



NOTICE and AGENDA

CITIES ASSOCIATION BOARD OF DIRECTORS MEETING AGENDA Thursday, June 9, 2016, 7:00 p.m. West Conference Room, Sunnyvale City Hall 456 West Olive Avenue, Sunnyvale, CA

This agenda and packet is available at www.citiesassociation.org.

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|--|-------------|
| 1. Welcome, Introductions and Roll Call | 7:00 |
| 2. Oral Communication
(This time is reserved for public comment and is limited to topics not on the agenda; comment time not to exceed 3 minutes.) | 7:00 - 7:05 |
| 3. Consent Calendar | 7:05 – 7:10 |
| a. Approval of Minutes of April 14, 2016 (Cappello) | |
| b. Acceptance of Financial Reports (Cappello) | |
| 1. May 2016 Balance Sheet | |
| 2. May 2016 Budget Report | |
| 3. April & May 2016 Transactions Report | |
| 4. Presentations & Priorities Discussions | |
| a. Regional Minimum Wage Discussion & Recommendation
(Jim Griffith, Sam Liccardo, Greg Scharff, Rod Sinks) | 7:10 – 7:40 |
| 1. Letter Re: Minimum Wage Initiative to Board of Directors | |
| 2. PowerPoint Presentation | |
| 3. SJ Mayor Liccardo Memo to Subcommittee | |
| b. Review of November 2016 Transportation Tax Measure
(Peter Leroe-Munoz, Chris O'Connor) | 7:40 – 8:00 |
| 1. VTA Memo & Resolution/Ballot Language | |
| 5. New Business | |
| a. FY 2016-17' Dues & Budget Proposal for Review & Adoption
(Cappello) | 8:00 – 8:10 |
| 1. Memo to Board of Directors | |
| 2. Dues Schedule & Budget Proposal for Adoption | |
| b. FAA Select Committee Report (Bernald & Waldeck) | 8:10 – 8:15 |
| c. CSC Appointee Report: ABAG (Davis & Scharff) | 8:15 – 8:25 |
| d. LAC Report (Griffith) | 8:25 – 8:35 |
| 1. Request to Approve LAC's Recommendation Re: SB 1329,
AB 2622, AB 2450 | 8:30 – 8:35 |
| e. CSC Meeting Report (Griffith) | 8:35 – 8:40 |
| f. City Managers' Association Report (Deanna Santana) | 8:40 – 8:45 |
| g. Legislation Report (Betsy Shotwell) | 8:45 – 8:50 |



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|--|-------------|
| 6. Joys & Challenges | 8:50 – 8:55 |
| 7. Announcements | 8:55 – 9:00 |
| a. Regional Economic Forum, Thursday, July 21, 2016,
8 am – 12 pm, Location TBD | |
| 7. Adjournment and Next Meeting | 9:00 |
| Thursday, August 11, 2016, 7pm, Sunnyvale City Hall | |



**Draft Minutes
BOARD OF DIRECTORS MEETING
Sunnyvale West Conference Room
April 14, 2016**

The regular meeting of the Cities Association Board of Directors was called to order at 7:15 p.m. with President Jim Griffith presiding.

1. Call to Order/Roll Call

Present:

Jason Baker, Campbell
Rod Sinks, Cupertino
Peter Leroe-Muñoz, Gilroy
Jeannie Bruins, Los Altos
Rob Rennie, Los Gatos
Jose Esteves, Milpitas
Burton Craig, Monte Sereno
Steve Tate, Morgan Hill
Pat Showalter, Mountain View
Chappie Jones, San Jose
Teresa O'Neill, Santa Clara
Manny Cappello, Saratoga
Jim Griffith, Sunnyvale

Also Present:

Raania Mohsen, Cities Association
Jim Davis, Sunnyvale
Omar Chatty
Steve Preminger, SCC
Betsy Shotwell, San Jose
Sam Liccardo, San Jose
Katie Martin
Kim Walesh, San Jose
Victor Lecha III
Michelle Thong, San Jose
Carl Guardino, SVLG
Ken Jacobs
Josh Williams
Deanna Santana, Sunnyvale

2. Oral Communication: None.

3. Consent Calendar

Approval of February 2016 Financial Statements, Minutes for April 14, 2016 Board Meeting, Motion (Cappello)/ Second (Baker). Motion carried unanimously (13:0).

Ayes: Baker, Bruins, Cappello, Craig, Esteves, Griffith, Jones, Leroe-Muñoz, O'Neill, Rennie, Sinks, Showalter

No:

Abstention:

Absent: Scharff, Waldeck

4. Presentations & Priorities Discussions

a. Mayor Liccardo and Economic Development Director Kim Walesh of San Jose introduced the regional minimum wage study presentation.

- Though the state has passed legislation raising the minimum wage to \$15 by 2022, our region has an option to adopt a more aggressive schedule (like Sunnyvale and Mountain View) due to the higher cost of living than any other region in the state.
- The scope of the regional study on minimum wage was developed by an Advisory Committee (Rod Sinks of the Cities Association, Bob Brownstein of Working

Partnerships, Matt Mahood of San Jose/ Silicon Valley Chamber of Commerce, San Jose's OED Staff).

- Consultants BW Research Partnership and Institute for Research on Labor and Employment of UC Berkeley were selected to analyze the effects of increasing the minimum wage to \$15 by 2019 in San Jose and across Santa Clara County.
- Ken Jacobs presented "The Effects of a \$15 Minimum wage by 2019 in Santa Clara County and the City of San Jose." The report does the following:
 - Provides an economic analysis of the effects of increasing minimum wages to \$15 by 2019 in San Jose only and in all of Santa Clara County.
 - Examines the economic context and the effects of a \$15 minimum wage on workers, business, and the economy.
 - Assesses associated policy issues.
- It was noted that the analysis was done before the state passed recent minimum wage legislation raising the state minimum wage to \$15 by 2023.
- Key findings of the report include:
- Increasing the minimum wage to \$15 an hour by 2019 in Santa Clara County would do the following:
 - Increase earnings for 250,000 workers, 25% of the workforce
 - Raise average annual earnings of affected workers by 19.4 percent, or \$3,200 (in 2014 dollars)
 - Increase average prices in Santa Clara County by 0.2 percent over three years
 - Have a net effect on employment that is slightly negative at the county level (1,450 jobs) and close to zero at a 10 county regional level. For details of the presentation and report see presentation at
- Economic analysis shows that:
 - Higher wage costs would be absorbed through improved productivity, reduced worker turnover, and modest price increases.
 - Net effects on employment would be very slightly negative at the city and county levels and close to zero at the regional level.
 - The resulting improvement in living standards would outweigh the small effects on employment.
- In June 2016, a detailed report will be released and will include more details about how San Jose/ SCC would absorb an increase in the minimum wage to \$15 over three years, qualitative discussion about the impact of increasing the minimum wage to \$20, and a full description of the underlying economic model.
- Josh Williams of BW Research Partnership presented "Santa Clara County Minimum Wage Employer Survey."
- Overall key findings included:
 - The majority of surveyed firms anticipate increasing prices.
 - However most also believe their employees will be more satisfied and productive under a minimum wage increase
 - Few firms think it is likely they will have to move or close business given an increase
 - Three-fourths of firms agree that an increase in the minimum wage makes sense given the high cost of living.

- The majority of surveyed firms believe a minimum wage increase will reduce income inequality in the region.
- However, most also agree that it will be harder to start new businesses in the region
- For more details and information, both presentations are available for review at http://sanjose.granicus.com/GeneratedAgendaViewer.php?event_id=ef9f9f98-70c3-4924-8de8-50b24984686a
- Second Vice President and Member of the Subcommittee on Minimum Wage recommended for Board Members to share the presentations and the results of the study with their respective cities and to come back in June to review potential regional recommendation.
- Public Comment included positive remarks regarding the results of the study, some concern for the restaurant industry, and consideration of \$15 by 2018.
- Board Members expressed their appreciation for San Jose's efforts with the study and presentation to the Board.

b. Carl Guardino, CEO of Silicon Valley Leadership Group reviewed the potential November 2016 Tax Measure.

- Overall, cities in Santa Clara County submitted \$48 billion worth of project requests.
- The proposed measure will raise approximately \$6 billion.
- The draft expenditure plan includes the following allocations:

OVERALL DRAFT EXPENDITURE PLAN		
SILICON VALLEY LEADERSHIP GROUP		
TRANSIT/Mode Shift	Millions	%
BART to Downtown San Jose/Santa Clara*	1,400	23%
Caltrain Capacity & Safety	1,014	17%
Mass transit for seniors, students, workers, disabled	400	7%
Transit improvements in the West Valley/North County Corridor	350	6%
Bike/Ped Facilities, especially near schools	250	4%
Transit/Mode Shift total:	3,414	56%
ROADS		
Street Maintenance & Pothole Repair	1,200	20%
County Expressways (Tier 1)**	750	12%
Highway Interchanges	750	12%
Roads total:	2,700	44%
Grand total:	6,114	~100%
*BART Cap = 25% of total measure revenue		

- Details of the draft expenditure plan can be reviewed in the attached presentation.

- On April 22, VTA plans to review the expenditure plan and determine if the tax measure will be placed on the November 2016 Ballot.

5. New Business

a. Request to participate in SVLG's Regional Economic Forum as a co-host, on July 21, 2016, at the Computer History Museum in Mountain View, with over 20 partners was reviewed and unanimously approved by the Board. Participation will cost the Cities Association \$1,000 and will include a table of 10 for Cities Association Members/Guests, opportunity to participate in three planning sessions for the forum, and three on-stage roles during the program.

Motion (Leroe-Muñoz)/ Second (Baker). Motion carried unanimously (13:0).

Ayes: Baker, Bruins, Cappello, Craig, Esteves, Griffith, Jones, Leroe-Muñoz, O'Neill, Rennie, Sinks, Showalter

No:

Abstention:

Absent: Scharff, Waldeck

b. The Board unanimously ratified FAA Select Committee on South Bay Arrival Appointments and assigned Alternates.

Gary Waldeck of Los Altos Hills – Alternate: Greg Scharff of Palo Alto
Mary-Lynne Bernald of Saratoga – Alternate: Jean Mordo of Los Altos

Motion (Cappello)/ Second (Bruins). Motion carried unanimously (13:0).

Ayes: Baker, Bruins, Cappello, Craig, Esteves, Griffith, Jones, Leroe-Muñoz, O'Neill, Rennie, Sinks, Showalter

No:

Abstention:

Absent: Scharff, Waldeck

c. Jim Griffith reviewed the LAC's recommendation and the Board unanimously supported the following:

- AB 1851 (Gray & Ting) – Vehicular Air Pollution: Reduction Incentives - No Position
- SB 873 (Beall) Sale of Low Income Housing Tax Credits – Support
- AB 2817 (Chiu) Low Income Housing Tax Credit – Support
- AB 2502 (Mullin & Chau) Land Use: Zoning Regulations – Support
- AB 1591 (Frazier) Transportation Funding – Support
- SB 1053 (Leno) Housing Opportunity Act – Watch

Motion (Tate)/ Second (Jones). Motion carried unanimously (13:0).

Ayes: Baker, Bruins, Cappello, Craig, Esteves, Griffith, Jones, Leroe-Muñoz, O'Neill, Rennie, Sinks, Showalter

No:

Abstention:

Absent: Scharff, Waldeck

d. City Managers' Association Report: City Manager Deanna Santana's report included an update on the April City Managers' Association meeting – City Managers have referred the Cities Association request to review countywide taxi regulations to the SCC Police Chiefs; the county presented a new proposal regarding weed abatement, and the county has extended the current EMS contract with Rural Metro for three more years.

Joys & Challenges/Announcements

- Rod Sinks of Cupertino announced that there are four potential ballot measures addressing the development of projects in Cupertino, e.g. Vallco Mall, and building height ordinances.
- Jason Baker of Campbell announced VTA's upcoming evaluation of the bus system across the county.
- Rob Rennie of Los Gatos announced North 40's progress and continued development.
- Jeannie Bruins of Los Altos announced the city's new search for a City Manager.
- Jim Griffith of Sunnyvale announced the inaugural meeting of Community Choice Energy Authority, Wednesday, April 13, 2016; and the retirement of Sunnyvale Council Member David Whittum; there will be a special election in August for a replacement.
- Save the date for the Cities Association General Membership Meeting, Thursday, May 12, 6 – 9 pm, Microsoft, Mountain View.

Adjournment, 9:05 pm

Next Meeting: Thursday, June 9, 2016, 7 pm, Sunnyvale City Hall.

