



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** RICHARD DOYLE  
City Attorney

**SUBJECT:** Grand Jury Report: "Inquiry Into  
the Board Structure and Financial  
Management of the Valley  
Transportation Authority"

**DATE:** January 7, 2005

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## **Recommendation**

Disagree with the findings and recommendation of the Grand Jury Report "Inquiry into the Board Structure and Financial Management of the Valley Transportation Authority" for the reasons set forth in the VTA response dated August 12, 2004.

## **Background**

In June, 2004, the Grand Jury issued a report entitled "Inquiry into the Board Structure and Financial Management of the Valley Transportation Authority." A copy of the report is attached. In their report, the Grand Jury makes the following findings and recommendations.

### **Finding I**

The VTA Board, as currently constituted of appointed members from elected bodies in the County, does not provide direct voter representation on transportation issues, makes accountability remote, provides for conflicts in responsibilities, and overextends Board members performing both their elected and appointed responsibilities.

### **Recommendation I**

The current structure of the VTA Board should be made more responsive to the needs and financial management of the regional transportation system as a whole by providing for, via enabling legislation, members dedicated to transportation that are either directly elected, appointed as their main public service responsibility, or some combination of the two. The enabling legislation should be sponsored by one or more of the major constituent agencies in the VTA, such as the County Board of Supervisors.

### **Finding II**

The VTA Board as currently constituted is too large and its members too transient to efficiently provide management oversight to VTA. As a result, the VTA Board has not reacted to the present budget problems with diligence, has depleted the financial reserves in the system, and

has borrowed against future tax revenues rather than resolving an ongoing operational deficit.

**Recommendation II**

The current size of the VTA Board should be reduced, via enabling legislation, to a smaller Board of 5 to 7 members that would be more involved in and accountable for the financial and operational management of VTA. The enabling legislation should be sponsored by one or more of the major constituent agencies in the VTA, such as the County Board of Supervisors.

**Finding III**

The VTA Board has proceeded with a transit capital improvement plan that cannot accomplish all that was promised in Measure A.

**Recommendation III**

The VTA Board should delay expenditures for BART and provide more complete funding for other transit options. If VTA wants authorization of this change in plans by the voters, this should be done after a clear explanation to the public of the relative costs of the various transit options, and before a request for an additional ½ cent sales tax increase.

**Analysis**

While the VTA, and not the City, is the subject of the Grand Jury Report, we have been asked to provide comments to the findings and recommendations in accordance with Penal Code Section 933. That section leaves some ambiguity as to whether the City is required to respond. However, we have informed the Superior Court that we will provide a response to the findings and recommendations.

In August 2004, the VTA provided a detailed response to each of the findings and recommendations. In essence, the VTA disagreed with the Grand Jury's conclusions. Staff is in agreement with the VTA's response and recommends the Council disagree with the Grand Jury Report for the reasons set forth in the VTA response.

**Coordination**

Coordinated with Department of Transportation.

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RICHARD DOYLE  
City Attorney

Attachment

cc: Del Borgsdorf