupings

City of San Jose Group (5 Seats)	
Member Cities	Population
San Jose	975,000

County of Santa Clara Group (2 Seats)	
Member Cities	Population
County	-

North East County Group (2 Seats)	
Member Cities	Population
Milpitas	65,050
Santa Clara	110,771
Sunnyvale	133,754

North West County Group (1 Seat)	
Member Cities	Population
Los Altos	29,300
Mountain View	71,995
Palo Alto	62,000

South County Group (1 Seat)	
Member Cities	Population
Gilroy	48,527
Morgan Hill	37,091
San Martin	5,000

West Valley Group (1 Seat)	
Member Cities	Population
Campbell	38,138
Cupertino	53,000

To: *Honorable Mayor and City Council*
 Subject: *Santa Clara Valley Transportation Authority – Board Governance Recommendations*
 Date: *April 4, 2008*
 Page: *3 of 4*

	Los Altos Hills	8,482
	Los Gatos	29,132
* Denotes VTA Board Seat Holder	Monte Sereno	3,900
** Denotes VTA Board Alternate Seat	Saratoga	31,097

Recommendation No. 2: Eliminate the concept of City rotation within the Region and allow each County Group to elect their “Regional Representatives” to the Board.

Within the proposed North East County Group, the City of Milpitas has the smallest population. While physically separated from the cities of Santa Clara and Sunnyvale regional issues are similar. The City of Santa Clara is on the proposed BART to Silicon Valley extension and the City of Sunnyvale is part of our current Supervisorial District.

Recommendation No. 3: VTA Directors will still serve two-year terms. However, the appointing authorities will be encouraged to reappoint representatives to consecutive terms.

The selection of representatives is not recommended on a rotational basis. The thrust of the recommendation as outlined below is for the Regional Group to select “Regional Representatives” who can best represent the interest of their Regional Group and VTA as a whole. The availability of two (2) Board Seats and one (1) Alternate position ensures more on-going opportunities for Board representation.

Recommendation No. 4: Develop a process for selection of Regional Representatives.

A formal process for the selection of Regional Representatives is not provided in the Governance Committee Report but does note that Regional Representatives should have required experience, qualifications and time available in their local term to serve a four-year term on the Board. Experience and qualifications may be developed through participation in a committee of the Board such as the Policy Advisory Committee, developing experience in the organization. The selection of representatives would continue to be the responsibility of the Regional Group.

Conclusion:

VTA Staff and Greg Sellers from the City of Morgan Hill/VTA Governance Committee will be present to discuss this item during the April 15, 2008 City Council meeting. In preparation of the upcoming council meeting, staff addressed issues during the March 4th MGM City Group Meeting and requested that the VTA discuss the following issues during their verbal report to the council. Jim Lawson from the VTA discussed these items at the March 27, 2008 City Council Transportation Subcommittee meeting.

- *Expectations of the rotation and/or representative selection process in the new North East County Group.*

The VTA should speak to the expectations from the cities of Santa Clara and Sunnyvale regarding Board Seat holdings within their current City grouping and under the proposed North East County Grouping. It is pertinent to know the position of the other Cities to determine Milpitas Board representation within the next 10 years.

To: Honorable Mayor and City Council
Subject: Santa Clara Valley Transportation Authority – Board Governance Recommendations
Date: April 4, 2008
Page: 4 of 4

- *Provide a chart demonstrating potential Board Seat holdings for Milpitas under both the existing MGM City Group and the proposed North East County Group scenarios.*

VTA staff should discuss expectations from the Cities of Gilroy and Morgan Hill regarding on-going Board Seat rotation beyond 2010 when the existing informal agreement for two-year rotation sequence expires. Specifically, do the Cities of Gilroy and Morgan Hill expect a Regional Representatives selection process to be pursued even if the regroupings do not occur?

- *Although not previously discussed, the VTA should also discuss the benefits or impacts of leaving the existing City Grouping status quo (i.e., Do Nothing Alternative) as this is not listed as a recommendation of the Governance Committee Final Report for consideration.*

VTA Staff will continue reviewing the VTA Board Governance Recommendations with the City and County Agencies and the VTA Board Committees throughout the month of April. This item is scheduled to be agendaized on the May 1st VTA Board of Directors for discussion.