Respectfully submitted,

Rania Mohsen, Executive Director, Cities Association of Santa Clara County

CITIES ASSOCIATION OF SANTA CLARA COUNTY
Balance Sheet
As of May 31, 2016

	<u>May 31, 16</u>
ASSETS	
Current Assets	
Checking/Savings	
Checking - Union Bank	4,667.70
Total Checking/Savings	4,667.70
Other Current Assets	
LAIF Funds	57,821.65
Accrued Interest	44.60
Receivable from Annual Ev...	455.00
Total Other Current Assets	58,321.25
Total Current Assets	62,988.95
Fixed Assets	
Machinery and Equipment	2,203.41
Accumulated Depreciation	-1,007.40
Total Fixed Assets	1,196.01
TOTAL ASSETS	<u>64,184.96</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	3,930.00
Total Accounts Payable	3,930.00
Total Current Liabilities	3,930.00
Total Liabilities	3,930.00
Equity	
Reserves	
Reserve for New Equip.	5,000.00
Reserve for Operations	35,000.00
Total Reserves	40,000.00
Unrestricted Fund Balance	14,626.22
Net Income	5,628.74
Total Equity	60,254.96
TOTAL LIABILITIES & EQUITY	<u>64,184.96</u>

CITIES ASSOCIATION OF SANTA CLARA COUNTY
Report on Budget vs. Actual
July 2015 through May 2016

	<u>Jul '15 - May 16</u>	<u>Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense			
Income			
Directory Income	1,080.00	1,250.00	86.4%
Dues Income	83,682.00	83,682.00	100.0%
Interest	299.40	226.00	132.5%
Total Income	<u>85,061.40</u>	<u>85,158.00</u>	<u>99.9%</u>
Gross Profit	85,061.40	85,158.00	99.9%
Expense			
Office			
Directory Production	768.75	704.00	109.2%
Dues and Subscriptions	271.00	300.00	90.3%
Hospitality	404.97	250.00	162.0%
Internet - Web Hosting Servi...	213.08	200.00	106.5%
Miscellaneous			
Bank Service Charges	27.00	36.00	75.0%
Total Miscellaneous	<u>27.00</u>	<u>36.00</u>	<u>75.0%</u>
Post Office Box	82.00	82.00	100.0%
Postage and Delivery	210.91	166.00	127.1%
Recognition	175.41	167.00	105.0%
Supplies and Equipment	354.52	600.00	59.1%
Telephone	767.91	810.00	94.8%
Total Office	<u>3,555.35</u>	<u>3,315.00</u>	<u>107.3%</u>
Professional Services			
Employee Expenses			
Payroll Service Fees	856.30	825.00	103.8%
Payroll Taxes	5,600.68	5,900.00	94.9%
Payroll Wages/Salary	69,734.31	75,118.00	92.8%
Total Employee Expenses	<u>76,191.29</u>	<u>81,843.00</u>	<u>93.1%</u>
Total Professional Services	<u>76,191.29</u>	<u>81,843.00</u>	<u>93.1%</u>
Total Expense	<u>80,746.64</u>	<u>85,158.00</u>	<u>94.8%</u>
Net Ordinary Income	4,314.76	0.00	100.0%
Other Income/Expense			
Other Income			
Membership Dinners - Proceeds	7,930.99	10,000.00	79.3%
Total Other Income	<u>12,430.99</u>	<u>10,000.00</u>	<u>124.3%</u>
Other Expense			
Membership Dinners - Cost	11,117.01	10,000.00	111.2%
Total Other Expense	<u>11,117.01</u>	<u>10,000.00</u>	<u>111.2%</u>
Net Other Income	<u>1,313.98</u>	<u>0.00</u>	<u>100.0%</u>
Net Income	<u><u>5,628.74</u></u>	<u><u>0.00</u></u>	<u><u>100.0%</u></u>

CITIES ASSOCIATION OF SANTA CLARA COUNTY
Transaction Detail by Account
April through May 2016

Date	Num	Name	Memo	Split	Amount
Checking - Union Bank					
4/12/2016	2668	First National Bank ...		-SPLIT-	-535.20
4/13/2016	2669	Cities Managers' A...	April Meeting	Dues and Sub...	-32.00
4/26/2016			deposit	LAIF Funds	7,000.00
4/29/2016		Time+Plus Payroll ...		-SPLIT-	-2,618.74
4/29/2016		Time+Plus Payroll ...		Payroll Wages...	-4,254.72
4/29/2016		Time+Plus Payroll ...		Payroll Service...	-67.80
5/11/2016	2670	City Mgrs Association	May Meeting	Dues and Sub...	-32.00
5/12/2016	2671	First National Bank ...		-SPLIT-	-122.69
5/12/2016	2672	Western City Maga...	Renewal of 1 year sub...	Dues and Sub...	-39.00
5/18/2016			Direct Deposit from Ev...	Membership D...	2,520.99
5/23/2016		Union Bank	Deposit	-SPLIT-	468.00
5/25/2016	2673	Compass Group USA	General Membership ...	Membership D...	-2,737.24
5/26/2016			confirmation #1502611	LAIF Funds	8,000.00
5/26/2016	2674	LCC Peninsula Divi...	Quarterly Dinner - May...	Conferences/D...	-40.00
5/31/2016		Time+Plus Payroll ...		Payroll Service...	-67.80
5/31/2016		Time+Plus Payroll ...		Payroll Wages...	-4,254.72
5/31/2016		Time+Plus Payroll ...		-SPLIT-	-2,618.74
Total Checking - Union Bank					568.34
LAIF Funds					
4/15/2016			Interest earned quarter...	Interest	100.05
4/26/2016			withdrawal from LAIF co...	Checking - Uni...	-7,000.00
5/26/2016			transfer out of LAIF	Checking - Uni...	-8,000.00
Total LAIF Funds					-14,899.95
Directory Income					
5/23/2016		Union Bank	Deposit	Checking - Uni...	-348.00
Total Directory Income					-348.00
Interest					
4/15/2016			deposit as of 4/15/16	LAIF Funds	-100.05
Total Interest					-100.05
Office					
Conferences/Director's Expenses					
5/26/2016	2674	LCC Peninsula Divi...	Quarterly Dinner - May...	Checking - Uni...	40.00
Total Conferences/Director's Expenses					40.00
Dues and Subscriptions					
4/13/2016	2669	Cities Managers' A...	January & February M...	Checking - Uni...	32.00
5/11/2016	2670	City Mgrs Association	May Meeting	Checking - Uni...	32.00
5/12/2016	2672	Western City Maga...	Renewal of 1 year sub...	Checking - Uni...	39.00
Total Dues and Subscriptions					103.00
Equipment Leasing					
4/12/2016	2668	First National Bank ...	monthly Adobe Acroba...	Checking - Uni...	104.98
5/12/2016	2671	First National Bank ...	monthly Adobe Acroba...	Checking - Uni...	14.99
Total Equipment Leasing					119.97
Hospitality					
4/12/2016	2668	First National Bank ...	March Board Meeting ...	Checking - Uni...	51.60
5/12/2016	2671	First National Bank ...	April Board Meeting Re...	Checking - Uni...	37.43
Total Hospitality					89.03
Internet - Web Hosting Services					
4/12/2016	2668	First National Bank ...	web host subscription	Checking - Uni...	38.28
Total Internet - Web Hosting Services					38.28
Postage and Delivery					
4/12/2016	2668	First National Bank ...	Directory postage and ...	Checking - Uni...	184.65
Total Postage and Delivery					184.65
Supplies and Equipment					
4/12/2016	2668	First National Bank ...	Mailing Labels, ink cart...	Checking - Uni...	55.42
Total Supplies and Equipment					55.42

CITIES ASSOCIATION OF SANTA CLARA COUNTY
Transaction Detail by Account
April through May 2016

Date	Num	Name	Memo	Split	Amount
Telephone					
4/12/2016	2668	First National Bank ...	monthly phone expense	Checking - Uni...	70.27
5/12/2016	2671	First National Bank ...	monthly phone expense	Checking - Uni...	70.27
Total Telephone					140.54
Website Update					
4/12/2016	2668	First National Bank ...	Update/Revisio of map...	Checking - Uni...	30.00
Total Website Update					30.00
Total Office					800.89
Professional Services					
Employee Expenses					
Payroll Service Fees					
4/29/2016		Time+Plus Payroll ...		Checking - Uni...	67.80
5/31/2016		Time+Plus Payroll ...		Checking - Uni...	67.80
Total Payroll Service Fees					135.60
Payroll Taxes					
4/29/2016		Time+Plus Payroll ...		Checking - Uni...	488.45
5/31/2016		Time+Plus Payroll ...		Checking - Uni...	488.45
Total Payroll Taxes					976.90
Payroll Wages/Salary					
4/29/2016		Time+Plus Payroll ...		Checking - Uni...	2,130.29
4/29/2016		Time+Plus Payroll ...		Checking - Uni...	4,254.72
5/31/2016		Time+Plus Payroll ...		Checking - Uni...	4,254.72
5/31/2016		Time+Plus Payroll ...		Checking - Uni...	2,130.29
Total Payroll Wages/Salary					12,770.02
Total Employee Expenses					13,882.52
Total Professional Services					13,882.52
Membership Dinners - Proceeds					
5/18/2016			Direct Deposit from Ev...	Checking - Uni...	-2,520.99
5/23/2016		Union Bank	May 2016 General Me...	Checking - Uni...	-120.00
Total Membership Dinners - Proceeds					-2,640.99
Membership Dinners - Cost					
5/25/2016	2673	Compass Group USA	General Membership ...	Checking - Uni...	2,737.24
Total Membership Dinners - Cost					2,737.24
TOTAL					0.00



*A Unified Voice for the 15 Cities of
Santa Clara County, California*

May 13, 2016

Dear Cities Association Board Members and Alternates,

In 2015, the Cities Association adopted Minimum Wage as a priority and endorsed the recommendation to implement regional consistency across the county. As an effort to provide economic data about the impacts of increasing minimum wage across the region, the Cities Association supported a regional minimum wage study led by the City of San Jose. At our April 14, 2016 Board Meeting, we received a presentation on the results of the regional minimum wage study and survey from the Institute for Research on Labor and Employment at UC Berkeley and BW Research. This effort was also supported by a number of mayors in September 2015, who expressed a desire to study and then take action on minimum wage to as best possible create regional consistency. Construction of the study scope of work, selection of expert consultants, and review of contents for completeness was conducted by the Minimum Wage Advisory Team of Matt Mahood of the Silicon Valley Chamber of Commerce, Bob Brownstein of Working Partnerships, Rod Sinks representing the Cities Association, and John Lang, Economic Coordinator, City of Morgan Hill, in conjunction with economic development staff at the City of San Jose.

Key findings of the study showed that increasing the minimum wage to \$15 an hour by 2019 in our County would:

- Increase earnings for 250,000 workers
- Raise average annual earnings of affected workers by 19.4 percent, or \$3,200 (in 2014 dollars)
- Increase average prices in Santa Clara County by 0.2 percent over three years
- Have a net effect on employment that is slightly negative at the county level (1,450 jobs) and close to zero at a 10 county regional level

The study assumed these steps, which land at \$15 one year after Mountain View and Sunnyvale, and three years before the State of California:

- \$12.00 on 1/1/2017
- \$13.50 on 1/1/2018
- \$15.00 on 1/1/2019

As we discussed in the April meeting, we are asking you as your city's Cities Association board representative to come to our meeting on June 9 prepared to discuss and vote on a regional recommendation that interested cities could consider. Some cities are conducting study sessions to share the presentation and provide direction to their board representatives. The presentations are available [here](#) (Attachments B & D), and the San Jose Council study session

video featuring presentations and questions of the study and survey consultants is available [here](#).

Questions on the study or survey may be directed to Michelle Thong, michelle.thong@sanjoseca.gov, 408-535-8169. Questions on the process may be directed to any of the members of the Minimum Wage Advisory Team listed above.

