

# SUNLINE SERVICES GROUP BOARD MEETING AGENDA

Wednesday, January 26, 2011  
12:00 Noon  
Kelly Board Room  
32-505 Harry Oliver Trail  
Thousand Palms, CA 92276

**NOTE:** IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT SUNLINE AT (760) 343-3456. NOTIFICATION 48 HOURS PRIOR TO THE MEETING WILL ENABLE SUNLINE TO MAKE REASONABLE ACCOMMODATION TO ENSURE ACCESSIBILITY TO THIS MEETING.

**The Chair requests that all cellular phones and beepers be either turned off or set on silent mode for the duration of the Board Meeting.**

## **AGENDA TOPICS**

## **RECOMMENDATION**

1. **Call to Order**  
by Chairman Steve Pougnet
2. **Roll Call**
3. **Finalization of Agenda**
4. **Closed Session**
  - a) Closed Session – Conference with Legal Counsel to discuss existing litigation pursuant to Subdivision (a) of Section 54956.9 of the Government Code, Case Number INC 10011155.
5. **Presentations**  
None.
6. **Correspondence**  
None.
7. **Public Comments**  
(NOTE: Those wishing to address the Board should complete a Public Comment Card and will be called upon to speak.)

**Receive Comments**

**NON AGENDA ITEMS**

Anyone wishing to address the Board on items not on the agenda may do so at this time. Each presentation is limited to 3 minutes.

**AGENDA ITEMS**

Anyone wishing to address specific items on the agenda should notify the Chair at this time so those comments can be made at the appropriate time. Each presentation is limited to 3 minutes.

- 8. Board Member Comments **Receive Comments****  
Any Board Member who wishes to speak may do so at this time.

----- **ACTION** -----

- 9. Consent Calendar **Approve****  
All items on the Consent Calendar will be approved by one motion, and there will be no discussion of individual items unless a Boardmember requests a specific item be pulled from the calendar for separate discussion. The public may comment on any item.
- a) Minutes of the December 1, 2010 Board of Directors Meeting (Pages 1-12)
  - b) SSG/SRA checks over \$1000 issued November, December 2010 (Pages 13-14)
  - c) SSG/SRA Monthly Budget Report for November, December 2010 (Pages 15-18)
  - d) Taxi Vehicle/Rides Analysis (Pages 19-20)
- 10. Authorization to Use Restricted Reserves **Approve****  
**(Naomi Nightingale)**  
Request to the Board to grant authorization to the Taxi Administrator to use Restricted Reserves to offset taxi budget shortfalls. (Pages 21-25)
- 11. Taxicab Fee – Continued from December Meeting **Approve****  
**(Naomi Nightingale)**  
Request to the Board to approve the attached Resolution regarding a one time per ride surcharge as a fee for a period of February 1, 2011 to June 30, 2011. (Pages 26-28)

----- **RECEIVE & FILE** -----

**12. Audit of SunLine Services Group for Fiscal Year Ended June 30, 2010 (Christopher Mitchell)    **Receive & File****

Request to the Board of Directors to Receive & File the Financial Audit (separate attachment) of SunLine Services Group for fiscal year 2010. (Page 29)

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**13. Next Meeting Date**

Meet as needed.

**14. Adjourn**

**MINUTES**  
**SunLine Services Group**  
**Board of Directors Meeting**  
**December 1, 2010**

A regular meeting of the SunLine Services Group Board of Directors was held on Wednesday, December 1, 2010 in the Kelly Board Room at SunLine Transit Agency, 32-505 Harry Oliver Trail, Thousand Palms, CA 92276.

**1. Call to Order**

The meeting was called to order at 12:35 p.m. by Chairman Steve Pougnet.

**2. Roll Call**

**Members Present**

Steve Pougnet, Chairman, Mayor City of Palm Springs  
Eduardo Garcia, Mayor, City of Coachella  
Yvonne Parks, Mayor, City of Desert Hot Springs  
Bud England, Mayor Pro Tem, City of Cathedral City  
Bob Spiegel, Councilmember, City of Palm Desert  
Bill Powers, Councilmember, City of Indian Wells  
Don Adolph, Mayor, City of La Quinta  
Glenn Miller, Councilmember, City of Indio  
G. Dana Hobart, Mayor Pro Tem, City of Rancho Mirage

**Members Absent**

John J. Benoit, Supervisor, County of Riverside

**Guests:**

Daren Sehemmer-Supervisor John Benoit's Office  
Joe Gonzales-Senator Bill Mercer's Office  
Amarjeet Saini-American Cab  
Harjinder Saini -American Cab  
Bill Meyer-Yellow Cab  
Erica Felci-The Desert Sun  
Harry Incs – American Cab  
Lidia Rodriguez-LFR Associates  
Michael Shepherd-The Shepherd Group  
Peter Kurzon-American Cab  
Ricardo Cruz-Yellow Cab  
Sohan Singh-Airport Taxi  
Sabrina Cervantes- Burke Rix Hines & Associates  
Scott Hines-Burke Rix Hines & Associates

**Staff:**

C. Mikel Oglesby, General Manager  
Maria Aarvig, Legal Counsel  
Carolyn Rude, Special Asst. to the General Manager/Clerk of the Board  
Apolonio Del Toro, Director of Operations  
Tommy Edwards, Director of Maintenance

Tommy Green, Director of Safety & Security  
Eunice Lovi, Director of Planning  
Naomi Nightingale, Director of Administration & Human Resources/EEO/Taxi Administrator  
Christopher Mitchell, Director of Finance  
Rudy Le Flore, Procurement Consultant  
Rick Barone, Procurement Officer  
Michael Jones, Taxi Administration Supervisor  
Mannie Thomas, Operations Manager  
David Manriquez, Safety Specialist  
Blanca Flores, Accountant  
Jack Stevens, Human Resources Manager  
Ed Carson, Accounting Manager  
Manny Garcia, Senior Supervisor  
Alejandra Gonzalez, Human Resources Technician  
Brenda Ramirez, Assistant Transit Planner

**3. Finalization of Agenda**

No changes were made to the Agenda.

At 12:36p.m. Chairman Pougnet moved into Closed Session. Chairman Pougnet recused himself from discussion and asked the Vice Chairman, Eduardo Garcia, to chair.

**4. Closed Session**

- a) Closed Session – Conference with Legal Counsel regarding initiation of litigation pursuant to subdivision (c) of Government Code Section 54956.9 – (1) one potential case.

At 1:40pm Vice Chairman Garcia announced that the Board has returned to Open Session. The following statement was given by SunLine Legal Counsel, Maria Aarvig: "Direction was given to Counsel to initiate an action by unanimous vote of the Board. Counsel is authorized to serve a notice of hearing regarding termination or other action against American Cab Co., regardless of who is determined to be its owner."

**5. Presentations**

None.

**6. Correspondence**

None.

**7. Public Comments**

**NON-AGENDA ITEMS**

Peter Kurzon – American Cab. Mr. Kurzon read a prepared statement by the undersigned (60 drivers) asking the Board to terminate the SRA as regulator as the industry can no longer afford the fees. He stated concerns with the SRA's

intrusive overregulation and a perceived conflict of interest with a bus company regulating competing transportation. He suggested that the CHP could inspect the cars; have the Riverside Sheriff do background checks and fingerprinting; have Airport operations, which already collects fees from the franchises, handle compliance and franchise issues. Mr. Kurzon stated that 60 drivers, verging on 80, signed the statement read; he stated that there were a number of people fearful to sign due to the fear of retribution by the current regulator. (Mr. Kurzon stated he did not believe the issue of retribution to be true). In addition, he asked for a free-elected permit holder representative to sit on the Taxi Committee.