City Council
Transportation
Subcommittee
Meeting Notes

Date/Time: Thursday, March 27, 2008

Where: Milpitas City Hall, Committee Conference Room

Attendants: Council Member Armando Gomez

Staff: Jaime Rodriguez, Janice Spuller
Quorum was not established

1. Call to Order

- The Transportation Subcommittee (Subcommittee) meeting was called to order at 5:30 pm

2. Pledge of Allegiance

3. Public Forum

4. Approval of November 13, 2007 Minutes*

Quorum was not established to approve the minutes. This item will be on the next Transportation Subcommittee Agenda.

5. Announcements

Staff requested to defer item #7 from the agenda until the next Transportation Subcommittee meeting.

Staff requested to discuss agenda items # 8 and 9 prior to agenda item #6. Council Member Gomez approved the request.

6. VTA Board or Directors Governance Structure*

VTA staff Jim Lawson, Government Affairs Manager, discussed the proposed VTA Board Governance Structure to Council Member Gomez. Mr. Lawson said the reason for the study was to address the VTA Board of Directors turnover as a serious issue with the organization, as well as the groupings of the cities were not compatible, especially Milpitas' grouping with Morgan Hill and Gilroy.

Mr. Lawson mentioned the rotation of the Board members in the grouping were an informal agreement and suspected the VTA Board would eliminate rotations and propose electing members to represent each grouping.

Mr. Lawson highlighted the advantages of Milpitas grouping with Santa Clara and Sunnyvale. This new group, the Northeast Group, would have 2 members seated on the VTA Board and one alternate. This serves as a better opportunity for Milpitas to be represented as a seated member of the VTA Board, as opposed to the one seat between Milpitas, Gilroy and Morgan Hill. Mr. Lawson mentioned the appointment to the Board would be discussed and agreed upon by all members of the Northeast Grouping.

Mr. Lawson stated he had conversations with the City of Santa Clara, [who are cautiously approving the new grouping]. Their City Council will review and discuss at their meeting in April. In preliminary discussion, Mr. Lawson said the 5 West Valley Cities and San Jose are in approval of the proposed structure option 2.

The VTA will continue outreach to the Cities in the month of April. The item will be discussed again at the VTA Policy Advisory Committee on April 10. The VTA Board will review and approve the VTA Governance Structure at their May 1 meeting.

Council Member Gomez requested City Staff to place this on the April 15, 2008 agenda with a VTA presentation and Staff Report.

7. Carlo Street Ramp Conversion/Calaveras Blvd Widening

- a. Carlo St Off-Ramp Design Update**
- b. Midtown Supplemental Environmental Impact Report**
- c. Calaveras Blvd Widening PSR Project**

This item was deferred to the next Transportation Subcommittee meeting.

8. Undulators Installation/Marking Policy

Staff Jaime Rodriguez referred to a Powerpoint presentation requesting an update of the 1997 Undulator Policy to the proposed:

- 70% or more of the households on the subject street(s) requesting installation.
- Residential streets w/25MPH prima facie speed limit
 - Streets w/slops less than 6% only
- Minimum 750 Avg Daily Traffic Volume
- Streets continue to exhibit speed compliance after non-structural means such as increased enforcement, use of radar board, and signage & marking alternatives have been exhausted and at least one neighborhood meeting.
- Speed Survey shows 85-percentile speed of > 30MPH
- “Silent” Community Support Survey showing 70% household support

Council Member Gomez approved Staff’s request to report the Undulators Installation Policy to the City Council for consideration and adoption.

Mr. Rodriguez requested the marking of undulators should be according to the MUTCD Standard Markings using thermoplastic material.

Council Member Gomez approved staff’s request to report Undulators Marking Policy to the City Council for consideration and adoption.

9. Yosemite Drive Roadway Markings

Staff Jaime Rodriguez referred to a Powerpoint presentation and City of Milpitas map of Yosemite Drive. Mr. Rodriguez recommended as part of the 2008 City Roadway Resurfacing Project along Yosemite Drive to install a two-way left turn between Vista

Way and Sinclair Frontage Road. Mr. Rodriguez stated the benefits include reduced vehicle speeds from 40 to 35 mph, and driveway access. Travel lanes will be reduced from 18 feet to 11 feet and bike lanes would be reduced from 7 feet to 5 feet. There is no parking in the project area.