Sincerely,



Hon. Rod Sinks, City of Cupertino
Minimum Wage Advisory Team



Hon. Jim Griffith, Sunnyvale
President, Cities Association



Mayor Sam Liccardo
City of San Jose

cc: City Managers & Economic Development Staff



*A Unified Voice for the 15 Cities of
Santa Clara County, California*

Minimum Wage
Regional Recommendation
June 9, 2016

Minimum Wage Subcommittee
Greg Scharff
Rod Sinks

History

- Cities Association priority in 2015 & 2016
- June 2015 Cities Association position:
 - Regional consistency is paramount
 - No specific wage or timeline, but watch Mountain View and Sunnyvale
 - Restaurant wait staff exemption – recommend against
 - Non-profit exemption – no recommendation
 - Youth exemption – no recommendation

History continued

- Sept 2015: Mayors of Campbell, Cupertino, Milpitas, Morgan Hill, Monte Sereno, San Jose and Santa Clara call for a study;
Cities Association signed on to San Jose's effort;
Ben Brownstein, Matt Mahood, Rod Sinks appointed as Advisory Team to San Jose Economic Development Staff
- Oct 2015: Study RFP posted
- Dec 2015: IRLE/CWED selected to conduct study
- Jan 2016: BW Research selected for employer survey
- April 2016: Results presented to Cities Association Board
- June 2016: Call for regional recommendation

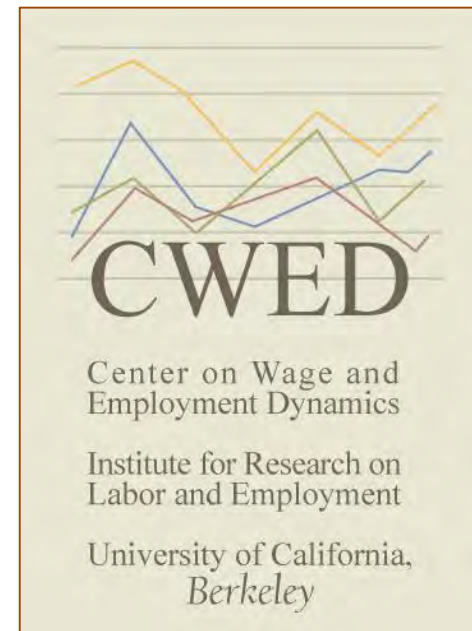
The Effects of a \$15 Minimum Wage by 2019 in Santa Clara County

Summary of Key Findings

April 2016

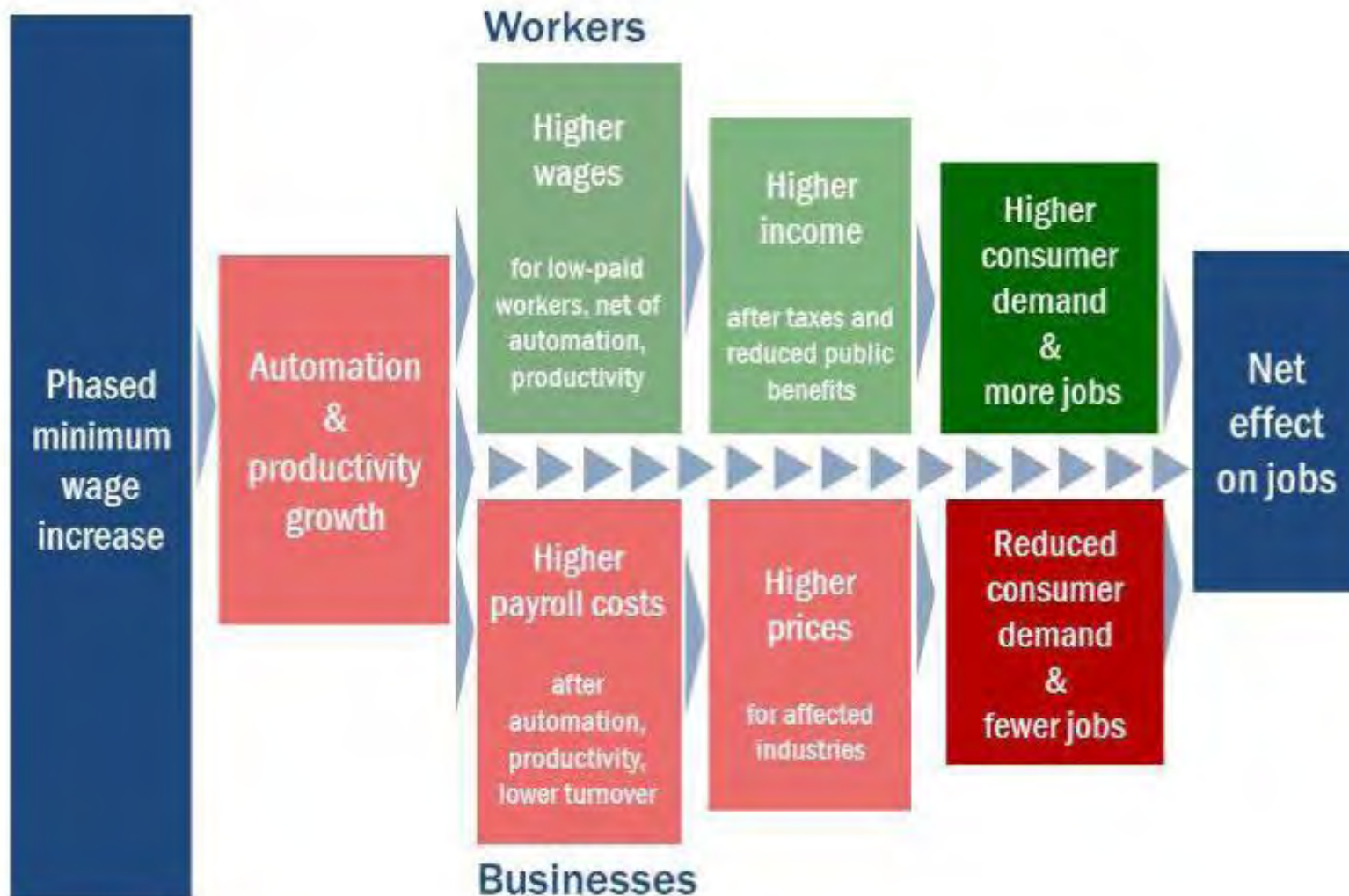
by Michael Reich, Claire Montialoux,
Annette Bernhardt, Sylvia Allegretto,
Sarah Thomason, and Ken Jacobs

With the assistance of Saika Belal and Ian Perry



Increase in payroll costs

The net effect on jobs reflects the balance among factors impacting workers and employers



Key Findings for Santa Clara County

- Increase earnings for 250,000 workers
- Raise average annual earnings of affected workers by 19.4 percent, or \$3,200 (in 2014 dollars)
- Increase average prices in Santa Clara County by 0.2 percent over three years
- Have a net effect on employment that is slightly negative at the county level (1,450 jobs) and close to zero at a 10 county regional level

Conclusions

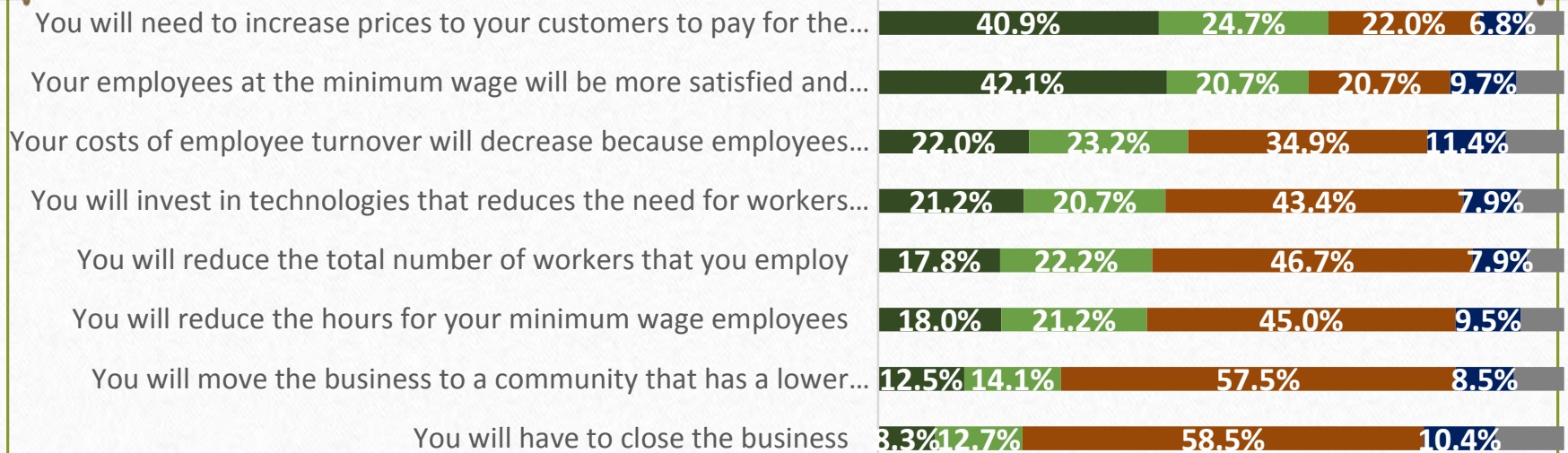
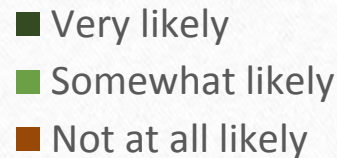
- Higher wage costs would be absorbed through improved productivity, reduced worker turnover, and modest price increases.
- Net effects on employment would be very slightly negative at the city and county levels and close to zero at the regional level.
- The resulting improvement in living standards would outweigh the small effects on employment.

Santa Clara County Minimum Wage Employer Survey

A Study Conducted by BW Research Partnership
In Collaboration with City of San Jose and Institute
for Research on Labor and Employment (IRLE)

April 2016

The majority of surveyed employers report that they will likely have to increase prices for customers, but that their employees will be more satisfied and productive given a minimum wage increase.



Local Minimum Wage



*A Unified Voice for the 15 Cities of
Santa Clara County, California*

	2016	2017	2018	2019
Existing				
San Jose		\$10.53**	\$10.76**	\$11.00**
Palo Alto & Santa Clara City		\$11.25**	\$11.50**	\$11.75**
Mountain View & Sunnyvale	\$11.00	\$13.00	\$15.00	\$15.37**
Rest of Santa Clara County (State schedule)		\$10.50*	\$11.00*	\$12.00*
Subcommittee Recommendation		1/1/2017	1/1/2018	1/1/2019
Santa Clara County		\$12.00	\$13.50	\$15.00

* Businesses of 25 or more employees; delayed one year for less than 25 employees

** Where minimum wages are scheduled to increase according to CPI, we estimate the increase using the average annual CPI increase over the past 10 years. Mountain View's minimum wage is indexed to the San Francisco CMSA CPI-W. All other cities are indexed to the U.S. All Cities CPI-W.

New California Minimum Wage

The new statewide law, SB-3 (Leno), increases minimum wages to \$15 an hour by 2022 for large businesses and 2023 for small businesses. Starting in 2024, the minimum wage will be indexed to the cost of living.

Schedule of California minimum wage increases

	State schedule		Subcommittee Recommendation
	Business with more than 25 employees	Businesses with 25 or fewer employees	
2017	\$10.50	\$10.00	\$12.00
2018	\$11.00	\$10.50	\$13.50
2019	\$12.00	\$11.00	\$15.00
2020	\$13.00	\$12.00	\$15.33*
2021	\$14.00	\$13.00	\$15.68*
2022	\$15.00	\$14.00	\$16.03*
2023	\$15.00	\$15.00	\$16.38*

Local Indexing

- Past 2018, Mountain View and Sunnyvale both index minimum wage increases to **San Francisco Bay Area CPI-W, capped at 5% per year**

San Francisco Bay Area CPI-W



Databases, Tables & Calculators by Subject

Change Output Options:

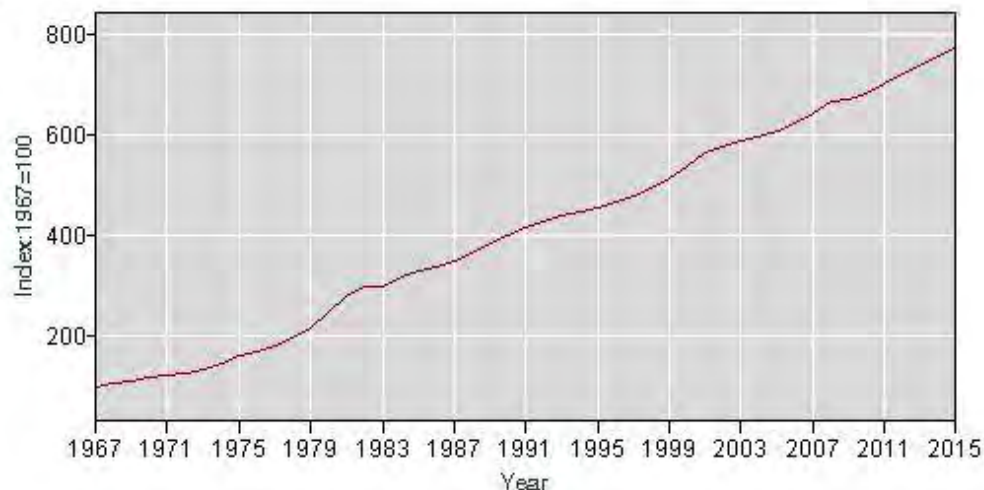
From: 1967 To: 2016 GO

☒ include graphs ☒ include annual averages

Data extracted on: June 2, 2016 (12:20:27 AM)

Consumer Price Index - Urban Wage Earners and Clerical Workers

Series Id: CWURA422AA0
Not Seasonally Adjusted
Area: San Francisco-Oakland-San Jose, CA
Item: All items - old base
Base Period: 1967=100



Consumer Price Index - Urban Wage Earners and Clerical Workers Original Data Value

Series: CWURA422AA0
Not Seasonally Adjusted
Area: San Francisco-Oakland-San Jose, CA
Item: All items - old base
Base: 1967=100
Years: 1967 to 2015