## **AGENDA ITEMS**

### **Item# 9:**

Bill Myers – Yellow Cab of the Desert; He stated that the square mile comparison in the Taxi Study Board report does not apply. He voiced his concern with the cost of regulation per cab.

Scott Hines – Hines, Rix & Associates representing American Cab. Mr. Hines stated that the information in the SunLine staff report is cherry picked from a couple of months, and does not indicate the overall statistical trends over the course of the last year. He provided a handout to the Board that provides statistics and information disputing the staff report. He voiced his concerns about staff using the square mile comparison. He had issues with the market analysis; he stated that there has not been research completed to determine the actual demand in the Valley. Mr. Hines voiced his concern with cab allocations; he feels the cabs are being unfairly allocated.

### **Item#11:**

Scott Hines – Hines, Rix & Associates. Mr. Hines stated that the per ride fees create unintended public policy consequences. Short rides become a problem; they are ignored. Penalizes nightclub business; short rides. Punishes high performing cab companies; they are doing more rides on daily basis and pay larger portion. He stated that the fees are passed to riders.

### **Item#12:**

Scott Hines – Hines, Rix & Associates. He was thankful to Councilmember Miller for his letter; stated that it shows leadership, as well as check and balance within the Agency. Mr. Hines stated that American Cab is being picked on. He would like to see on the agenda a discussion of what agency should regulate taxi. He stated that he does not feel SunLine has been fair and does not understand the cab industry; year after year, there is no fairness demonstrated. He stated American Cab was a stellar company until they dared challenge policy and then got slammed. Mr. Hines stated that companies feel they are being regulated by a competitor and the SRA is not interested in helping taxi industry to be successful. He would like to see the CVA or the Airport regulate as they have an interest.

**Item#13:**

Scott Hines – Hines, Rix & Associates. Mr. Hines talked about the articles in the Desert Sun on the death of the cab driver and the assumption that the driver was working too many hours and fell asleep at the wheel. He stated that one thing left out of the story was the fact that the driver was not wearing a seat belt. He stated SunLine has done a good job making sure the taxis are newer, tires good, etc. He touched on the issue of the two different models used by franchises; some cab companies split the income from fare 50/50 with the drivers and some use a leasing model where a driver rents the car for a week. In leasing model, drivers spread time over a 24 hour period of time; they work nontraditional hours. Mr. Hines wanted to assure the Board that taxicab safety is happening.

**8. Board Member Comments**

None.

**9. Taxi Study Results**

Naomi Nightingale, Taxi Administrator, addressed the Board summarizing the staff report on the taxi study results. She stated that the Board asked staff to prepare a market study to determine the possible reallocation of taxi permits left by the departure of Classic Yellow Cab. SunLine studied various agencies and found that there is no comparison due to the fact that the industry operates with variable models. The one common denominator across all taxi companies is the square mileage. She stated that many of the companies are supported by other agencies within the county structure and may not be an agency that only issues taxi permits; information provided does not show the fact that an agency is provided with supplemental assistance. SRA has only one source of revenue from the taxi industry. Ms. Nightingale stated that market analysis data was provided by each franchise; however American Cab did not provide data on performance. No franchise serves the entire Valley on an equal scale; some have a predominate presence in one area. She stated that the Board approved Ordinance requires that all the franchises serve the entire Coachella Valley; however, this is not taking place. She stated that in reference to the allocation of cabs, there is a process in the Ordinance by which each franchise can request additional cabs up to 25%. They can also request to decrease cabs by 25% during low season. Yellow Cab of the Desert has provided a plan that would allow five additional cabs, with another five cabs added based on their performance. Airport has submitted a request for 12 cabs, which has been approved. American Cab has just recently submitted a request for more cabs; they would be eligible for 12 cabs depending upon consideration of other eligibility requirements. Ms. Nightingale stated that Classic Yellow Cab left a void of 50 cabs; if all franchises were awarded temporary permits for their maximum number of cabs, we would have an additional 34 cabs to put back into the market which would help with the budget deficit, as well as meet the needs of the Coachella Valley. She stated that no one taxi franchise is utilizing all of their taxicabs on a continual basis. However, during the timeframe of September, October and November all of the cab companies have increased their utilization. Ms. Nightingale presented to the Board a chart showing the actual number of cabs on the road from Oct. 2009 – September 2010 for each franchise on the

monthly basis, and the percentage of rides per cab. She stated that there has been an issue brought to the SRA by the other franchises that American Cab numbers are not accurate due to the number of calls that are directed to American Cab from Classic Yellow Cab; Mr. Meyers brought the issue before the Board at past Board meetings. Ms. Nightingale stated there was a question about the number of fines that each franchise has received. She provided the following: Airport Taxi had a total fines paid equaling \$4,000 and currently has no outstanding fines; American Cab has outstanding fines of 1,000 per day, equaling to \$82,000, which is under appeal, and \$2800, which is also under appeal. They have paid a total of \$2,300; Yellow Cab of the Desert has outstanding fines of \$2,025. They have a final payment due of \$1215.00 of the total fines equaling \$8,400. She informed the Board that the average ride per day up to October: Airport – 9.57; American – 14.51; Yellow Cab of the Desert – 8.98. All of the franchises are meeting the 8.0 minimum.

The recommendation is that the SRA approve the request for additional permits from each franchise, contingent upon outstanding fines, or fees to be paid. That would bring the total number of additional cabs to 34, bringing total cabs in the Desert to 164.

Mayor Pro Tem Hobart stated that he feels American Cab is not being treated appropriately with respect to the permits. He feels that treating them inappropriately requires the SRA to suffer further economic problems. He stated that the 50 cent surcharge can be avoided if enough taxicabs are on the market. Since Classic Yellow Cab left, there have been 50 cabs sitting in limbo and now there is a slight allocation to Airport and Yellow Cab of the Desert, with a plan which he has heard nothing about. He further stated that it would seem to be in everyone's interest to provide all three of the franchises permits for an extra fifteen cabs, depending on need, and that would possibility take care of 45 of the 50 cabs that are available, fairly distributed among the three providers. He further stated that it is not appropriate, in his view, to use square miles as the metric to determine that the SRA is operating more efficiently than the sample of regulators in Southern California as it states in the staff report. He stated from what he has heard, most cities that have franchises with taxicabs determine efficiency based on the number of the taxis that the agency is supervising and regulating. Based on that information, we become the least efficient of the taxicab administrations. Mayor Pro Tem Hobart stated that we would be the most expensive of the six cities identified; \$2348 per taxi. He stated that the nearest one would be San Diego at \$1600 and then drops to Beverly Hills at \$1100, L.A. at \$1500, West L.A. at \$1000. Mayor Pro Tem Hobart stated that Ms. Nightingale mentions that some of the cab companies may be supplemented in income by other organizations, but that information is not provided in the staff report. He does not know if the cities that are identified are supplemented and to use that as a reason to go to square mileage as the metric does not seem logical. He does not see why we are not trying to get more cabs on the road so we don't have to burden the company, the driver or the passenger with the extra 50 cent per ride to make up for the deficiency caused by Classic Yellow leaving. The objective should be to get cabs on the road and not to surcharge the public or the taxi cab

people who are working at substandard wages at best. He stated he heard taxi driver Peter Kurzon state that he is making \$40,000 a year and most of them are right around that figure. Mayor Pro Tem Hobart stated that if the company is not going to allow the drivers to pass the 50 cent fee on to the passenger, somebody is going to eat it, which more than likely will be the driver. He feels we don't have to go down that road if we simply get these taxicabs back on the road instead of holding back because American Cab did not get their report in on time; he pointed out that Yellow Cab has no plan at all that he knows about, except that they have a plan. Mayor Pro Tem Hobart stated that American has a plan and they have submitted that plan; they just didn't submit it until recently. He feels both franchises should be treated the same. He stated that we are making a terrible mistake in this approach in granting permits by omitting a very successful taxicab operation.

