



PUBLIC WORKS DEPARTMENT

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CITY COUNCIL STAFF REPORT

Meeting: September 3, 2019

Subject

2018-2019 Civil Grand Jury of Santa Clara County Report Entitled, "Inquiry into Governance of the Valley Transportation Authority"

Recommended Actions

Approval of response to the 2018-2019 Civil Grand Jury of Santa Clara County Report Entitled, "Inquiry into Governance of the Valley Transportation Authority".

Background

On June 19, 2019 the Civil Grand Jury of Santa Clara County released a report on the operation and governance of the Santa Clara County Valley Transportation Authority (VTA) as part of VTA's responsibility to assure the public interest of the people of Santa Clara County. Pursuant to Penal Code Sections 933 and 933.05, the Grand Jury requested a response from the City of Cupertino and all governing bodies represented by VTA by September 16, 2019. Specifically, the City of Cupertino and 14 other governing bodies were asked to respond to finding #1 of the report and report recommendations 1c, 1d & 1e. VTA was asked to respond to report recommendations 1a, 1f, 1g, 2, 3a, 3b, 5a & 5b and the County of Santa Clara was asked to respond to 1b, 1d & 1e. The report is included as Exhibit A.

Discussion

The Grand Jury's report includes three findings and ten recommendations. Finding #1 is most relevant to the City of Cupertino, specifically 1a and those recommendations requested by the Grand Jury (1c, 1d and 1e). Staff is recommending a response to Recommendation 1a due to a conflict with VTA commissioning a study to evaluate their own governance. Finding #1 and associated recommendations from the Grand Jury report are described below. Attachment A, pages 43 through 46, includes all findings and recommendations.

Finding #1: The VTA Board, currently exclusively made up of elected officials from the Santa Clara County Board of Supervisors, the City of San José and the other 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 José
- Frequent tension between the Directors' fiduciary duties to VTA and its regional role, on the one hand, and the political demands of their local elected positions, on the other

Recommendation 1a: VTA should commission a study of the governance structures of successful large city transportation agencies, focusing on elements such as: board size; term of service; method of selection (directly elected, appointed or a combination); director qualifications; inclusion of directors who are not elected officials; and methods of ensuring proportional demographic representation. This study should be commissioned prior to December 31, 2019.

Recommendation 1b: As the appointing entity with an interest in the transit needs of all County residents, the County of Santa Clara should commission its own study of transportation agency governance structures, focusing on the elements listed in Recommendation 1a. This study should be commissioned prior to December 31, 2019.

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.

Recommendation 1d: Within six months following 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. This legislation should include 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).

Recommendation 1e: In order to provide increased continuity in the leadership of the VTA Board, within six months following 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.

A draft response letter for the City Council to consider is attached as Exhibit B.

Sustainability Impact

None

Fiscal Impact

None

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Reviewed by: Roger Lee, Director of Public Works

Approved for Submission by: Deborah Feng, City Manager

Attachments:

A – Civil Grand Jury of Santa Clara County Report entitled, “Inquiry into Governance of the Valley Transportation Authority”

B – Response letter to Civil Grand Jury of Santa Clara County