Year	Annual	Delta	Year	Annual	Delta
1967	100.0		1991	414.9	4.0%
1968	104.5	4.5%	1992	428.2	3.2%
1969	110.2	5.5%	1993	439.2	2.6%
1970	115.8	5.1%	1994	445.6	1.5%
1971	120.1	3.7%	1995	454.7	2.0%
1972	124.3	3.5%	1996	464.7	2.2%
1973	131.5	5.8%	1997	479.2	3.1%
1974	144.4	9.8%	1998	492.7	2.8%
1975	159.1	10.2%	1999	514.1	4.3%
1976	168.0	5.6%	2000	536.7	4.4%
1977	180.8	7.6%	2001	565.6	5.4%
1978	197.4	9.2%	2002	575.0	1.7%
1979	214.7	8.8%	2003	585.9	1.9%
1980	247.2	15.1%	2004	594.0	1.4%
1981	278.8	12.8%	2005	606.3	2.1%
1982	298.9	7.2%	2006	624.0	2.9%
1983	298.9	0.0%	2007	643.639	3.1%
1984	315.8	5.7%	2008	665.172	3.3%
1985	328.3	4.0%	2009	668.839	0.6%
1986	337.2	2.7%	2010	680.954	1.8%
1987	348.2	3.3%	2011	701.394	3.0%
1988	363.6	4.4%	2012	721.978	2.9%
1989	382.0	5.1%	2013	737.291	2.1%
1990	399.1	4.5%	2014	756.173	2.6%
			2015	773.179	2.2%

Ramp-Up Provisions & State Indexing

- Until Min Wage reaches \$15, SB-3 provides “off-ramp” triggers
 - Sec 3 (d) (1) On or before July 28, 2017, and on or before every July 28 thereafter until the minimum wage is fifteen dollars (\$15) per hour pursuant to paragraph (1) of subdivision (b), to ensure that economic conditions can support a minimum wage increase, the Director of Finance shall annually make a determination...
- Past 2024, SB-3 indexes minimum wage to **U.S. CPI-W**, capped at 3.5% annually and rounded to nearest 10 cents
 - Sec 3 (c) (1) Following the implementation of the minimum wage increase specified in subparagraph (F) of paragraph (2) of subdivision (b), on or before August 1 of that year, and on or before each August 1 thereafter, the Director of Finance shall calculate an adjusted minimum wage. The calculation shall increase the minimum wage by the lesser of 3.5 percent and the rate of change in the averages of the most recent July 1 to June 30, inclusive, period over the preceding July 1 to June 30, inclusive, period for the United States Bureau of Labor Statistics nonseasonally adjusted United States Consumer Price Index for Urban Wage Earners and Clerical Workers (U.S. CPI-W). The result shall be rounded to the nearest ten cents (\$0.10). Each adjusted minimum wage increase calculated under this subdivision shall take effect on the following January 1.

Subcommittee Recommendation on Ramp-Up and Indexing

- Use State defined economic “off-ramp” triggers with local determination during the ramp up period
- Index to **Bay Area CPI-W** after 2019
 - If CPI-W negative, hold min wage flat
 - If CPI-W exceeds 5%, cap minimum wage increase at 5%
 - Round to nearest 10 cents
 - Use same calculation process as the State

State of California Exemptions

- Learners (regardless of age)
 - May be paid not less than 85% of the minimum wage rounded to the nearest nickel during their first 160 hours of employment in occupations in which they have no previous similar or related experience.

Cities' Learner Exemptions

- Most cities in California incorporate the state's learner exemption.
- 4 exempt youth training programs operated by a non-profit corporation or government agency (Sacramento, Richmond, Berkeley, San Diego)
- 1 exempts publicly subsidized job-training and apprenticeship programs for teens (San Francisco)
- 2 extend the state learner provision to 480 hours or 6 months (Santa Monica, Long Beach)

Transitional Job Programs

- Transitional jobs programs provide short-term, subsidized employment and supportive services through a non-profit organization to help participants overcome barriers to employment
- Most minimum wage laws treat transitional jobs programs the same as other non-profit organizations
- In Los Angeles and Santa Monica, participants in transitional jobs programs that meet specified criteria are exempted from the higher minimum wage for a maximum of 18 months

Local Exemptions

- Mountain View and Sunnyvale included no exemptions in their ordinances
- San Jose has a collective bargaining waiver
- Some interest expressed in learner/training exemptions
- Palo Alto studying potential exemptions

Subcommittee Recommendation on Exemptions

- Each city determines its own exemptions, if any

Alternative for Consideration

- Adopt the State learner exemption but no other exemptions
 - Learners (regardless of age)
 - May be paid not less than 85% of the minimum wage rounded to the nearest nickel during their first 160 hours of employment in occupations in which they have no previous similar or related experience

Elements for Board Consideration

- Ramp in 3 steps
 - \$12.00 on 1/1/17, \$13.50 on 1/1/18, \$15.00 on 1/1/19
- “Off-ramp” triggers during ramp phase
- Index to Bay Area CPI-W after 2019, capped at 5%
- Exemptions

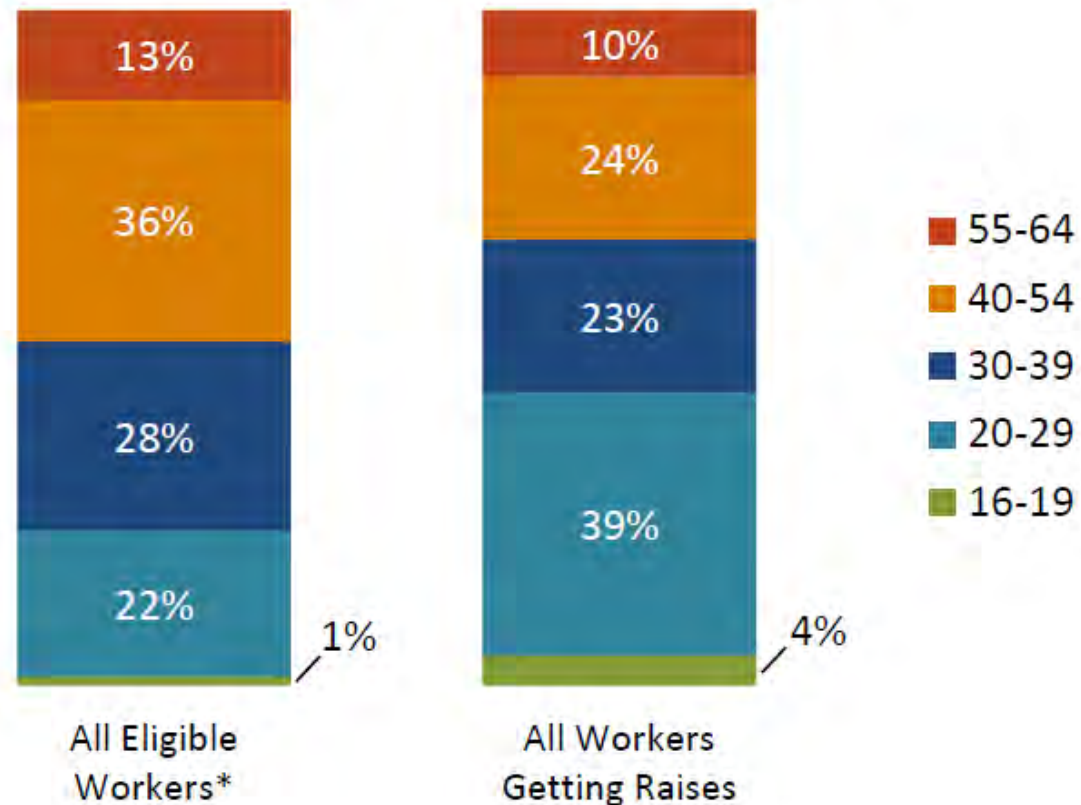
- Questions from Board Members
- Public Input
- Deliberation

Backup slides follow

Age

96% of Santa Clara County workers receiving increases are over the age of 20, and 57% are over 30

Santa Clara County workers by age group



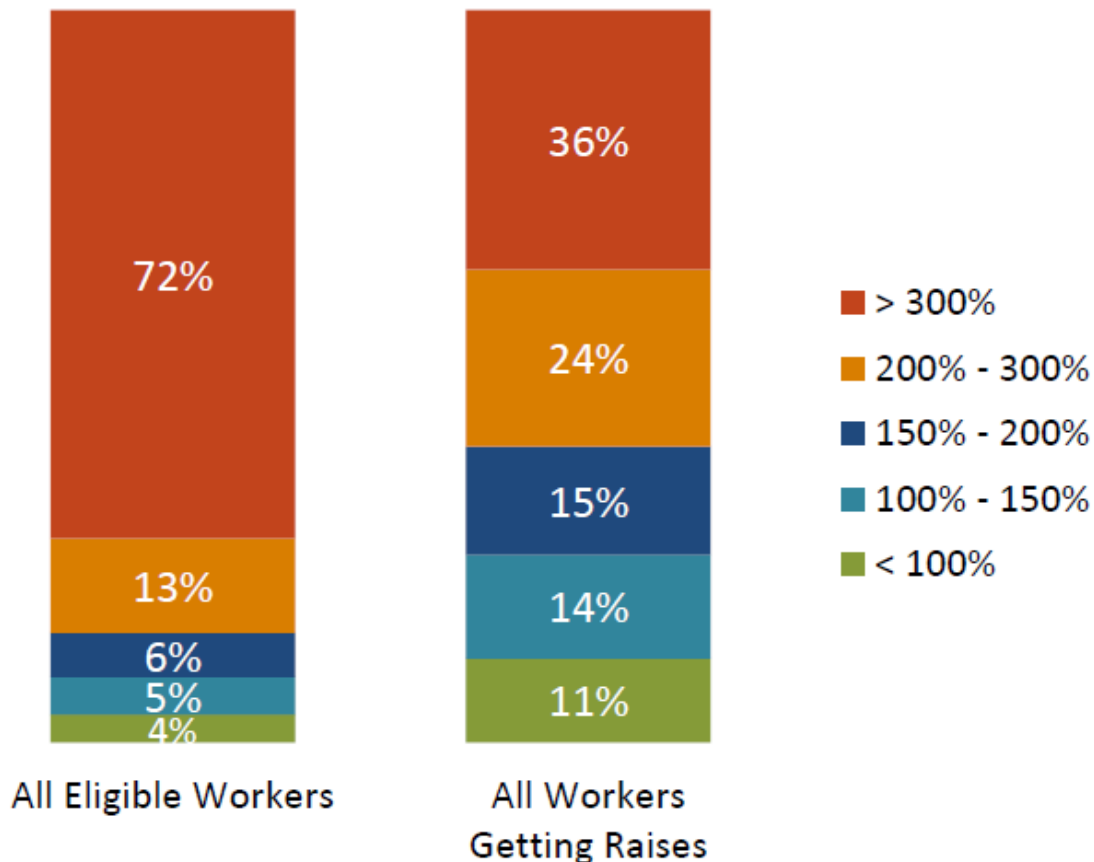
Source: Authors' analysis of ACS, OES, and QCEW data.

* Excludes federal and state employees, public education employees, and IHSS workers.

Family poverty level

Workers receiving pay increases are much more likely to live in families with incomes below the Federal Poverty Level (FPL).

Workers by family poverty level* – Santa Clara County



Source: Authors' analysis of ACS, OES, and QCEW data.

* The federal poverty threshold is based on family size, the number of children, and whether the head of household is under or over 65. In 2014, the threshold for a family of four with two children was \$24,008.

Industry impacts

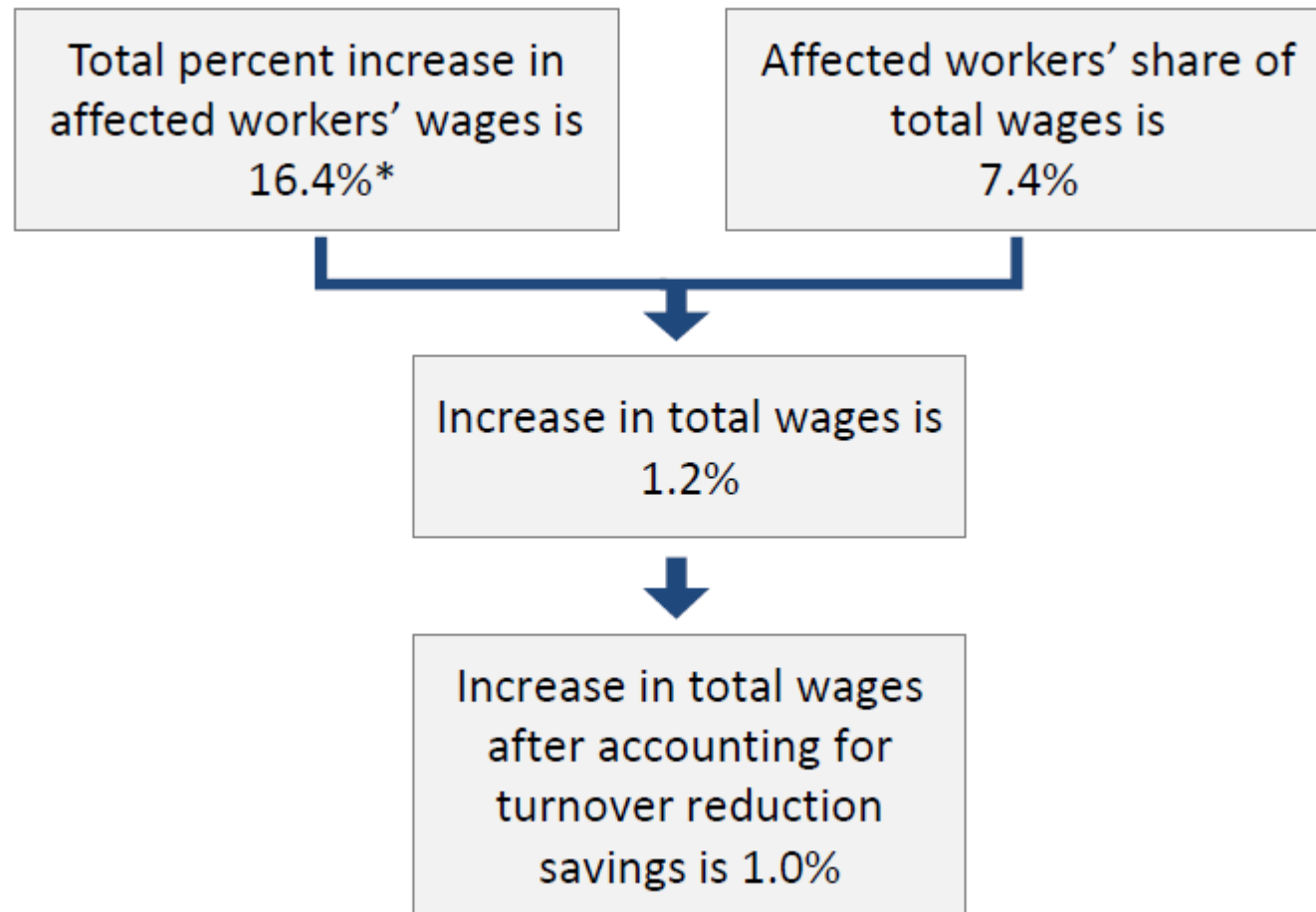
The three industries shown below account for nearly half of all workers receiving increases in Scenario B.