Councilmember Miller stated that he agreed with Mayor Pro Tem Hobart and that we need to look at the problem. Councilmember Miller asked if the cab industry is capable of handling the extra permits. If so, we have three capable companies; divide the cabs equally and see how they can utilize them to make sure we have the best transportation and cabs available for residents and guests. He stated that the study does not go into detail enough to give an ideal situation.

Mayor Parks stated that arbitrarily giving 15 cabs per cab company is not in compliance with the Ordinance. She stated that we need to take that into consideration. Staff is recommending 25% increase as stated in the Ordinance. Councilmember Miller stated that he agreed, but there has to be a plan. Ms. Nightingale stated that Yellow Cab of the Desert and Airport has submitted a plan to the SRA that contains the information on how they will utilize the cabs.

Mayor Pro Tem England asked Ms. Nightingale to address why American Cab is not included. Ms. Nightingale stated that she received the request from American Cab yesterday, November 31<sup>st</sup>.

Mayor Adolph stated that Board members who have been on the Board when the cab issue first came about, listened to cab drivers who said there were too many cabs in the Desert and they were not making any money. Consequently we are now talking about raising the number of cabs. He stated that a number to meet the needs of the community was established by an agreement between the franchises and SunLine. He stated that now we are talking about raising them up and down. Mayor Adolph stated that if we want to change the number, we need to talk to the drivers – are they making a livable wage or not. Mayor Hobart stated that we are dealing with the cabs left by the departure of Classic Yellow Cab.

Ms. Nightingale stated that the baseline of the 8.0 rides per day, per cab is related to the utilization of cabs meeting the service needs. When staff did the study, they looked at the question, are the cabs responding within Ordinance requirement. The baseline of 8.0 rides per day tells us if we are meeting the service needs or if we need more cabs. If you have cab companies that are

consistently exceeding the 8 rides on an ongoing basis, that tells us to put more cabs out there because the service needs support it. When a franchise submits a request for more cabs, we ask what their average rides per day is and how long have they sustained the rides per day. Ms. Nightingale stated that staff received American Cab's request and we will respond. We have responded to Airport and Yellow Cab of the Desert; Airport is putting their cabs on the street. Yellow Cab has a timeline that has been approved. Ms. Nightingale stated that there are some contingent issues with American and that will be dealt with.

Mayor Pro Tem Hobart asked what are the contingent issues with American Cab that would prevent them from potentially receiving the same allocation as Airport. Chairman Pougnet stated the issue is the fines, which are under appeal. Mayor Pro Tem Hobart stated that if it is under appeal, it is not settled and is in a neutral position; they are technically on the same status as Airport or Yellow Cab of the Desert. Ms. Nightingale stated that it means that the SRA found them in violation; American is appealing and they will be heard. Mayor Pro Tem Hobart stated that it hasn't been determined that they are in violation; it has not been decided yet. He stated that it's like a person who is charged with a crime; we start calling them convicted before the trial. He stated that American Cab is clean as far as we should be concerned. He stated that he is not minimizing the factor of significant fines that have to be dealt with, but at the moment, American Cab is not guilty of anything, but they are being treated them as though they are. Mayor Pro Tem Hobart stated if they are not pre-judged as guilty, we would be giving them the same consideration we are giving the other franchises, having cabs on the street, thus, eliminating the need to raise fares by 50 cents.

Mayor Pro Tem England asked Ms. Nightingale how long the process takes to get the cabs out. Ms. Nightingale stated it takes 15 days or less, unless there are other issues that need to be resolved. Mayor Pro Tem England stated that he does not want to assume that we are treating American Cab unfairly; the SRA has not had the time to process the request that was just received. He asked when the appeal was going to take place. Ms. Nightingale stated that the date has not been set as yet.

Councilmember Spiegel stated that his concern is to have enough cabs on the road to fulfill the needs of the community during season. He stated that last month there were 117 cabs on the road; fiscal year 07/08 there were as many as 269 cabs on the road. He believes franchising is the right thing to do, with fewer cabs. But he feels that 117 cabs in service is too low. He stated we need to get more cabs out as soon as possible. Ms. Nightingale stated that even though they had 117 cabs on the road, 130 cabs were approved; the franchises did not put them out there.

Councilmember Powers asked how we can make this a "win-win". When you get a ticket on the road, you pay it and then you can appeal it. He asked why American Cab does not pay their fines, appeal it, and if they win, get their money back. Councilmember Powers stated that in the meantime, they can get cabs out as long as they pay the fee; right now they are ignoring it and have been ignoring

it and what's to say they don't continue ignoring it. Maria Aarvig, Legal Counsel, stated that the Ordinance calls for any fine that is being challenged to be either paid or submit a hardship waiver.

Chairman Pougnet stated that the one area of agreement appears that we want to put 34 cabs back on the streets as soon as possible, within the guidelines of the Ordinance. He asked if we can move forward and give direction as a Board in accordance with the Ordinance, to allow the cabs on the road while the appeals process is taking place.

Ms. Aarvig stated that the process of appealing is separate from the process of adding cabs. Mayor Pro Tem Hobart asked if the Board could waive the requirement of the fine for American Cab because the amount is so high; he asked for the total amount of the fine. Ms. Nightingale stated that the amount is approximately \$80,000 and counting.

Vice Chairman Garcia stated that another factor that has not been discussed, perhaps because of the Brown Act, is that moving in that direction triggers for other questions that arise that has been discussed and given to Legal Counsel. He stated that currently we are in the process of placing 34 cabs out on the street, leaving 16 cabs to bring up to the 50 left by Classic Yellow Cab. He stated that we are almost there; we are not too far from meeting the goal to provide an efficient, safe, reliable taxi service to the community.

Mayor Park reiterated what the Ordinance states; each franchise can increase their fleet by 25%, which is 10, 12, 10, the total maximum for the three franchises. In accordance with the Franchise Agreement, we are at the maximum. Ms. Nightingale stated that if service needs continue to exceed that number, there is a provision in the Ordinance to allow for additional cabs to be added. Vice Chairman Garcia stated that the Board could change the Franchise Agreement for the purpose of addressing the deficit that is in existence as the result of the breach of contract by the former franchise. But whether or not the market calls for the amount of cabs, ultimately has an impact on the existing cabs. Ms. Aarvig stated that the Franchise Agreement is set up to allow the change of the number of cabs and the allocation.

The Board gave direction for staff to continue to move in the direction they are currently taking.

**10. Consent Calendar**

Mayor Pro Tem England moved for approval of the consent calendar. The motion was seconded by Councilmember Miller and was approved by unanimous vote with the exception of Vice Chairman Garcia abstaining from item 10a, the October 27, 2010 Board meeting minutes.

**11. Taxicab Fee**

Taxi Administrator, Naomi Nightingale, addressed the Board stating that staff had a meeting with the franchise owners, their representatives, and discussed the

budget situation with the SRA. The action was their proposal from those in attendance at the meeting. She stated that the 50 cent per ride fee is not new or an unacceptable process to try to recover a budget deficit. In view of the conversation regarding the addition of cabs across the board, if 12 additional cabs were added, that would provide an additional \$27,000 and could reduce the 50 cent fee. Ms. Nightingale stated that staff could come back to the Board with revised numbers.