Staff intends to send mailers to the businesses along Yosemite Drive between Milpitas Boulevard and Sinclair Frontage Road to notify and request feedback on the project. If there is no opposition from the community, the City will move forward with the project.

Council Member Gomez asked about the process of road closures. Mr. Rodriguez said the road will not be closed and will be at a minimum one-lane in each direction such as the resurfacing of Abel Street project.

10. Other Business

11. Set Time and Date for Next Meeting: Thursday, April 24, 2008, 5:30 pm

12. Adjournment

The meeting was adjourned at 6:03 pm.

January 15, 2008

Director Greg Sellers
VTA Board of Directors
3331 N. First Street
San Jose, CA

Dear Director Sellers,

Attached please find the Governance Committee's recommendation for strengthening VTA's governance structure as it pertains to the term of office for Directors and the procedures for selection of Directors by city groupings.

Sincerely,



Karen Antion
President

VTA Board Governance Recommendations January 2008

In 2007 VTA engaged the Hay Group to conduct a complete Organization and Financial Assessment. As a result of that Assessment, VTA received a set of recommendations designed to strengthen VTA's governance, financial management and organizational effectiveness. The Board has made a number of decisions to implement the recommendations resulting from the Assessment and VTA is beginning to realize the benefits it expected.

In the area of Governance, the Board started by approving the formation of an Audit Committee as a standing committee of the Board. The work required to formalize the Committee and procure the resources to develop and implement an Audit Plan is underway. The Board approved the development of a "Leadership Summit" to revisit VTA's Vision and Mission and provide guidance to the staff on required revisions. The Summit is scheduled for February 1, 2008. The Board also made the decision to designate Director Greg Sellers to serve as the Board's representative to work directly with the VTA staff and consultants to implement governance related recommendations.

The work plan for the "Governance Committee" activities is listed below:

Governance Work Plan Activities

1. Review and Evaluate Governance Structure
 - a. Term of Office for Directors
 - b. Procedures for selection of Directors by city groupings
2. Develop and Implement a Board Self Assessment Program
3. Reduce the number of Advisory Committees
 - a. Evaluate opportunities for consolidating Advisory Committee responsibilities. Consider the recommendation from the Hay Group as well as alternative strategies.
 - i. Hay Recommendation-Work with the Policy Advisory Committee and the Technical Advisory Committee to consolidate the responsibilities, goals and objectives of the two committees.
 - b. Recommend changes to by-laws and new work-plans to reflect responsibilities for advisory committees affected by the consolidation.

The Committee met to develop a strategy for reviewing and evaluating the governance structure as it pertains to the term of office for Directors and the procedures for selection of Directors by city groupings. The following changes to the governance structure are recommended.

Recommended Changes to the Governance Structure

The Hay group identified board turnover as a critical challenge to the governance structure at VTA. Directors are currently eligible to serve one two year term. The report recommends that the VTA Board look at alternatives to lengthen the term of office for directors and also work with appointing authorities to ensure that eligibility for selection to serve on the VTA Board include appropriate qualifications and experience as well as the time left in the elected officials term of office so that they do not “term out” during their tenure as a VTA Director.

The Assessment also spoke to the VTA Board’s responsibility as a regional policy Board. Specifically, the report states “The board has been charged with serving as a regional policy body. Appointing authorities and the VTA Board of Directors need to work together to ensure that Directors appointed to the Board have a regional perspective and experience considering policy issues as well as projects and programs”.

A unique characteristic of the composition of the VTA Board is that it includes five city council members selected from among the city councils of all of the cities in the county, other than the City of San Jose, as provided by agreements among those cities. The cities involved created three “city groupings” where each city within the grouping serves on the VTA Board on a rotational basis.

A solution to help reduce Board turnover and at the same time help move the VTA Board structure to one that has more “regional representation” may lie with the election of these five Directors and the specific definition of the city groupings. The current configuration was based primarily on population and secondarily on geography. VTA’s history and Directors’ experience has shown that cities that are geographically proximate have very similar issues, challenges and opportunities. Our recommendation looks to group cities based on geographic proximity first and population second. The population analysis is based on current data and also contemplates areas of new and planned growth in the County. The population analysis supporting this recommendation is attached.