	Scenario B: Santa Clara County	
Industry	Percent of affected workforce	Percent of workers in the industry receiving an increase
Restaurants	20.2%	71.0%
Retail	16.1%	44.4%
Administrative & waste management*	11.9%	47.6%

* Includes office administrative services, facilities support services, employment services, business support services, and waste management.

Increase in payroll costs

Total payroll impact estimated at 1.0% for Santa Clara County employers





Memorandum

TO: Cities Association
Minimum Wage Sub-Committee

FROM: Mayor Sam Liccardo

SUBJECT: Minimum Wage

DATE: June 6, 2016

Approved

Date

6-7-16

REQUEST

Adopt a recommendation for a regional minimum wage approach that follows the model studied by the City of San Jose, and supported by the Cities Association, of achieving \$15 an hour by 2019. It should also include the following, which are based on the State legislation:

- 1) Exemptions: Adopt the State learner exemption where learners (regardless of age) may be paid not less than 85% of the minimum wage rounded to the nearest nickel during their first 160 hours of employment in occupations in which they have no previous similar or related experience.
- 2) Cost of Living Increases: Index to Bay Area CPI-W after 2019; hold if negative; cap annual increase at 5% (note the State cap is 3.5%).
- 3) Triggers: Use State defined economic "off-ramp" triggers with local determination. Used only during the ramp up period.

BACKGROUND

Last September, the Cities Association voted to support a county wide economic analysis of minimum wage, which was in line with their June 2015 recommendation for regional consistency on minimum wage. In April, Governor Brown signed legislation raising California's minimum wage to \$15 an hour by 2022.

A regional approach to raising the minimum wage is essential to providing equity when it comes to our shared economy. Different rules for different cities creates an uneven playing field that can be damaging to local economics. The State legislation regarding exemptions, cost of living increases and triggers should be used as the baseline for Cities to adopt for many reasons, but particularly for ease of implementation and consistency.

I'm grateful for the collaboration with Mayors in other cities and the work of the Cities Association "Minimum Wage Sub Committee" on this issue and look forward to working together as we forge a path forward on this critical issue.

Date: May 31, 2016
Current Meeting: June 2, 2016
Board Meeting: June 2, 2016

BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
Board of Directors

THROUGH: General Manager, Nuria I. Fernandez

FROM: Director of Planning and Program Development, John Ristow

SUBJECT: Potential ½-cent 30-year Sales Tax Measure

Policy-Related Action: Yes

Government Code Section 84308 Applies: No

ACTION ITEM

RECOMMENDATION:

- 1) Adopt the framework and funding amounts for a ½-cent 30-year sales tax measure.
- 2) Adopt a resolution calling for a special election, to be consolidated with the statewide general election to be held on November 8, 2016, for the purpose of submitting to the voters of Santa Clara County a measure seeking authorization for VTA to enact a 30-year ½-cent retail transactions and use tax for transportation purposes.

BACKGROUND:

In the fall of 2014, VTA launched *Envision Silicon Valley* - a dynamic visioning process to discuss current and future transportation needs, identify solutions and craft funding priorities. As part of this process, VTA is proposing placing a transportation retail transactions (i.e, sales) and use tax measure on the November 8, 2016 ballot to help fund the transportation priorities. It is anticipated that a 30-year ½-cent sales tax measure will generate between \$6 billion to \$6.5 billion in 2017-year dollars.

Based on the input received over the past 18 months, the analysis staff conducted by comparing the board adopted goals to projects and the polling conducted by the Silicon Valley Leadership Group, VTA presented a recommendation for a ½-cent, 30-year Sales Tax Measure at the April 22 Board Workshop. The Board requested staff to consider the following:

1. Increase the funding level for Transportation Operations from \$450 million to \$500 million.
2. Work with the Technical Advisory Committee (TAC) regarding match requirement(s) for

projects in the measure.

Based on the Board's recommendations, staff (a) increased the Transportation Operations category to \$500 million; and (b) discussed the match requirements and other technical issues with the TAC at their May meeting and developed a timeline and work plan.

Furthermore, the Caltrain corridor capacity category was increased by \$14 million to provide additional funding for South County Caltrain service. Additional definition and modifications were made to several categories based on feedback from the public, cities and Board Members.

It should be noted that the Sales Tax Measure will help fund projects and programs but will not be the sole funding source for a project. Transportation projects, especially larger projects, are typically built using a variety of funding sources. One significant advantage of a countywide sales tax is that it provides a local revenue source for obtaining additional funds through regional, state and federal fund sources.

DISCUSSION:

VTA has statutory authority to enact sales and use taxes if so authorized by the voters. Because the proposed tax is a special tax for transportation purposes, the voters must approve the tax by a two-thirds majority. The revenues from the tax may only be used to administer and fund certain designated transportation categories, as further discussed below. The measure also provides for the creation of a public oversight committee to annually cause an audit to be performed, hold public hearings, and issue a report annually to inform the Santa Clara County residents how the tax revenues are being spent.

Attachment A is the draft resolution calling for a special election, to be consolidated with the statewide general election to be held on November 8, 2016, for the purpose of submitting to the voters of Santa Clara County a measure seeking authorization for VTA to enact a 30-year ½-cent retail transactions and use tax for transportation purposes.

VTA will also need to adopt an ordinance enacting the sales and use tax. The ordinance will be considered by the Board on June 2, 2016 agenda under a separate item. The ordinance, if adopted by the Board, will only become operative if the measure is approved by two-thirds of the voters voting on the measure at the November 8, 2016 election.

Below is a summary of the categories and funding amounts for the proposed measure.

BART Phase II - \$1.5 Billion in 2017 Dollars (capped at a maximum of 25% of Program Tax Revenues)

BART Phase II will create a new regional rail connection by extending BART from the Berryessa Station in San Jose to Santa Clara with stations at Alum Rock/28th Street, downtown San Jose, San Jose Diridon Station and Santa Clara. It will ring rail around the south bay by connecting BART with Caltrain at Diridon and Santa Clara. The projected average weekday ridership is for Phase II is approximately 55,000 in the year 2035.

The funding raised by the proposed tax will be used for the capital construction costs of the

BART Phase II extension and will serve as the local match, allowing VTA to compete for an additional \$1.5 billion from the Federal New Starts Program and \$750 from the State's Cap and Trade Program.

Bicycle/Pedestrian Program - \$250 Million in 2017 Dollars

This program will help fund bicycle and pedestrian projects of countywide significance identified by the cities, county and VTA. The program will give priority to those projects that connect to schools, transit and employment centers; fill gaps in the existing bike and pedestrian network; safely cross barriers to mobility; and make walking or biking a safer and more convenient means of transportation for all county residents and visitors.

Staff is recommending a competitive grant program to fund capital projects. Bicycle and pedestrian educational programs, such as Safe Routes to School will also be eligible for funding. It should also be noted that the Complete Streets Requirement staff is proposing on all roadway-related categories will result in better pedestrian and bicycle facilities and safer access throughout the county. The list of candidate bicycle projects is included in the resolution (Attachment A).

Caltrain Corridor Capacity Improvements - \$314 Million in 2017 Dollars

This program will fund Caltrain corridor capacity improvements and increased service in Santa Clara County in order to ease highway congestion, including: increased service to Morgan Hill and Gilroy, station improvements, level boarding, extended platforms, and service enhancements.

Caltrain ridership continues to break records as more and more people are realizing the benefits of the system. As a result, capacity is becoming an issue. The Caltrain Modernization Program, which will electrify the system and add positive train control, is fully funded and moving forward. The Caltrain Corridor Capacity Improvements program will take the next step by helping expand commuter rail capacity and serve more riders through enhanced service and improved operations.

Caltrain Grade Separations - \$700 Million in 2017 Dollars

This program will fund grade separations along the Caltrain corridor in the cities of Sunnyvale, Mountain View and Palo Alto. Separating the Caltrain tracks from roadways provides increased safety benefits for drivers, bicyclists and pedestrians. These projects also reduce congestion at the intersection.

The grade separation program will require close coordination and cooperation with the High Speed Rail Authority, Caltrain, as well with local cities.

County Expressways - \$750 Million in 2017 Dollars

This program will fund the Tier 1 improvement projects contained in the County's Expressway Plan. The County of Santa Clara conducted a very robust planning study and outreach process to determine the highest priority projects for the expressway system. These improvements will

increase the effectiveness of the expressway system throughout the county. While the two Caltrain Grade Separations projects listed in Tier 1 are not included in staff's proposed funding level, these two projects will be eligible to apply for the Caltrain Grade Separation Program. The list of Tier 1 projects staff is recommending is included in the resolution (Attachment A). A Complete Streets requirement will be included to maximize opportunities for bicycle and pedestrian access.

Highway Interchanges - \$750 Million in 2017 Dollars

This program will fund highway projects throughout the valley. VTA will administer a competitive grant program to ensure that the best projects are moved forward. It will also have a Complete Streets requirement to maximize opportunities for bicycle and pedestrian access.

Contained in the resolution (Attachment A) is a list of candidate projects that staff has identified as providing significant congestion relief. However other candidate projects may emerge over the life of the 30-year measure and these projects will also be eligible candidates for this funding. Additionally, staff modified the list to make noise abatement, overcrossings, and Intelligent Transportation Systems (ITS) projects eligible.

Local Streets and Roads - \$1.2 Billion in 2017 Dollars

These funds will be returned to the cities and the county on a formula basis. The recommended distribution mirrors the existing formula VTA uses for the Vehicle Registration Fee, which is based on the population of the cities and the County of Santa Clara's road and expressway line mileage.

These funds will be used to repair streets and include a Complete Streets requirement to improve bicycle and pedestrian elements of the street system. Cities and the county will be required to demonstrate that these funds will be used to enhance and not replace their current investments for road system maintenance and repair. Should a city or the County have a Pavement Condition Index score of at least 70, they could use the funds for other congestion relief projects.

SR 85 Corridor - \$350 Million in 2017 Dollars

This category will fund a managed lanes project that includes an express lane on SR 85, in each direction, and a new transit lane in each direction on SR 85, from SR 87 in San Jose to U.S. 101 in Mountain View. Additionally this category will fund noise abatement along SR 85 and will provide funding to study transportation alternatives that include, but are not limited to, Bus Rapid Transit with infrastructure such as stations and access ramps, Light Rail Transit, and other transportation technologies that may be applicable. This study will result in a capital improvement project that will move through State and Federal environmental clearance.

The projects for this category are being recommended to the VTA Board by the SR 85 Policy Advisory Board (PAB). The PAB was formed by the Board of Directors to: a) review proposals, plans, and policy issues and provide recommendations to the VTA Board and administration regarding the planning, design and construction of major transit and/or transportation capital projects in the corridor; and b) make recommendations to the VTA Board of Directors regarding major policy decisions for the corridor.

The PAB has representation from San Jose, Los Gatos, Saratoga, Cupertino, Sunnyvale, Los Altos, Mountain View, Campbell, Monte Sereno, and Caltrans as an ex-officio member. The PAB began meeting in November, 2015 with an initial task to make a recommendation to the VTA Board of Directors on transportation improvements to be included in a potential sales tax measure.

The PAB worked with VTA staff and consultants in an abbreviated conceptual planning process to evaluate express lane and various transit improvements including express bus, Bus Rapid Transit, and Light Rail Transit for the corridor. At the PAB's May 23, 2016 meeting, members voted to recommend the Board of Directors include the projects listed above in the SR 85 project category.