Councilmember Spiegel stated that during the Finance Committee meeting held earlier, the Director of Finance, Christopher Mitchell, stated that he would be bringing to the Board at the January, 2011 Board meeting, an adjusted budget for taxi regulation. He stated he would like to see the figures prior to voting on staff recommendation for the taxicab fee. Mayor Adolph made a motion to continue item to the January 26, 2011 Board meeting. Mayor Pro Tem England seconded the motion and was approved with a unanimous vote.

**12. Request of Information from Board Member Concerning Taxi Fee and Regulatory Framework**

General Manager, Mikel Oglesby, addressed the Board stating that he had received a letter from Board Member Glenn Miller and at the time, staff was completing the analysis for the Board as requested. He then asked Councilmember Miller to comment. Councilmember Miller stated that based on the comments made and what he has looked at, his concerns started with the process of paying the fees over a four month, sixth month or nine month period. He stated the models that were distributed showed that the SRA was going to go broke no matter what fees were charged over what period of time. He stated that it appears to him that a private industry regulated by a public agency is a conflict of interest. He does not agree with the fees that SRA is charging the cab companies; he is not here to say how much the cab companies and drivers make, that is not for us to decide. He stated that it is our responsibility to regulate the cab companies to make sure they are the best, most efficient, safe cabs for our visitors and residents to utilize. He does not feel that what we charge per cab is justifiable, with all due respect to the employees, with the service the cab companies get from us. That is why he asked for the information. Cabs should be regulated by an outside entity. He stated that the model needs to be looked at thoroughly to see what the companies are being charged for, compared to what we are giving them in services; it does not pencil out to be equitable. He would like to see the information requested in items 8 & 9 of his letter, details for use of staff. He stated that some of the concerns are safety, regulation of the cabs to make sure they are clean and neat; but he does not see how that can't be regulated by other entities and still come up with the same quality of service and allow the outside public not to regulate a private industry. He stated that he did get some information from Mr. Oglesby, which he appreciated, but it opened up some other questions. Councilmember Miller stated that Mr. Oglesby expressed concern in the Finance Committee meeting that it would take quite a bit of work and time; Councilmember Miller would like to work with Chairman Pougnet on some of the information. He stated he would still like to see if we could look at taking the taxicab companies out of SunLine and take it to another entity. He

stated that the model does not work; it regulates the cleanliness of the cabs, it improved dispatch, gypsy issues; SRA has done some great stuff, but we would not be having long meetings if there was a good system. He stated we don't own the companies, we regulate; we are here to help them succeed, which helps our businesses in the community to succeed.

In response to the public comment, Chairman Pougnet stated that SunLine did not create the ownership issue at American Cab. SunLine was not responsible for Classic Yellow Cab leaving when their request for more cabs was denied. He stated that we are now handed a mess that all is concerned about; everyone wants to make sure that when visitors come to the Valley, they get a ride in a clean cab. Chairman Pougnet stated that Palm Springs passed a Bill of Rights that was adopted by SunLine; the Airport Commission dealt with the issues. He stated that the Board does care, but at this point, we have to work out the issue of the Breach of Contract by Classic Yellow Cab and we are going down the right path. He stated that as far as moving to another location, the City Council of Palm Springs did a study and the answer was no. He stated that taxi regulation is here and we have to make it the best that it can be and that it is fair.

Councilmember Miller stated that he agrees, but he does not agree with charging the remaining three franchises a fee, through no fault of their own. He stated they did not create the issue of the SRA being under budget due to Classic Yellow Cab's departure and it's not fair to pass this on to the drivers, owners or the consumers. He stated that's why he believes the model is broken; there has to be another way to regulate.

Mayor Parks stated that when it comes to the cab companies, we have agreed to increase their number of cabs, we are working on getting the appeal resolved for American Cab; what more can we do.

Mayor Pro Tem England pointed out that a couple of years ago when we were dealing with cab companies prior to the franchise system, one of the presumptions was that we would get the industry cleaned up, get into a franchise model, but unfortunately some issues have come into play, such as the economy. He stated that the condition of the economy is driving the majority of the conversation; we do not have enough tourists coming into the Valley. He stated that once the franchise system came into fruition, regulating could be turned over to another entity; however, the airport did not want it. It has to go to another JPA. Mayor Pro Tem England stated that all SunLine Board members sit on other Boards, such as the CVA and CVAG; they will be dealing with the same issues if it is moved. He stated that SunLine has transportation people who are very savvy that deal with transportation issues every day; they don't work on taxi issues all day, but they shift over to taxi to give good information to move forward. He stated that if CVAG took over, they would have to hire out.

Chairman Pougnet stated that he would work with Councilmember Miller on his request. Councilmember Miller stated that he would like to see the breakdown of where the money goes, how much money is coming in and where it is utilized.

Mr. Oglesby advised the Board that when transit employees gather the information, the time is charged to taxi. He stated there will be a charge to the taxi budget for gathering and providing the information. The funds cannot be co-mingled as advised by auditors.

Ms. Nightingale clarified that taxis and buses do not compete. They work closely together in many areas, specifically with vouchers and paratransit services.

Mr. Oglesby stated that in 2006, he made a statement to the Board that taxi regulation should not be under transit; staff moved forward in bringing it to CVAG. While attempting to move it under CVAG, he assisted John Wohlmuth at the time who hired a professional in the industry to set up a structure. It looked like regulation was going to move to CVAG, but the Board at the time voted to keep it at SunLine. Oglesby stated that if taxi regulation was moved to somewhere such as CVAG, they would have to hire an administrator and create a structure similar to what we have now. He stated that there would be more costs associated with a move. He stated that currently the SRA is working with a skeleton oversight system versus what was recommended.

### **13. Taxi Cab Safety**

Chairman Pougnet stated that due to the articles in the Desert Sun concerning taxi safety, there were requests to discuss the issue. Mayor Pro Tem Hobart stated that the newspaper with headlines in the paper, such as "Dying for a Fare", is making a deal out of something where there is a solution. He provided the Board with a handout that outlines use of Taxi Tachograph. He stated it is used throughout the United States and Europe. He has cross examined experts in the field of tachograph and tried a case centered around it. Mayor Pro Tem Hobart asked the Board to look at the handout and if they would like to seriously discuss dealing with the issue of drivers working in violation of California law, the tachograph will prevent it. He stated that every driver will be against it; if he were a driver, he would be against it – who is going to pay the money to put the tachographs into the cars? This is an issue that would need to be discussed. He stated that he leaves it to the Board to take action that his colleague, Scott Hines, says is not necessary; he believes it is. He stated that he does not want the newspaper to think that the issue of safety has not been addressed and he will be interested to see if the newspaper takes a stand and says we should use the tachograph system. He stated the system tracks the hours, shows when the vehicle is moving, how fast it is traveling; he can provide staff with the names of tachograph experts.

Chairman Pougnet asked staff what we currently use to track information. Ms. Nightingale stated that we currently have GPS systems and technology in each cab. Michael Jones, Taxi Administration Supervisor, stated that current tracking shows cab in motion; where the car started, rates of speeds, what direction the vehicle is traveling and how long the vehicle sat idle. Oglesby stated that we currently have tracking devices, but does not provide as much information as the tachography system. The question from the drivers and the owners would be

how much information is required to deal with the safety issue. Staff will look into the costs, etc.