Recommendation:

1. Reconfigure the city groupings and add a new group based on geographic proximity and population size to create “regions” within the county. (Refer to the Chart below). The fourth region has been added in recognition that San Martin is seeking its designation as a city and that the South County region is the fastest growing region in Santa Clara County.

WEST VALLEY (1 SEAT)	NORTH WEST (1 SEAT)	NORTH EAST (2 SEATS)	SOUTH COUNTY (1 SEAT)
Campbell 38,138	Los Altos 29,300	Milpitas 65,050	Gilroy 48,527
Cupertino 53,000	Mountain View 71,995	Santa Clara 110,771	Morgan Hill 37,091
Los Altos Hills 8,482	Palo Alto 62,000	Sunnyvale 133,754	San Martin 5,000
Los Gatos 29,132			
Monte Sereno 3,900			
Saratoga 31,097			
TOTAL 163,749	163,295	309,575	90,618
Pop/seat 163,749	163,295	154,788	90,618

2. Eliminate the concept of city rotation within the region. Each of the regions of the county will “select” their representative(s) to serve as a Director on the VTA Board.
3. Regional representatives serving on the VTA board will serve a four year term.
4. A process should be developed for selection of regional representatives on the VTA Board of Directors. Regional representatives serving as VTA Directors should have the required experience, qualifications and time available in their term to serve a four year term on the VTA Board.

In conclusion, the Organization and Financial Assessment conducted by the Hay Group recommended that the VTA board explore alternatives for lengthening Directors’ terms of office in order to reduce Board turnover. A solution to help reduce Board turnover and at the same time help move the VTA Board structure to one that has more “regional representation” involves creating four regions within the county based on geographic proximity and population size. A process for each region to select their representative would replace the practice of city rotation. Directors would serve four year terms and be selected based on qualifications and time available in their term to serve a four year term on the VTA Board. This solution is one that is within the VTA Board’s current authority to implement.

CURRENT BOARD CONFIGURATION							
WEST VALLEY	(1 SEAT)	NORTH COUNTY	(3 SEATS)	MGM	(1 SEAT)		
Campbell	38,138	Los Altos	29,300	Gilroy	48,527		
Cupertino	53,000	Los Altos Hills	8,482	Milpitas	65,050		
Los Gatos	29,132	Mountain View	71,995	Morgan Hill	37,091		
Monte Sereno	3,900	Palo Alto	62,000				
Saratoga	31,097	Santa Clara	110,771				
		Sunnyvale	133,754				
	155,267		416,302		150,668		
Pop/seat	155,267		138,767		150,668		
OPTION 1--RECONFIGURE EXISTING GROUPS							
WEST VALLEY	(2 SEATS)	NORTH COUNTY	(2 SEATS)	SOUTH COUNTY	(1 SEAT)		
Campbell	38,138	Milpitas	65,050	Gilroy	48,527		
Cupertino	53,000	Mountain View	71,995	Morgan Hill	37,091		
Los Gatos	29,132	Santa Clara	110,771	San Martin	5,000		
Los Altos	29,300	Sunnyvale	133,754				
Los Altos Hills	8,482						
Palo Alto	62,000						
Monte Sereno	3,900						
Saratoga	31,097						
TOTAL	255,049		381,570		90,618		
Pop/seat	127,525		190,785		90,618		
OPTION 2--ADD NEW GROUP							
WEST VALLEY	(1 SEAT)	NORTH WEST	(1 SEAT)	NORTH EAST	(2 SEATS)	SOUTH COUNTY	(1 SEAT)
Campbell	38,138	Los Altos	29,300	Milpitas	65,050	Gilroy	48,527
Cupertino	53,000	Mountain View	71,995	Santa Clara	110,771	Morgan Hill	37,091
Los Altos Hills	8,482	Palo Alto	62,000	Sunnyvale	133,754	San Martin	5,000
Los Gatos	29,132						
Monte Sereno	3,900						
Saratoga	31,097						
TOTAL	163,749		163,295		309,575		90,618
Pop/seat	163,749		163,295		154,788		90,618