Transit Operations - \$500 Million in 2017 Dollars

The revenue from this program category will provide additional funds specifically for bus operations to serve vulnerable, underserved, and transit dependent populations throughout the county. The goals of the program category are to increase ridership, improve efficiency, enhance mobility services for seniors and disabled, and improve affordability for the underserved and vulnerable constituencies in the county. As VTA considers modifications to bus operations and routes to improve ridership and efficiencies, these funds may also be utilized to maintain and expand service to the most underserved and vulnerable populations. The funds may be used to increase core bus route service frequencies, extending hours of operations to early morning, evenings and weekends to improve mobility, safe access and affordability to residents that rely on bus service for critical transportation mobility needs. The attached resolution (Attachment A) describes the list of Candidate Projects and Programs.

If the Board elects to move forward with a tax measure, and the measure is approved by a two-thirds majority of the voters, staff will prepare detailed Program Policy and Guidelines to define the administrative process for the Board's consideration.

The Program Policy and Guidelines to be developed and adopted by the VTA Board of Directors may include the following:

- Implementation Policy/Guidelines
- Citizens Oversight Committee
- Taxpayer Accountability and Transparency Policy
- Bond/Finance Guidelines
- Complete Streets Policy
- Advanced Project Mitigation Guidelines
- Local Street and Roads Program Guidelines
- Program Match/Contribution Policy

ALTERNATIVES:

The Board of Directors may elect not to place the Sales Tax Measure on the ballot. The Board may also decide to change any or all of the project categories, funding amounts and program policies.

FISCAL IMPACT:

If the Board of Directors decides to ask the voters to consider the sales tax in November, VTA would be responsible for the cost of placing the measure on the ballot. Previous ballot measure election costs in 2010 were approximately \$867,000. Appropriation for this expenditure is available in the FY17 VTA Transit Fund Operating Budget. If voters approve the measure, it would generate an estimated \$6.3 billion (2017 dollars). VTA administration costs of the program would be recovered through direct charges to programs and projects and through VTA's administrative overhead charges.

ADVISORY COMMITTEE DISCUSSION/RECOMMENDATION:

Citizens Advisory Committee (CAC)

Committee members discussed the following at their May 11, 2016, meeting: noted that the capital projects are beneficial for the economy; noted that these funds may be leveraged with other funding sources; discussed how the future citizens oversight committee might be organized; and support that funding categories be listed as percentages rather than dollars.

The Committee adopted staff's recommendation that the VTA Board of Directors adopt the framework for a 1/2 cent, 30-year sales tax measure. As part of the motion, the committee also stated that it is supportive of complete streets requirements in the appropriate categories.

Bicycle Pedestrian Advisory Committee (BPAC)

Committee members discussed the following at their May 11, 2016, meeting: support for the complete streets requirement; noted that the capital needs for bicycle and pedestrian projects exceeds the funding that is available; the funding amounts for each category should be shown as a percentage; noted the term "bicycle superhighway" does not clearly represent the typology of the recommended facilities and inquired if VTA will use a new term; suggested that bicycle capacity expansion on Caltrain, bicycle parking at Caltrain Stations and first/last mile connections to Caltrain Stations be included in the Caltrain Capacity category; and, via written comments, one member requested that equity and underserved populations be considered when scoring projects through the competitive grant program.

The Committee approved staff's recommendation that the VTA Board of Directors adopt the framework for a 1/2 cent, 30-year sales tax measure.

Technical Advisory Committee (TAC)

Committee members discussed the following at their May 12, 2016, meeting: noted that the definition of complete streets should be flexible; suggested that funding for Safe Routes to

School be returned by a formula basis to the cities and county; and suggested that the Transit Operations category accommodate for municipalities to fund transit improvements, such as local shuttles in their community. Additionally, staff noted that members should contact VTA staff if they had any suggested changes to the project lists.

The Committee approved staff's recommendation that the VTA Board of Directors adopt the framework for a 1/2 cent, 30-year sales tax measure with the following additional recommendations: a) the Transit Operations Category will also provide funding for municipally operated shuttles that serve areas where VTA does not have fixed-route bus service; b) the Bicycle and Pedestrian Category will allocate funding for Safe Routes to School projects and programs to the cities and county on a formula basis; and c) the funds used to repair streets will include Complete Streets consideration to improve bicycle and pedestrian elements of the street system.

Policy Advisory Committee (PAC)

Committee members discussed the following at their May 12, 2016, meeting: considered how the complete streets requirement would be administered; discussed the impacts for the region if the measure is not approved by the voters; discussed how the Board would determine the project priorities in the measure; discussed that cities have the opportunity to add additional projects to the list in the future; and suggested that the Caltrain Capacity category be written more broadly to allow for other transit operators in the corridor.

The Committee approved staff's recommendation that the VTA Board of Directors adopt the framework for a 1/2 cent, 30-year sales tax measure noting the recommended change to the Caltrain Capacity category.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION

Congestion Management Planning and Programming Committee (CMPP)

Committee Members discussed the following at their May 19, 2016 meeting: noted support of the ballot measure categories; suggested that a "dashboard" be created to show how the funds are being spent in order to provide transparency to voters; discussed that the SR 85 corridor projects need to be determined in a timely manner for inclusion; and noted that High Speed Rail will have a significant impact in the Caltrain Corridor.

The Committee approved staff's recommendation that the VTA Board of Directors adopt the framework for a 1/2 cent, 30-year sales tax measure and ballot language, noting that the VTA should develop a transparent "dashboard" for the public to see how the funds are being spent.

Administration and Finance Committee (A&F)

Committee members discussed the following at their May 19, 2016, meeting: discussed showing dollar amounts for project categories rather than percentages; suggested adding projects on the highway list for the I-280 corridor; noted that the Technical Advisory Committee will be working on issues such as local match and complete streets requirement in the coming months; reviewed request from the Transit Justice Alliance on projects for the transit operations category; and discussed service enhancements in South County, noting the pending arrival of

High Speed Rail.

The Committee approved staff's recommendation that the VTA Board of Directors adopt the framework for a ½ cent, 30-year sales tax measure and ballot language with the following additional recommendations: a) present the funding amounts for categories in 2017 dollars and that the BART project be capped at a maximum of 25% of program tax revenues; b) include the I-280/Lawrence Expwy project in the list of Highway Candidate Projects; and c) staff analyze the request from the Transit Justice Alliance regarding the transit operations category for inclusion in the resolution.

Prepared by: Scott Haywood
Memo No. 5577

ATTACHMENTS:

- RESOLUTION 5 27 16 (PDF)

RESOLUTION NO. 2016.06.12

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CLARA VALLEY TRANSPORTATION AUTHORITY (VTA) CALLING AND PROVIDING FOR A SPECIAL ELECTION ON NOVEMBER 8, 2016 AND REQUESTING THE CONSOLIDATION OF SUCH SPECIAL VTA ELECTION WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON NOVEMBER 8, 2016 FOR THE PURPOSE OF SUBMITTING TO THE VOTERS OF SANTA CLARA COUNTY A MEASURE SEEKING AUTHORIZATION FOR ADOPTION OF A RETAIL TRANSACTIONS AND USE TAX ORDINANCE BY THE BOARD OF DIRECTORS.

WHEREAS, the Board of Directors of the Santa Clara Valley Transportation Authority (VTA) deems it advisable to submit a measure to the voters within the territory of VTA at a special election to be held on November 8, 2016, to authorize the VTA Board of Directors to adopt a one-half of one percent retail transactions and use tax ordinance pursuant to Public Utilities Code section 100250 et seq., which tax shall be in effect for 30 years,

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SANTA CLARA VALLEY TRANSPORTATION AUTHORITY that the measure hereinafter set forth in full be submitted to the voters within the territory of VTA, which is the incorporated and unincorporated territory lying within the County of Santa Clara, at a special election to be held and conducted on November 8, 2016, and that the Registrar of Voters be, and thereby is, directed to publish such notice as may be required by law for the time and in the manner so required, and to place the same on the ballot at an election to be held throughout the territory of VTA on November 8, 2016. The full text of the proposed measure, which shall be printed in the voter information that accompanies the official vote by mail ballot and in the appropriate sample ballot pamphlet, is set forth as follows:

To repair potholes and fix local streets; finish the BART extension through downtown San Jose and to Santa Clara; improve bicycle and pedestrian safety; increase Caltrain capacity, in order to ease highway congestion, and improve safety at crossings; relieve traffic on the expressways and key highway interchanges; and enhance transit for seniors, students, low-income, and disabled, shall the Board of Directors of the Santa Clara Valley Transportation Authority (VTA) enact a retail transactions and use tax ordinance, Ordinance No. 2016.01, imposing (a) a tax for the privilege of selling tangible personal property at retail upon every retailer in Santa Clara County, the territory of VTA, such tax to be at the rate of one-half of one percent of the gross receipts of the retailer from the sale of tangible personal property sold by him/her at retail in the territory of VTA; and (b) a complementary tax upon the storage, use, or other consumption in Santa Clara County, the territory of VTA, such tax to be at the rate of one-half of one percent of the sales price of the property whose storage, use, or other consumption is subject to the tax; collection of such tax to be limited to thirty years?

VTA shall be the administrator of the tax, shall establish a program and develop program guidelines to administer the tax revenues received from the enactment of

this measure (the “Program”). Tax revenues received for the 30-year life of the tax, including any interest or other earnings thereon, less any funds necessary for satisfaction of debt service and/or cost of borrowing and costs of program administration and oversight, such as costs of grant administration and financial management, shall be referred to herein as “Program Tax Revenues.”

VTA shall allocate the Program Tax Revenues to the following categories of transportation projects: Local Streets and Roads; BART Phase II; Bicycle and Pedestrian; Caltrain Grade Separation; Caltrain Capacity Improvements; Highway Interchanges; County Expressways; SR 85 Corridor; and Transit Operations.

The present value (i.e, present day purchasing power) of the Program Tax Revenues, as of April 2017, is forecasted to be approximately \$6.3 Billion. The actual revenues to be received over the 30-year life of the tax will be affected by various economic factors, such as inflation and economic growth or decline. The estimated amounts for each category reflect the allocation of approximately \$6.3 Billion. The estimated amounts for each category, divided by \$6.3 Billion, establishes ratios for the allocation among the categories. The VTA Board of Directors may modify those allocation amounts following the program amendment process outlined in this resolution.

- **Local Streets and Roads – Estimated at \$1.2 Billion of the Program Tax Revenues in 2017 dollars.**

To be returned to cities and the County on a formula basis to be used to repair and maintain the street system. The allocation would be based on the population of the cities and the County of Santa Clara’s road and expressway lane mileage. Cities and the County will be required to demonstrate that these funds would be used to enhance and not replace their current investments for road system maintenance and repair. The program would also require that cities and the County apply Complete Streets best practices in order to improve bicycle and pedestrian elements of the street system. If a city or the County has a Pavement Condition Index score of at least 70, it may use the funds for other congestion relief projects.

- **BART Phase II—Estimated at \$1.5 Billion of Program Tax Revenues in 2017 dollars (capped at a maximum of 25% of Program Tax Revenues).**

To fund the planning, engineering, construction, and delivery costs of BART Phase II, which will create a new regional rail connection by extending BART from the Berryessa Station in San Jose to Santa Clara with stations at Alum Rock/28th Street, downtown San Jose, San Jose Diridon Station, and Santa Clara.

- **Bicycle/Pedestrian – Estimated at \$250 Million of Program Tax Revenues in 2017 dollars.**

To fund bicycle and pedestrian projects of countywide significance identified by the cities, County, and VTA. The program will give priority to those projects that connect to schools, transit, and employment centers; fill gaps in the existing bike and pedestrian network; safely cross barriers to mobility; and

make walking or biking a safer and more convenient means of transportation for all county residents and visitors. Bicycle and pedestrian educational programs, such as Safe Routes to Schools, will be eligible for funding. Candidate Projects are set forth in Attachment A.

- **Caltrain Grade Separation – Estimated at \$700 Million of Program Tax Revenues in 2017 dollars.**

To fund grade separation projects along the Caltrain corridor in the cities of Sunnyvale, Mountain View, and Palo Alto, separating the Caltrain tracks from roadways to provide increased safety benefits for drivers, bicyclists, and pedestrians and also reduce congestion at the intersections.

- **Caltrain Corridor Capacity Improvements – Estimated at \$314 Million of Program Tax Revenues in 2017 dollars.**

To fund Caltrain corridor capacity improvements and increased service in Santa Clara County in order to ease highway congestion, including: increased service to Morgan Hill and Gilroy, station improvements, level boarding, extended platforms, and service enhancements.

- **Highway Interchanges – Estimated at \$750 Million of Program Tax Revenues in 2017 dollars.**

To fund highway projects throughout the valley that will provide congestion relief, improved highway operations and freeway access, noise abatement, roadway connection overcrossings, and deploy advanced technology through Intelligent Transportation Systems (ITS). Candidate Projects are set forth in Attachment B.

- **County Expressways – Estimated at \$750 Million of Program Tax Revenues in 2017 dollars.**

To fund Tier 1 improvement projects in the County's Expressway Plan in order to relieve congestion, improve safety and increase the effectiveness of the expressway system in the county. Candidate Projects are set forth in Attachment C.