**14. General Manager's Report**

Nothing more to report.

**15. Next Meeting Date**

Meet as needed.

**16. Adjourn**

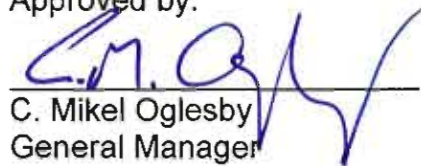
Chairman Pougnet adjourned meeting at 3:10p.m.

Respectfully Submitted,



Carolyn Rude  
Clerk of the Board

Approved by:



C. Mikel Oglesby  
General Manager

Date: 1/14/11

**SunLine Regulatory Administration**  
**Checks \$1,000 and Over**  
**For the month of November 2010**

NOTE: 1). Bold check payments represent "pass through" payments that were, or will be reimbursed to SunLine under the provisions of specific grants or contracts. 2). Underlined check payments represent "shared" payments with SunLine and specific vendors/employees.

<b>Vendor Name</b>	<b>Description</b>	<b>Check #</b>	<b>Check</b>	<b>Amount</b>
SUNLINE TRANSIT AGENCY	Operating Expense	089259	11/24/2010	\$16,689.46
SUNLINE TRANSIT AGENCY	Payroll Liability Expense	089254	11/12/2010	\$10,660.30
SUNLINE TRANSIT AGENCY	Payroll Liability Expense	089260	11/24/2010	\$8,021.72
LEFLORE GROUP LLC, THE	Consultant	089258	11/24/2010	\$3,400.00

<b>Total of Checks Over \$1,000</b>	<b>\$38,771.48</b>
<b>Total of Checks Under \$1,000</b>	<b>\$2,164.35</b>
<b>Total of All Checks for the Month</b>	<b>\$40,935.83</b>
<b>Total Amount of Checks Prior Years Same Month</b>	<b>\$29,455.98</b>

**SunLine Regulatory Administration**  
**Checks \$1,000 and Over**  
**For the month of December 2010**

NOTE: 1). Bold check payments represent "pass through" payments that were, or will be reimbursed to SunLine under the provisions of specific grants or contracts. 2). Underlined check payments represent "shared" payments with SunLine and specific vendors/employees.

<b>Vendor Name</b>	<b>Description</b>	<b>Check #</b>	<b>Check</b>	<b>Amount</b>
CREASON & AARVIG, LLP	Legal Services	089271	12/15/2010	\$12,264.35
SUNLINE TRANSIT AGENCY	Payroll Liability Expense	089270	12/9/2010	\$10,660.30
SUNLINE TRANSIT AGENCY	Payroll Liability Expense	089274	12/22/2010	\$9,150.74
SUNLINE TRANSIT AGENCY	Operating Expense	089273	12/15/2010	\$7,679.32
CREASON & AARVIG, LLP	Legal Services	089263	12/3/2010	\$4,998.00
NATIONWIDE RETIREMENT	Deferred Compensation	089266	12/3/2010	\$2,959.14
LEFLORE GROUP LLC, THE	Consultant	089276	12/28/2010	\$1,785.00
<b>Total of Checks Over \$1,000</b>				\$49,496.85
<b>Total of Checks Under \$1,000</b>				\$1,700.96
<b>Total of All Checks for the Month</b>				\$51,197.81
<b>Total Amount of Checks Prior Years Same Month</b>				\$43,457.02

**SRA--Taxi  
Statement of Activities  
November 2010**

	Un-Audited FY 09/10	Total FY 10/11 Budget	Current Month			Year to Date			
			Actual	Budget	Favorable (Unfavorable)	Actual	Budget	Favorable (Unfavorable)	
									Actual
<b>Revenue:</b>									
Meter Readings	-	-	-	-	-	-	-	-	-
Revenue Fines	5,900	5,000	3,525	417	3,108	10,425	2,083	8,342	
Vehicle Inspections	18,300	19,000	950	1,583	(633)	7,600	7,917	(317)	
New Driver Permits	9,840	5,500	200	458	(258)	1,550	2,292	(742)	
Driver Transfers	10,010	6,000	400	500	(100)	3,750	2,500	1,250	
Driver Renewals	10,390	7,250	250	604	(354)	1,950	3,021	(1,071)	
Driver Permit Reinstatement/Replacement	165	200	30	17	13	40	83	(43)	
Vehicle Transfers	65	130	-	-	-	(50)	130	(180)	
Vehicle Permits	108,000	108,000	17,000	18,000	(1,000)	30,000	36,000	(6,000)	
Operator Shared Revenue Fee	277,377	260,100	72,783	65,025	7,758	93,661	130,050	(36,389)	
Operator Application Fee	12,000	-	-	-	-	-	-	-	
Interest	192	-	11	-	11	55	-	55	
Other	1,078	11,596	26	-	26	42	-	42	
<b>Total revenue</b>	<b>\$ 453,318</b>	<b>\$ 422,776</b>	<b>\$ 95,176</b>	<b>\$ 86,604</b>	<b>\$ 8,572</b>	<b>\$ 149,024</b>	<b>\$ 184,076</b>	<b>\$ (35,052)</b>	
<b>Expenses:</b>									
Salaries and wages	189,590	184,661	15,154	14,845	(309)	81,116	76,384	(4,733)	
Fringe benefits	145,448	131,315	11,221	10,454	(767)	57,788	53,059	(4,729)	
Services	120,551	91,800	7,630	6,933	(696)	47,321	34,667	(12,655)	
Supplies and materials	8,566	3,900	929	400	(529)	3,297	2,000	(1,297)	
Miscellaneous	20,056	11,100	1,064	1,192	128	9,953	10,458	506	
<b>Total expenses</b>	<b>\$ 484,211</b>	<b>\$ 422,776</b>	<b>\$ 35,998</b>	<b>\$ 33,824</b>	<b>\$ (2,174)</b>	<b>\$ 199,476</b>	<b>\$ 176,568</b>	<b>\$ (22,908)</b>	
<b>Total Operating Surplus/Deficit</b>	<b>\$ (30,894)</b>	<b>\$ -</b>	<b>\$ 59,178</b>	<b>\$ 52,780</b>	<b>\$ 6,398</b>	<b>\$ (50,452)</b>	<b>\$ 7,508</b>	<b>\$ (57,960)</b>	

