

# City of Gilroy Mayor's Office

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Honorable Deborah A. Ryan, Presiding Judge  
ATTN: Clerk of the Court - Santa Clara County Superior Court  
191 North First Street,  
San Jose, CA 95113

(ENDORSED)  
September 9, 2019  
**FILED**  
SEP 12 2019  
Clerk of the Court  
Superior Court of CA County of Santa Clara  
BY Britney Huebner DEPUTY

**RE: Response to Grand Jury Report: Inquiry into Governance of the Valley Transportation Authority, dated June 18, 2019**

Honorable Judge Ryan,

The Civil Grand Jury requested that constituent cities respond to Finding 1 – Recommendation 1c, 1d, and 1e. In accordance with California Penal Code Section 933(c), the City of Gilroy City Council respectfully submits the following responses to the Grand Jury Report dated June 18, 2019. The City of Gilroy is a willing and active participant in the discussions around improving VTA governance and appreciates the opportunity to submit our response to the recent Grand Jury Report. Please consider our responses below:

**Finding 1 of the report states:**

*“The VTA Board, currently made up exclusively of elected official from the Santa Clara County, Board of Supervisors, the City of San Jose and the other smaller 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 representation 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.”*

**Response:** The City of Gilroy recognizes the severity of this finding and agrees that a more experienced and diverse group of directors would better serve VTAs financial longevity and the public trust. Consistent with recommendation 1c, our City will deliver a report regarding its view of VTA governance and demographic representation significance by December 31, 2019.

**Recommendation 1c of the report states:**

*“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... These reports should be completed and delivered prior to December 31, 2019.”*

**Response:** As a constituent and appointing agency, the City of Gilroy recognizes our important obligation, right, and responsibility to participate in the discussion on VTA governance. The City of Gilroy intends to look critically at the issue of jurisdictional diversity and methods of ensuring proportional, but qualified demographic representation that will support the financial longevity of the VTA and protect the public trust. We will have a report prepared in accordance with the time schedule provided by the Grand Jury; December 31, 2019.

**Recommendation 1d of the report states:**

*“Within six months following the completion of the studies and report specified in Recommendation 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).”*

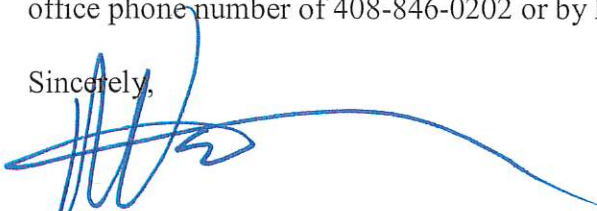
**Similarly recommendation 1e of the report states:**

*“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.*

**Response:** The City of Gilroy will anticipate commenting on this item after Recommendation 1a, 1b, and 1c have been fully implemented. The City of Gilroy looks forward to being an active participant in determining the implementation action plan for any agreed upon governance changes that will support the financial longevity of the VTA and protect the public trust.

The City of Gilroy appreciates your individual attention and assistance in this matter. If you have any questions on this matter please contact the City Administrator Gabriel Gonzalez. Mr. Gonzalez can be reached at his office phone-number of 408-846-0202 or by his work e-mail address at [gabe.gonzalez@cityofgilroy.org](mailto:gabe.gonzalez@cityofgilroy.org).

Sincerely,



Roland Velasco  
Mayor, City of Gilroy

cc: Gilroy City Council Members  
Chair Teresa O’Neill, Valley Transportation Authority  
Nuria Fernandez, General Manager, Valley Transportation Authority  
Larry Carr, Morgan Hill City Councilmember and VTA South County Representative