- **State Route 85 Corridor – Estimated at \$350 Million of Program Tax Revenues in 2017 dollars.**

To fund a managed lanes project that includes an express lane on SR 85, in each direction, and a new transit lane in each direction on SR 85, from SR 87 in San Jose to U.S. 101 in Mountain View. Additionally this category will fund noise abatement along SR 85 and will provide funding to study transportation alternatives that include, but are not limited to, Bus Rapid Transit with infrastructure such as stations and access ramps, Light Rail Transit, and other transportation technologies that may be applicable.

- **Transit Operations – Estimated at \$500 Million of Program Tax Revenues in 2017 dollars.**

The revenue from this program category will provide additional funds specifically for bus operations to serve vulnerable, underserved, and transit dependent populations throughout the county. The goals of the program category are to increase ridership, improve efficiency, enhance mobility services for seniors and disabled, and improve affordability for the underserved and vulnerable constituencies in the county. As VTA considers modifications to bus operations and routes to improve ridership and efficiencies, these funds may also be utilized to maintain and expand service to the most underserved and vulnerable populations. The funds may be used to increase core bus route service frequencies, extending hours of operations to early morning, evenings and weekends to improve mobility, safe access and affordability to residents that rely on bus service for critical transportation mobility needs. Attachment D describes the list of Candidate Projects and Programs.

The Program Categories will be administered in accordance with program guidelines and policies to be developed and approved by the VTA Board of Directors.

An independent citizen's oversight committee shall be appointed to ensure that the funds are being expended consistent with the approved Program. Annually, the committee shall have an audit conducted by an independent auditor. The audit shall review the receipt of revenue and expenditure of funds. The committee shall hold public hearings, and issue a report annually to inform the Santa Clara County residents how the funds are being spent. The hearings will be public meetings subject to the Brown Act.

To support and advance the delivery of projects in the Program, VTA may issue or enter into financial obligations secured by the tax revenues received from the State Board of Equalization (SBOE), including but not limited to, bonds, notes, commercial paper, leases, loans and other financial obligations and agreements (collectively, "Financing Obligations"), and may engage in any other transactions allowed by law. Notwithstanding anything to the contrary, to obtain the strongest credit ratings and lowest financing costs, VTA may pledge up to the full amount of tax revenues received from the SBOE as security for any Financing Obligations of the Program and may contract with the SBOE to have pledged amounts transferred directly to a fiduciary, such as a bond trustee, to secure Financing Obligations to fund any project in the Program. Any Financing Obligation shall be fully paid prior to the expiration of this tax measure.

If approved by a 3/4 majority of the VTA Board of Directors, and only after a noticed public meeting in which the County of Santa Clara Board of Supervisors, and the city council of each city in Santa Clara County have been notified at least 30 days prior to the meeting, VTA may modify the Program for any prudent

purpose, including to account for the results of any environmental review required under the California Environmental Quality Act of the individual specific projects in the Program; to account for increases or decreases in federal, state, and local funds, including revenues received from this tax measure; to account for unexpected increase or decrease in revenues; to add or delete a project from the Program in order to carry out the overall purpose of the Program; to maintain consistency with the Santa Clara Valley Transportation Plan; to shift funding between project categories; or to take into consideration new innovations or unforeseen circumstances.

BE IT FURTHER RESOLVED that such measure will appear in summarized form upon the ballot as follows:

Measure_____

<p>To relieve traffic, repair potholes; shall VTA enact a 30-year half-cent sales tax to:</p> <ul style="list-style-type: none"> • Repair streets, fix potholes in all 15 cities; • Finish BART extension to downtown San Jose, Santa Clara; • Improve bicycle/pedestrian safety, especially near schools; • Increase Caltrain capacity, easing highway congestion, improving safety at crossings; • Relieve traffic on all 9 expressways, key highway interchanges; • Enhance transit for seniors, students, disabled; <p>Mandating annual audits by independent citizens watchdog committee to ensure accountability.</p>	<p>YES _____</p>
	<p>NO _____</p>

BE IT FURTHER RESOLVED that the Board of Supervisors is hereby requested to consolidate this election with the statewide general election and any other elections to be held within the County of Santa Clara on November 8, 2016, and that it include in its proclamation or notice of the special election that Article 3 of Chapter 2 of Division 9 of the Elections Code relating to arguments concerning county measure applies, and that the Office of the County Counsel is directed to prepare an impartial analysis.

BE IT FURTHER RESOLVED that pursuant to Elections Code section 10403, VTA acknowledges that the consolidated election will be held and conducted in the manner prescribed in Elections Code section 10418.

BE IT FURTHER RESOLVED that the Santa Clara County Board of Supervisors is requested to permit the Registrar of Voters to render all services specified by Elections Code section 10418 relating to the election, for which services VTA agrees to reimburse the County.

BE IT FURTHER RESOLVED that pursuant to Elections Code section 10418, all proceedings related to, connected with, and incidental to the election shall be regulated and performed in accordance with the provisions of law regulating the statewide election.

BE IT FURTHER RESOLVED that the returns of such VTA election shall be canvassed by the Registrar of Voters of the County of Santa Clara and the returns, when canvassed, shall be reported to the Board of Directors of the Santa Clara Valley Transportation Authority.

BE IT FURTHER RESOLVED that the Board Secretary is hereby directed to file a certified copy of this Resolution with the Santa Clara County Board of Supervisors and to submit certified copies of this Resolution to the County Clerk and to the Registrar of Voters of the County of Santa Clara no later than 88 days prior to the date of the election.

PASSED AND ADOPTED by the Santa Clara Valley Transportation Authority Board of Directors on June __, 2016 by the following vote:

AYES: DIRECTORS

NOES: DIRECTORS

ABSENT: DIRECTORS

Cindy Chavez, Chairperson
Board of Directors

ATTEST:

Elaine Baltao, Board Secretary

APPROVED AS TO FORM:

ROBERT FABELA
General Counsel

ATTACHMENT A

ENVISION SILICON VALLEY BICYCLE AND PEDESTRIAN CANDIDATE LIST

Project

Implementation of Santa Clara Countywide Bicycle Plan*

Trails in Expressway Rights-of-Way

Alum Rock Trail

Coyote Creek Trail Completion

Lions Creek Trail

Lower Silver Creek Trail

Miramonte Ave Bikeways

Fremont Road Pathway

Los Gatos Creek Trail Connector to SR 9

Berryessa Creek Trail

West Llagas Creek Trail

Gualadupe River Trail-Extension to Almaden

Three Creeks Trail East from Guadalupe River to Coyote Creek Trail

Five Wounds Trail from William Street to Mabury Road/Berryessa

Hwy 237 Bike Trail: Great America Parkway to Zanker (Class I, II, and IV)

Lower Gudalupe River Access Ramps

Los Gatos Creek Trail Gap Closure

Calabazas Creek Trail

San Tomas Aquino Trail Extension to South & Campbell Portion

Union Pacific Railroad Trail

Stevens Creek Trail Extension

Hamilton Avenue/Highway 17 Bicycle Overcrossing

Ped/Bike Bridge over SR 17 from Railway/Sunnyside to Campbell Technology Pkwy

Mary Avenue Complete Streets Conversion

UPRR Bike/Ped Bridge Crossing: Stevens Creek Boulevard to Snyder Hammond House/Rancho San Antonio Park

Montague Expwy Bike/Ped Overcrossing at Milpitas BART Station

Shoreline/101 Bike Ped Bridge

Mayfield Tunnel Ped/Bike under Central Expressway connecting to San Antonio Caltrain station

South Palo Alto Caltrain Bike/Ped Crossing

Matadero Creek Trail Undercrossing

Caltrain Capitol Undercrossing

Phelan Avenue Pedestrian & Bike Bridge over Coyote Creek

Newhall Street Bike/Ped Overcrossing over Caltrain Tracks

Kiely Bicycle & Pedestrian Overcrossing

Winchester Bicycle and Pedestrian Overcrossing

Bernardo Caltrain Undercrossing

San Tomas Aquino Creek Trail Underpass at 49er Stadium

Latimer Avenue Bicycle/Pedestrian Overcrossing

Bike & ped safety education at approximately ~200 schools

Implementation of Pedestrian Access to Transit Plan (VTA)*

Bike amenities at transit stops and on transit vehicles

Countywide Vision Zero Program (VTA)*

Highway 9 Pedestrian Safety Improvements

*These plans are currently being developed/updated and projects are being identified.

ATTACHMENT B
ENVISION HIGHWAY PROGRAM CANDIDATE LIST

Project

US 101 Improvements in the cities of Palo Alto and Mountain View to address regional connectivity and circulation between San Antonio Road and Charleston Road at the US 101/San Antonio Road, US 101/Rengstorff/Charleston Road and US 101/Shoreline Boulevard interchanges.

SR 85/SR 237 Area Improvements in Mountain View to address mainline congestion and regional connectivity through the SR 85/SR 237 connector, SR 85/El Camino Real interchange, and the SR 237/El Camino/Grant Road interchange.

SR 237/US 101/Mathilda Avenue Area Improvements in Sunnyvale to address local roadway congestion.

SR 237 Corridor Improvements in the cities of San Jose, Santa Clara and Milpitas to address mainline congestion and regional connectivity by addition of SR 237 westbound/eastbound auxiliary lanes between Zanker Road and North First Street, improvements at the SR 237/Great America Parkway westbound off-ramp, and replacement/widening of the Calaveras Boulevard structures over the UPRR tracks.

West County Improvements along I-280 in Cupertino, Los Altos, Los Altos Hills and Sunnyvale to address mainline congestion with mainline and interchange improvements from Magdalena Avenue to the San Mateo County line.

SR 85/I-280 Area Improvements in Cupertino, Los Altos, and Sunnyvale to address regional connectivity through a northbound I-280 braided ramp between SR 85 and Foothill Boulevard and improvements at the northbound I-280 off-ramp to Foothill Boulevard.

US 101/Trimble Road/De La Cruz Boulevard to Zanker Road Area Improvements to address local roadway connectivity and mainline congestion in San Jose and Santa Clara with US 101/Trimble Road/De La Cruz Boulevard interchange improvements, southbound US 101/SB 87 connector improvements, and a new US 101/Zanker Road interchange.

US 101/Old Oakland Road Improvements in San Jose to address local roadway congestion, access and connectivity.

A new interchange at US 101/Mabury Road in San Jose to address regional access.

I-680 Corridor Improvements in San Jose to address mainline congestion and regional connectivity by improving the I-680/Alum Rock Avenue and I-680/McKee Road interchanges.

I-280/Lawrence Expressway/Stevens Creek Boulevard Interchange Improvements to address mainline and local roadway congestion.

I-280/Saratoga Avenue Interchange Improvements to address local circulation and mainline congestion.

I-280/Winchester Boulevard Area Improvements in Santa Clara and San Jose to address regional connectivity and local circulation.

SR 87 Corridor Technology-based Improvements in San Jose to address mainline congestion and system reliability through the implementation of technology-based operational improvements to the freeway.

Highway 17 Corridor Congestion Relief: Upgrade Highway 17/9 interchange to improve pedestrian and bicycle safety, mobility, and roadway operations; deploy advanced transportation technology to reduce freeway cut thru traffic in Los Gatos, including traffic signal control system upgrades in Los Gatos, Traveler Information System, advanced ramp metering systems; support Multi-Modal Congestion Relief Solutions, including enhanced Highway 17 Express Bus service, implementing local bus system improvements that reduce auto trips to schools, work, and commercial areas in Los Gatos; and develop park and ride lots to serve as transit hubs for express bus, shuttles, local bus system connections.

SR 17 Southbound/Hamilton Avenue Off-ramp Widening Improvements in Campbell to address mainline congestion and local circulation.

SR 17/San Tomas Expressway Improvements in Campbell to address mainline congestion and local circulation.

US 101/Blossom Hill Boulevard improvements in San Jose to address local roadway congestion and connectivity including for bicyclists and pedestrians.

US 101 Improvements in Gilroy to address mainline congestion and regional connectivity with a new US 101/Buena Vista Avenue interchange and US 101/SR 152 10th Street ramp and intersection improvements.

SR 152 Corridor Improvements in Gilroy including US 101/SR 25 interchange improvements to address regional connectivity and goods movement network improvements.

I-280/Wolfe Road Interchange Improvements in Cupertino to address mainline congestion and improve local traffic circulation.

I-880/Charcot Avenue Overcrossing in San Jose to address local relief circulation and adjacent I-880 interchanges congestion relief.

Noise Abatement Projects in Santa Clara County to implement treatments to address existing freeway noise levels throughout the county.

Intelligent Transportation Systems (ITS) Projects in Santa Clara County such as integrated corridor management systems, traffic operations systems, ramp metering, managed lanes, and local traffic signal control systems to address freeway mainline congestion and local roadway congestion caused by cut-through traffic.