SunLine Regulatory Admin

Comparison of Balance Sheets

June 30, 2005 through November 30, 2010

	FY 2005 6/30/2005	FY 2006 6/30/2006	FY 2007 6/30/2007	FY 2008 6/30/2008	FY 2009 6/30/2009	FY 2010 6/30/2010	Current FY 11/30/2010
Cash	\$ 93,979	\$ 49,228	\$ 54,854	\$ 225,745	\$ 281,247	\$ 270,226	\$ 206,739
A/R	\$ 17,230	\$ 12,690	\$ 48,111	\$ 48,485	\$ 68,792	\$ -	\$ -
Prepays	\$ -	\$ -	\$ -	\$ -	\$ 1,580	\$ 3,978	\$ 44
Due from other Govt's	\$ 3,447	\$ 2,488	\$ -	\$ -	\$ -	\$ 223	\$ 447
Leases A/R	\$ 164,918	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Assets, less Accum Depr	\$ 4,351	\$ 695	\$ 6,327	\$ 29,210	\$ 30,804	\$ 43,448	\$ 49,533
<b>Total Assets</b>	<b>\$ 283,925</b>	<b>\$ 65,101</b>	<b>\$ 109,292</b>	<b>\$ 303,440</b>	<b>\$ 382,423</b>	<b>\$ 317,875</b>	<b>\$ 256,763</b>
Accounts Payable and Accruals	\$ 49,150	\$ 50,592	\$ 33,100	\$ 74,272	\$ 35,440	\$ 75,768	\$ 64,230
Due to Affiliate	\$ 266,203	\$ 27,517	\$ 23,352	\$ 55,464	\$ 26,503	\$ 7,354	\$ 8,126
Due to General	\$ 3,853	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -
Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	\$ 20,403	\$ -	\$ -	\$ -	\$ 40,000	\$ -	\$ -
<b>Total Liabilities</b>	<b>\$ 339,609</b>	<b>\$ 138,109</b>	<b>\$ 56,452</b>	<b>\$ 129,736</b>	<b>\$ 101,943</b>	<b>\$ 83,122</b>	<b>\$ 72,357</b>
Invested in Capital Assets	\$ 4,351	\$ 695	\$ 6,327	\$ 29,210	\$ 30,804	\$ 43,448	\$ 49,533
Unrestricted	\$ (60,035)	\$ (73,703)	\$ 46,243	\$ 44,494	\$ 149,676	\$ 91,305	\$ 34,873
Restricted - Reserve	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
<b>Total Net Assets</b>	<b>\$ (55,684)</b>	<b>\$ (73,008)</b>	<b>\$ 52,570</b>	<b>\$ 173,704</b>	<b>\$ 280,480</b>	<b>\$ 234,753</b>	<b>\$ 184,406</b>
<b>Liabilities &amp; Net Assets</b>	<b>\$ 283,925</b>	<b>\$ 65,101</b>	<b>\$ 109,022</b>	<b>\$ 303,440</b>	<b>\$ 382,423</b>	<b>\$ 317,875</b>	<b>\$ 256,763</b>
<b>Net Income / (loss)</b>	<b>\$ (91,753)</b>	<b>\$ (17,324)</b>	<b>\$ 125,578</b>	<b>\$ 121,134</b>	<b>\$ 106,776</b>	<b>\$ (45,727)</b>	<b>\$ (50,452)</b>

**SRA--Taxi**  
**Statement of Activities**  
**December 2010**

	Un-Audited		Total	Current Month			Year to Date		
	FY 09/10	FY 10/11	Budget	Actual	Budget	Favorable (Unfavorable)	Actual	Budget	Favorable (Unfavorable)
<b>Revenue:</b>									
Meter Readings	-	-	-	-	-	-	-	-	-
Revenue Fines	5,900	5,000	5,000	2,225	417	1,808	12,650	2,500	10,150
Vehicle Inspections	18,300	19,000	19,000	600	1,583	(983)	8,200	9,500	(1,300)
New Driver Permits	9,840	5,500	5,500	400	458	(58)	1,950	2,750	(800)
Driver Transfers	10,010	6,000	6,000	100	500	(400)	3,850	3,000	850
Driver Renewals	10,390	7,250	7,250	800	604	196	2,750	3,625	(875)
Driver Permit Reinstatement/Replacement	165	200	200	10	17	(7)	50	100	(50)
Vehicle Transfers	65	130	130	-	-	-	(50)	130	(180)
Vehicle Permits	108,000	108,000	108,000	9,000	18,000	(9,000)	39,000	54,000	(15,000)
Operator Shared Revenue Fee	277,377	260,100	260,100	38,533	65,025	(26,492)	132,194	195,075	(62,881)
Operator Application Fee	12,000	-	-	-	-	-	-	-	-
Interest	192	-	-	13	-	13	68	-	68
Other	1,078	11,596	11,596	-	-	-	42	-	42
<b>Total revenue</b>	<b>\$ 453,318</b>	<b>\$ 422,776</b>	<b>\$ 422,776</b>	<b>\$ 51,680</b>	<b>\$ 86,604</b>	<b>\$ (34,924)</b>	<b>\$ 200,704</b>	<b>\$ 270,680</b>	<b>\$ (69,976)</b>
<b>Expenses:</b>									
Salaries and wages	189,590	184,661	184,661	14,349	15,385	1,036	95,465	91,768	(3,697)
Fringe benefits	145,448	131,315	131,315	11,947	13,251	1,304	69,735	66,311	(3,425)
Services	120,551	91,800	91,800	16,866	6,933	(9,933)	64,188	41,600	(22,588)
Supplies and materials	8,566	3,900	3,900	203	400	197	3,501	2,400	(1,101)
Miscellaneous	20,056	11,100	11,100	1,171	1,192	20	11,124	11,650	526
<b>Total expenses</b>	<b>\$ 484,211</b>	<b>\$ 422,776</b>	<b>\$ 422,776</b>	<b>\$ 44,537</b>	<b>\$ 37,161</b>	<b>\$ (7,376)</b>	<b>\$ 244,013</b>	<b>\$ 213,729</b>	<b>\$ (30,284)</b>
<b>Total Operating Surplus/Deficit</b>	<b>\$ (30,894)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,143</b>	<b>\$ 49,443</b>	<b>\$ (42,300)</b>	<b>\$ (43,309)</b>	<b>\$ 56,952</b>	<b>\$ (100,260)</b>

SunLine Regulatory Admin

Comparison of Balance Sheets

June 30, 2005 through December 31, 2010

	FY 2005 6/30/2005	FY 2006 6/30/2006	FY 2007 6/30/2007	FY 2008 6/30/2008	FY 2009 6/30/2009	FY 2010 6/30/2010	Current FY 12/31/2010
Cash	\$ 93,979	\$ 49,228	\$ 54,854	\$ 225,745	\$ 281,247	\$ 270,226	\$ 207,882
A/R	\$ 17,230	\$ 12,690	\$ 48,111	\$ 48,485	\$ 68,792	\$ -	\$ -
Prepays	\$ -	\$ -	\$ -	\$ -	\$ 1,580	\$ 3,978	\$ -
Due from other Govt's	\$ 3,447	\$ 2,488	\$ -	\$ -	\$ -	\$ 223	\$ 561
Leases A/R	\$ 164,918	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Assets, less Accum Depr	\$ 4,351	\$ 695	\$ 6,327	\$ 29,210	\$ 30,804	\$ 43,448	\$ 49,533
<b>Total Assets</b>	<b>\$ 283,925</b>	<b>\$ 65,101</b>	<b>\$ 109,292</b>	<b>\$ 303,440</b>	<b>\$ 382,423</b>	<b>\$ 317,875</b>	<b>\$ 257,976</b>
Accounts Payable and Accruals	\$ 49,150	\$ 50,592	\$ 33,100	\$ 74,272	\$ 35,440	\$ 75,768	\$ 56,882
Due to Affiliate	\$ 266,203	\$ 27,517	\$ 23,352	\$ 55,464	\$ 26,503	\$ 7,354	\$ 9,446
Due to General	\$ 3,853	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -
Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	\$ 20,403	\$ -	\$ -	\$ -	\$ 40,000	\$ -	\$ -
<b>Total Liabilities</b>	<b>\$ 339,609</b>	<b>\$ 138,109</b>	<b>\$ 56,452</b>	<b>\$ 129,736</b>	<b>\$ 101,943</b>	<b>\$ 83,122</b>	<b>\$ 66,327</b>
Invested in Capital Assets	\$ 4,351	\$ 695	\$ 6,327	\$ 29,210	\$ 30,804	\$ 43,448	\$ 49,533
Unrestricted	\$ (60,035)	\$ (73,703)	\$ 46,243	\$ 44,494	\$ 149,676	\$ 91,305	\$ 42,116
Restricted - Reserve	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
<b>Total Net Assets</b>	<b>\$ (55,684)</b>	<b>\$ (73,008)</b>	<b>\$ 52,570</b>	<b>\$ 173,704</b>	<b>\$ 280,480</b>	<b>\$ 234,753</b>	<b>\$ 191,649</b>
Liabilities & Net Assets	\$ 283,925	\$ 65,101	\$ 109,022	\$ 303,440	\$ 382,423	\$ 317,875	\$ 257,976
<b>Net Income / (loss)</b>	<b>\$ (91,753)</b>	<b>\$ (17,324)</b>	<b>\$ 125,578</b>	<b>\$ 121,134</b>	<b>\$ 106,776</b>	<b>\$ (45,727)</b>	<b>\$ (43,309)</b>

