



CITY OF MILPITAS

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September ____, 2019

Honorable Deborah A. Ryan
Presiding Judge
Santa Clara County Superior Court
191 North First Street
San Jose, CA 95113

The letter shall serve as the City of Milpitas' response to the Grand Jury final report titled "Inquiry into Governance of the Valley Transportation Authority." The City is providing this response within 90 days as requested by the Grand Jury in correspondence sent to the City on June 18, 2019, along with Penal Code 933(c). Per the correspondence, the City is to respond to Finding 1 and Recommendations 1c, 1d, and 1e as follows:

FINDINGS

Finding 1: The VTA Board, currently made up exclusively of elected officials from the Santa Clara County, Board of Supervisors, the City of San Jose and other small cities in the County, suffers from:

- A lack of experience, continuity and leadership;
- Inadequate time for the directors to devote to their duties to the VTA Board due to their primary focus on the demands of their elected positions;
- A lack of engagement on the part of some directors, fostered in part by the committee system, resulting in VTA functioning largely as a staff-driven organization;
- Domination, in terms of numbers, seniority and influence, by representatives of the Santa Clara County Board of Supervisors and the City of San Jose; and
- Frequent tension between the director's fiduciary duties to VTA and its regional role, on the one hand, and the political demands of their local elected positions, on the other.

City of Milpitas Response:

- The City of Milpitas agrees with this finding.
- The Valley Transportation Agency (VTA) has expanded far beyond simply providing bus transit service. Today, the VTA develops and implements bus and light rail systems, regional transportation planning, capital projects such as the BART extension, High Occupancy Vehicle (HOV) lanes and Express Lanes on County expressways and State routes within the County. The VTA has also recently broadened its involvement in transit-oriented mixed-use housing development and operation of local jurisdiction traffic signals. The efficient leadership and management of VTA, with a broad vision to innovate mobility in the County, requires experienced Board members that have the technical ability and time to devote to remain engaged and provide oversight of the organization.

RECOMMENDATIONS

Recommendation 1c: As constituent agencies of VTA, each of the cities in the County should prepare and deliver to VTA and the County Board of Supervisors a written report setting forth its views regarding VTA governance, with specific reference to the elements listed in Recommendation 1a. These reports should be completed and delivered prior to December 31, 2019.

City of Milpitas Response:

- The recommendation will not be implemented because it is not warranted at this time. The City of Milpitas requests that VTA provide funding to an appropriate fiscal agent such as a countywide Cities Task Force , to provide the resources needed for a thoughtful discussion of alternatives and positions by cities without designated seats on the VTA Board. This discussion should include the potential support for organizations similar to Councils of Governments that can sustainably represent the interests of multiple municipalities. Once this funding is committed, at least 120 days will be needed to complete the discussion and documentation of perspectives and recommendations to the VTA Board and County Board of Supervisors

Recommendation 1d: Within six months following the completion of the studies and reports specified in Recommendations 1a, 1b and 1c, the County of Santa Clara and/or one or more of VTA's other constituent agencies, should propose enabling legislation, including appropriate amendments to Sections 100060 through 100063 of the California Public Utilities Code, to improve the governance structure of VTA (which potentially could include an increase in the directors' term of service, the addition of term limitations and the inclusion of appointed directors who are not currently serving elected officials).

City of Milpitas Response:

- The recommendation will not be implemented because it is not warranted at this time. As VTA is a countywide agency, the City of Milpitas recommends that the a countywide Cities Task Force be established to take the lead in proposing legislation. The City of Milpitas is open to participating in the review of such potential legislation as appropriate.

Recommendation 1e: In order to provide more continuity in the leadership of the VTA Board, within six months following the completion of the studies and reports specified in Recommendations 1a, 1b, and 1c, the County of Santa Clara and/or one or more of VTA's other constituent agencies, should propose enabling legislation amending Section 100061 of the California Public Utilities code to provide that the Chairperson of the VTA Board shall be elected for a term of two years rather than one.

City of Milpitas Response:

- The recommendation will not be implemented because it is not warranted at this time. As stated in response to Recommendation 1d, as VTA is a countywide agency, City of Milpitas recommends the establishment of a countywide Cities Task Force to take the lead in proposing legislation. The City of Milpitas is open to participating in the review of such potential legislation as appropriate.

This completes the City of Milpitas' response per correspondence sent to the City by the Grand Jury dated June 18, 2019 and per Penal Code 933(c).

Sincerely,

Rich Tran, Mayor
City of Milpitas