ATTACHMENT C

SANTA CLARA COUNTY EXPRESSWAY IMPROVEMENTS (TIER 1)

Project

Almaden Expressway at SR-85 - Interim Improvements

Almaden Expressway at Branham Lane Intersection Improvement

Almaden Expressway at Camden Ave Intersection Improvements

Capitol Expressway Widening and Interchange Modifications between I-680 and Capitol Avenue

Central Expressway at Thompson Intersection Improvement

Foothill Expressway Auxiliary Lanes between El Monte and San Antonio

Lawrence Expressway at Homestead Road Interim Improvements

Lawrence Expressway at Homestead Road Grade Separation

Lawrence Expressway from Reed/Monroe to Arques Grade Separation

Montague Expressway Complete 8-lane Widening including HOV lanes and Auxiliary Lanes between Great Mall and McCarthy/O'Toole

Oregon-Page Mill Widening (possible HOV lanes) and Trail between I-280 and Foothill Expressway

Oregon-Page Mill Intersection Improvements between Porter and Hansen

Oregon-Page Mill/El Camino Real Intersection Improvements

San Tomas Expressway Widening and Trail between Homestead and Stevens Creek

Santa Teresa-Hale Corridor Road and Trail between Dewitt and Main

Santa Teresa-Hale Corridor Widening and Trail between Long Meadow and Fitzgerald

SR 17/San Tomas Expressway Interim Improvements

I-280/Foothill Expressway Interchange Modifications and Auxiliary Lane to Homestead

I-280/Oregon-Page Mill Road Interchange Reconfiguration

Expressway ITS/Signal System Countywide

ATTACHMENT D

TRANSIT OPERATIONS CANDIDATE PROJECTS AND PROGRAMS LIST

- Expand mobility services and affordable fare programs for seniors, disabled, students and low-income riders.

This project would provide funds to develop and expand senior and disabled transportation mobility programs and services. The proposed program would provide mobility options such as coordinated eligibility services and enhanced mobility options provided in a secure and safe manner for the most vulnerable and underserved residents in the County, such as seniors and persons with disabilities. It would support mobility options including maintaining the paratransit service coverage area and service expansion by extending hours of operation and weekend service. The funds would also establish permanent and augment discount fare programs to increase transit access for low-income, underserved and vulnerable populations unable to afford standard fares.

- Enhance Frequent Core Bus Network.

The project would upgrade service frequency on VTA's top core network routes to 15-minutes or faster. Some specific examples include expanding the number of high frequency core routes and expanding the schedule of existing services. This may also include enhancing frequency of services during early mornings, evenings and weekends in order to improve convenience, reliability, connectivity, ridership, farebox recovery and support local land use plans. The upgrade would improve the quality of service for vulnerable, underserved and transit dependent populations as well as existing riders and attract new riders which would decrease vehicle miles traveled, traffic congestion and pollution.

- Improve amenities at bus stops to increase safety, security and access.

The project would provide funds for system wide improvements to bus stops, transit centers and stations including new and replacement shelters, lighting, access improvements including safe sidewalk connections, passenger information signs and security.

- Support new innovative transit service models to address first/last mile connections.

The project would support affordable new innovative transit service models to address first/last mile connections including FLEX type services, dynamic on-demand subscription shuttles and partnerships with other demand responsive service providers serving vulnerable, underserved and transit dependent populations.



To: Cities Association Board of Directors
From: Manny Cappello/Secretary Treasurer and
Raania Mohsen, Executive Director
Subject: Cities Association 2016-17 Draft Budget Proposal for Review and
Approval
Date: June 3, 2016

Submitted for your consideration is the proposed Fiscal Year Budget 2016-17' of the Cities Association of Santa Clara County. The Executive Board of Directors reviewed and approved it on May 6, 2016 and it was distributed to all City Managers on May 13, 2016.

Background/Highlights of the Proposed 2016-17' Budget:

1. In 2010, it was observed that Reserves had grown over the previous four fiscal years and exceeded the Cities Association Financial Policy of six to nine months of projected operating expenses.
2. The Subcommittee on Use of Reserves recommended a decrease in dues by 4.77% for three fiscal years in order to attain a level of Reserves consistent with the organization's financial policy.
3. FY 2013-14 marked the end of the 3-year budget with reduced dues. FY 2014-15 Budget resumed the original dues schedule, which was an increase of 4.77% of the prior year's dues schedule.
4. New for FY 2014-15, the Cities Association started utilizing a virtual office as an effort to reduce expenses; office expenses were reduced by 19% from the expected budget.
5. For FY 2015-16, with the continued dues schedule, it was proposed and approved to use Reserves to meet operating expenses. It is Cities Association policy to maintain a Reserves fund that covers 6 – 9 months of operating expenses (\$42,000 – \$63,000). Projected Reserves at end of the 2015-16 budget year is now \$54,312, approximately 3% higher due primarily to additional income from the December 2015 General Membership Meeting. It was projected to utilize approximately \$2,000 of Reserves to cover operating expenses; however despite the 2% Executive Director Merit increase, nearly half of that amount will be utilized. Please note, without the additional income, Total Income would likely be as projected; the additional income from the membership meeting will be utilized in future membership meetings to cover event expenses.
6. For FY 2016-17, it is suggested to consider increasing dues by 5% in order to resume operations without using Reserves to meet expenses. Today, 6-9 months



of operating expenses is approximately \$43,800 - \$65,700. The proposed budget is projected to maintain the level of Reserves at \$54, 578.

7. Article VII, Section 2 of the Cities Association Bylaws states “the dues schedule shall be revised every three (3) to four (4) years.” Please note, an increase in dues last occurred in FY 2006-07 when a 10% in dues was approved in order to increase Reserves.

Attached are two spreadsheets

1. FY 2016-17 Dues Proposal with a 5% increase.
2. FY 2016-17 Budget Proposal. This shows each budget element, comments, previous budget for comparisons, current actuals and projections through June 30, 2016 (the end of the current fiscal year), the variance between actuals and budget, the proposed FY 2016-17’ budget, and a LAIF Interest Calculation (sheet 2).

Cities Association Membership Dues Schedule 2016-2017

	Portion	Cities	2015-16' Dues - Each City	2015-16' Income	Proposed* 2016-2017 Dues - Each City	Proposed 2016-2017 Income
Large Cities	26.1%	(3) San Jose, Santa Clara, Sunnyvale	\$ 7,277	\$21,831	\$ 7,641	\$ 22,923
Medium Cities	36.2%	(5) Cupertino, Gilroy, Milpitas, Mountain View, Palo Alto	\$ 6,064	\$30,320	\$ 6,367	\$ 31,836
Small Cities	29.0%	(5) Campbell, Los Altos, Los Gatos, Morgan Hill, Saratoga	\$ 4,851	\$24,255	\$ 5,094	\$ 25,468
Very Small Cities	8.7%	(2) Los Altos Hills, Monte Sereno	\$ 3,638	\$ 7,276	\$ 3,820	\$ 7,640
Total Dues Income				\$83,682		\$ 87,866

*Dues Calculated with 5% increase of dues in FY 2016-17

Draft Cities Association Budget FY 2016-17

Budget Element	Comments	Budget 2015-2016	Actuals thru 4/30	Projection 5/1-6/30	Projected Actuals 2015-2016	Actual vs. Budget Variance	Proposed Budget 2016-2017
Revenues							
Directory Sales	\$12/per copy to others outside Cities Association	1,000	\$ 732	\$ 504	\$ 1,236	24%	\$ 1,000
Member Dues	Per large/medium/small/very small schedule; FY 2014-2015 resumed original dues schedule after a 3-year reduced dues schedule. FY 2016-17' includes 5% increase in dues in order to cover expenses.	83,682	\$ 83,682	\$ -	\$ 83,682	0%	\$ 87,866
Interest	From LAIF account.Currently at .53%; calcluated at .49%.	226	\$ 199	\$ 80	\$ 279	24%	\$ 431
Total Revenues		\$ 84,908	\$ 84,613		\$ 85,197	0.3%	\$ 89,297
Expenses							
Office							
Director's Expenses	Cities Association Director's expense acct. for attending conferences - registration fees, dinners, parking, hotel, out of area travel.	\$ -	\$ 75	\$ 45	\$ 120	N/A	\$ 125
Directory Production	Printing of Cities Association Annual Directory	\$ 800	\$ 769	\$ -	\$ 769	-4%	\$ 1,000
Dues and Subscriptions	SCC Mgr's Association (charged monthly), Western City magazine	\$ 300	\$ 200	\$ 103	\$ 303	1%	\$ 325
Hospitality (Meetings)	Snacks and beverages for board, leadership, & CSC meetings.	\$ 320	\$ 368	\$ 40	\$ 408	27%	\$ 420
Insurance	Fire/theft property liability insurance for office may be required by landlord (\$450 - \$800/yr)	\$ -			\$ -	N/A	\$ -
Internet Services	CMS for CASC website (\$10/mo); email/web host (\$80/year).	\$ 200	\$ 213	\$ 22	\$ 235	18%	\$ 250
Miscellaneous	Bank service charges etc (\$3/mo)	\$ 36	\$ 27	\$ 9	\$ 36	0%	\$ 36
Moving Expenses	transition from Sunnyvale office to virtual/home office	\$ -			\$ -	N/A	\$ -
Post Office Box	to receive mail	\$ 80	\$ 82	\$ -	\$ 82	3%	\$ 82

Postage	Stamps & postage. Mostly for directory distribution & event invitations & CSC Appointment Letters.	\$ 200	\$ 211	\$ -	\$ 211	5%	\$ 225
Printing and Copying	Kinko's copying, stationary, business cards	\$ -	\$ -		\$ -	N/A	\$ 25
Property Taxes	Requirement of lease but "unpredictable"	\$ -				N/A	\$ -
Recognition	Certificates, plaques, pin boxes and nominal gifts for past president and others.	\$ 200	\$ 175		\$ 175	-12%	\$ 200
Rent	Transitioned to virtual office in 2014-15'; no rent for 2015-16'.	\$ -			\$ -	N/A	\$ -
Repairs, Equipment Maint	Copier and printers; copier repair (or replacement) needed.	\$ -				0%	\$ 225
Supplies and Equipment	Computer, fax, toner, ink cartridges, computer when needed (last computer purchased in July 2014.)	\$ 1,000	\$ 355	\$ 100	\$ 455	-55%	\$ 500
Telephone	Cell phone line for new office (\$80/month) purchased July 2014.	\$ 1,000	\$ 698	\$ 143	\$ 841	-16%	\$ 900
Website Update	In 2014 updated website with additional pages, e.g. bylaws, CSC appointees, annual priorities	\$ -		\$ 30	\$ 30	N/A	\$ 164
Contribution(s)		\$ -			\$ -		\$ -
Total Office		\$ 4,136	\$ 3,172		\$ 3,664	-11%	\$ 4,477
Professional Services							
Payroll: Service Fees	TimePlus, \$67.80/mo + extra for qtr and year-end	\$ 850	\$ 789	\$ 156	\$ 944	11%	\$ 1,000
Payroll: Taxes	Changed to employer only in 2006-07.	\$ 5,900	\$ 5,112	\$ 977	\$ 6,089	3%	\$ 6,200
Payroll: Wages	ED's salary was increased by 2.0% in November 2015 to \$76,620 per the annual performance evaluation. This is reflected in 2016-17 Projected Budget.	\$ 75,118	\$ 63,349	\$ 12,770	\$ 76,119	1%	\$ 76,620
Consulting Wages	Provides coverage of office during ED's vacation, leave, etc., if needed	\$ -					\$ -
Attorney Fees	Provided legal advise for the review of Bylaws in 10-11'; for 2011-12' to provide counsel on need for filing conflict of interest code with SCC	\$ -					\$ -
Total Employee Expenses		\$ 81,868	\$ 69,250	\$ 13,903	\$ 83,153	2%	\$ 83,820

Total Professional Services		\$ 81,868	\$ 69,250	\$ 13,903	\$ 83,153	2%	\$ 83,820
Programs and Initiatives	Support of regional projects, initiatives, e.g. Participation in Reg. Economic Summit for \$1000 Consulting	\$ 1,000	\$ -	\$ 1,000	\$ 1,000	0%	\$ 1,000
Project Support		\$ -					\$ -
Workshop Support	Placeholders for Green Building, Solar Permits, Disaster Prep, Housing Allotment workshops, and Other						
Total Programs and Initiatives		\$ 1,000	\$ -	\$ 1,000	\$ 1,000	0.0%	\$ 1,000
Total Expenses		\$ 87,004	\$ 72,422	\$ 14,903	\$ 87,324	0.4%	\$ 89,297
Other Income and Expense							
Membership Dinners - Proceeds	Since both membership events were sponsored, no proceeds were collected.	\$ 10,000	\$ 9,790	\$ 3,600	\$ 13,390	34%	\$ 14,000
Membership Dinners - Costs	Total costs of dinners (paid to restaurants and caterers), entertainment, event insurance, etc.	\$ 10,000	\$ 8,380	\$ 3,848	\$ 12,228	22%	\$ 14,000
Total Other Income	Projected other income/loss from Membership Events	\$ -	\$ 1,410		\$1,162		\$ -
Net Income/Loss (Surplus/Deficit from Reserves)		\$ (2,096)			\$ (965)		\$ 0
Projected reserves, end of budget year		52,582			\$ 54,312		\$ 54,578
Cash Reserves							
	Checking Account Balance				\$ 3,591		\$ 3,591
	Savings Account (LAIF) Balance				\$ 50,721		\$ 50,987
Total Reserves					\$54,312		\$54,578