**TRIP vs. VEHICLE ANALYSIS**

**TRIP vs. VEHICLE ANALYSIS**

FY 04/05		FY 05/06		FY 06/07		FY 07/08		FY 08/09						
CABS	TRIPS	TRIP/VEH	CABS	TRIPS	TRIP/VEH	CABS	TRIPS	TRIP/VEH	CABS	TRIPS	TRIP/VEH			
193	32,877	170	205	33,123	161	240	28,204	117	269	25,681	95			
185	25,911	140	209	24,445	117	240	24,010	100	269	28,635	106			
195	29,145	149	215	35,072	163	240	35,278	147	269	28,182	105			
196	44,593	227	221	32,817	148	240	38,459	160	205	33,063	161			
197	36,344	184	227	40,343	178	240	41,751	174	203	41,851	206			
187	38,687	207	232	34,534	149	243	46,866	193	204	36,141	177			
191	40,638	212	240	42,539	177	245	27,290	114	204	30,363	149			
196	43,880	224	241	41,587	173	246	41,520	169	206	50,594	246			
204	42,973	210	241	51,373	213	255	54,598	214	205	41,492	202			
206	53,980	262	241	50,791	211	269	46,823	174	205	44,697	218			
204	38,698	190	240	42,916	179	271	43,593	161	205	49,071	239			
203	33,348	164	240	34,427	143	271	35,711	132	183	26,819	147			
<b>TOTALS</b>	<b>461,074</b>	<b>196</b>	<b>2752</b>	<b>463,967</b>	<b>169</b>	<b>3000</b>	<b>464,103</b>	<b>155</b>	<b>2627</b>	<b>436,589</b>	<b>166</b>	<b>2216</b>	<b>441,934</b>	<b>199</b>

FY 09/10		FY 10/11		FY		FY		FY						
CABS	TRIPS	TRIP/VEH	CABS	TRIPS	TRIP/VEH	CABS	TRIPS	TRIP/VEH	CABS	TRIPS	TRIP/VEH			
170	26,487	156	151	31,211	207									
155	23,671	153	148	29,238	198									
158	29,239	185	150	31,807	212									
153	37,468	245	117	40,222	344									
153	40,466	264	126	40,494	321									
160	32,084	201	128	36,226	283									
155	38,276	247												
157	36,557	233												
159	44,219	278												
167	57,645	345												
157	42,074	268												
156	29,940	192												
<b>TOTALS</b>	<b>438,126</b>	<b>231</b>	<b>820</b>	<b>209,198</b>	<b>255</b>	<b>0</b>	<b>0</b>	<b>#DIV/0!</b>	<b>0</b>	<b>0</b>	<b>#DIV/0!</b>	<b>0</b>	<b>0</b>	<b>#DIV/0!</b>



**SunLine Services Group**

**DATE:** January 26, 2011 **ACTION**

**TO:** Taxi Committee  
Board of Directors

**FROM:** Director of Administration & Human Resources/EEO  
Taxi Administrator

**RE:** Authorization to Use Restricted Reserves

---

**Recommendation**

Recommend that the Board of Directors grant the Taxi Administrator permission to use Restricted Reserves to offset budget shortfalls.

**Background**

It has been longstanding Board Policy for SunLine Regulatory Administration (SRA) to maintain a \$100,000 Restricted Budget Reserve. It may be necessary to tap into that reserve to maintain the operations of SRA. If the SSG Board of Directors approves the 50 cent surcharge, it may only be necessary to draw approximately \$40,000 out of reserves.

Classic Yellow Cab's breach of its contract with SSG resulted in a loss of approximately \$115,000 of revenue. The consequent legal actions of American Cab have also resulted in increased legal fees.

If the SSG Board does not approve the 50 cent surcharge, it will be necessary for SRA to draw from the reserves until additional revenue is received from added taxicabs or the reserve is fully depleted.

SRA is working diligently to put additional taxicabs on the street to minimize the budget impact. This includes the preparation of a Request for Proposals. However, it is hard to forecast the date and time of the taxicab additions from the existing Franchises.

**Fiscal Impact**

This proposal is designed to provide revenues to sustain SRA's regulatory mandate provided by the SSG Ordinance. See the attached financial projections.

  
Naomi Nightingale

SunLine Regulatory Administration  
Budget Amendment  
FY 2011

Due to several factors, SRA must amend the current budget to absorb a decline in revenues, and an increase in expenditures. Staff recommends the following budget amendments to reflect projected year end revenues and expenditures:

**REVENUE ADJUSTMENTS**

- 1) Revenue Fines – Increase budget for this line item by \$10,000 due to increased fines issued for violations.
- 2) Vehicle Permit Revenue – Decrease budget by \$30,000 due to loss of one franchise.
- 3) Operator Share Revenue Fee – Decrease budget by \$72,250 due to loss on one franchise.

Total reductions to revenue are \$92,250.

**EXPENDITURE ADJUSTMENTS**

- 1) Legal Service – General – Increase budget by \$40,000 due to increased legal costs incurred by SRA.

Total increase in expenditures is \$40,000.

This amendment will reduce revenues and increase expenditures for a total reduction to the budget in the amount of \$143,846. This will require full usage of reserve to cover the deficit unless additional revenue sources are identified.

Attached please find the budget revision for FY 2011. Also attached is the Cash Flow Projection for SRA, which details that if no action is taken on additional revenue sources, SRA cash will be completely depleted by August 2011.

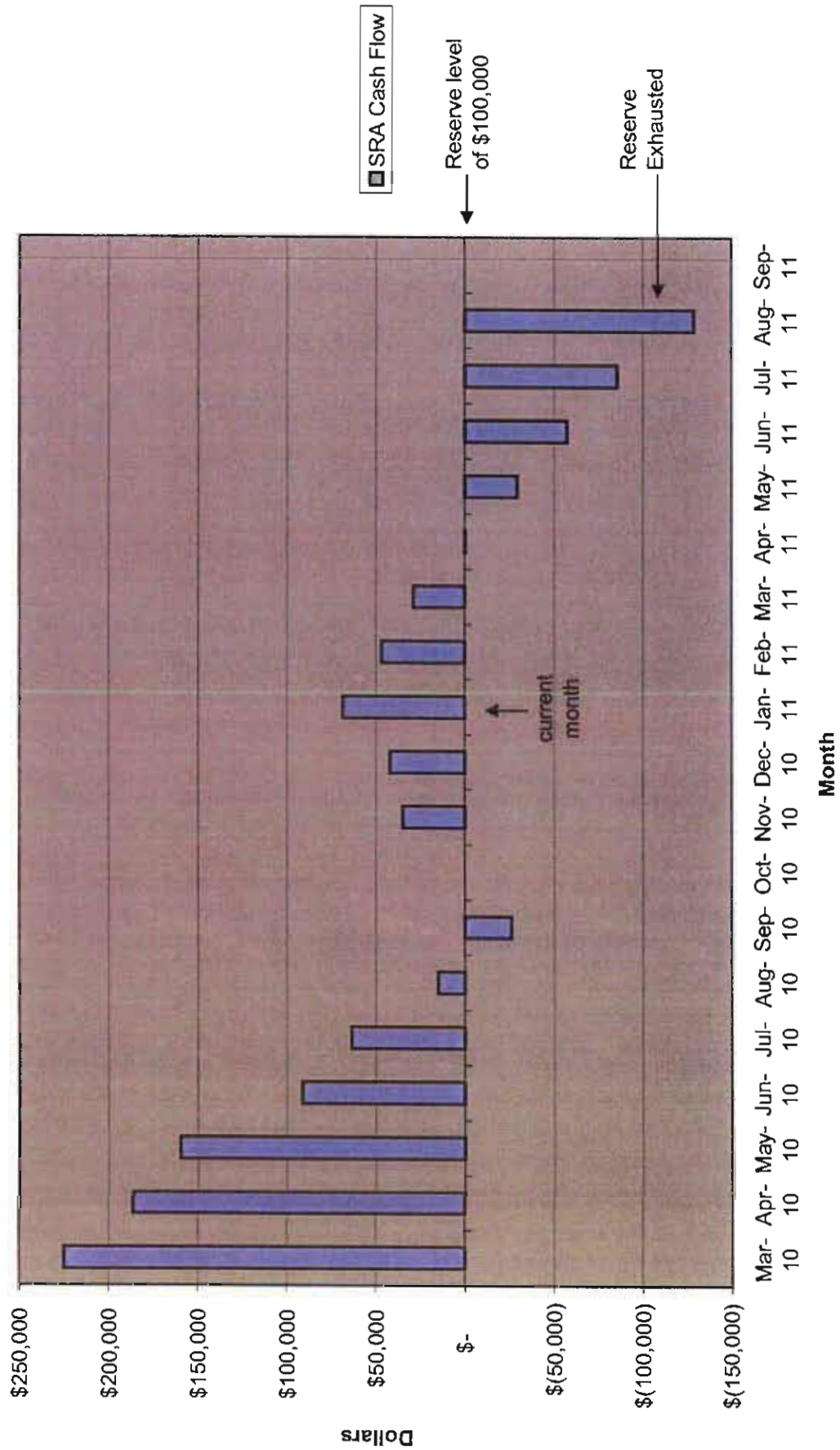
**SunLine Regulatory Administration**  
**FY 2011 Budget Revision**

Acct. No.	Line Item	Annual Budget YR 2009/10	Annual Budget YR 2010/11	Line item revisions	Revised Budget 2010/11
Labor:	Management Sch. Work Days				
	Operating Days				
Revenue:					
964010101100	Meter Reading Revenue	-			
964010101200	Revenue Fines	5,000	5,000	10,000	15,000
964010101300	Vehicle Inspection Revenue	8,600	17,200	-	17,200
964010101400	Vehicle Reinsertion Revenue	8,600	1,800	-	1,800
964010101500	New Driver Permit Revenue	17,000	5,500	-	5,500
964010101600	Driver Transfer Revenue	5,900	6,000	-	6,000
964010101700	Driver Renewal Revenue	15,000	7,250	-	7,250
964010101750	Driver Permit Reinstatement/replacement	480	200	-	200
964010101800	Vehicle Transfer Revenue	1,950	130	-	130
964010101900	Vehicle Permit Revenue	108,000	108,000	(30,000)	78,000
964010101950	Operator Shared Revenue Fee	277,455	260,100	(72,250)	187,850
964070301000	Rental of Property Revenue	-	-	-	-
964070301050	Operator Application Fee	12,000	-	-	-
964010102200	Other Revenue	-	-	-	-
964010102000	Interest Revenue	-	-	-	-
	Usage of Reserves	16,050	11,596	(11,596)	-
	<b>Total Revenue:</b>	<b>476,035</b>	<b>422,776</b>	<b>(103,846)</b>	<b>318,930</b>
Labor:					
965010201600	Staff/Clerical Salaries	148,166	136,211	-	136,211
965010700000	Allocated Salaries	50,000	48,450	-	48,450
	<b>Total Labor Expense</b>	<b>198,166</b>	<b>184,661</b>	<b>-</b>	<b>184,661</b>
Benefits:					
965020100010	Medicare Tax	2,315	2,340	-	2,340
964010101000	Pension	52,535	46,916	-	46,916
965020300000	Group Health Insurance	28,061	29,737	-	29,737
965020400000	Dental Insurance	849	849	-	849
965020400001	Vision Insurance	236	348	-	348
965020500000	Group Life Insurance	624	624	-	624
965020600000	Group Disability Insurance	1,744	1,605	-	1,605
965020600100	Employer Assistance Program	-	137	-	137
965020700010	Unemployment Taxes	896	1,092	-	1,092
965020800000	Workers Compensation	893	743	-	743
965020900000	Sick Pay	2,188	3,548	-	3,548
965020900001	Sick Pay Sell Backs	3,000	2,600	-	2,600
965021100000	Vacation Pay	9,328	17,266	-	17,266
965021100001	Vacation Pay Sellbacks	5,500	1,501	-	1,501
965021600000	Allocated Pay roll Factors	30,000	22,007	-	22,007
	<b>Total Fringe Benefits Exp.</b>	<b>138,169</b>	<b>131,315</b>	<b>-</b>	<b>131,315</b>

**SunLine Regulatory Administration**  
**FY 2011 Budget Revision**

<b>Services:</b>					
965030103120	Lab & Drug Services	19,250	-	-	-
965030103240	Background Check Svcs	5,000	5,000	-	5,000
965030300005	Legal Services-General	55,000	45,000	40,000	85,000
965030303240	Other Professional Svcs	16,000	20,000	-	20,000
965030303310	Audit Services-External	6,000	6,000	-	6,000
965030500000	Maintenance Contracts	7,000	6,000	-	6,000
965030300010	Computer/Network Support	-	-	-	-
965039903800	Other Services	1,000	1,200	-	1,200
965050200001	Utilities	5,000	5,000	-	5,000
965050200003	Trash Pick-up	800	600	-	600
965050200006	Communications	3,000	3,000	-	3,000
<b>Total Services Expense</b>		<b>118,050</b>	<b>91,800</b>	<b>40,000</b>	<b>131,800</b>
<b>Materials and Supplies:</b>					
965040404300	Office Supplies	3,000	3,000	-	3,000
965040404340	Allocated Overhead	-	-	-	-
965049900002	Postage	250	500	-	500
965049900026	Facility Maintenance	-	100	-	100
965049900032	Repair Parts-Taxi Vehicle	700	300	-	300
<b>Total Materials/ Supplies</b>		<b>3,950</b>	<b>3,900</b>	<b>-</b>	<b>3,900</b>
<b>Miscellaneous Expenses:</b>					
965040101000	Fuel CNG	1,100	900	-	900
965060100000	Ins.-Gen Liab/Phy Damage	6,300	4,000	-	4,000
965079900000	Fuel Taxes	-	-	-	-
965090100000	Dues, Memberships & Sub	600	600	-	600
965090200000	Travel & Training	4,000	4,500	-	4,500
965090200002	Mileage Reimbursement	200	100	-	100
965099905990	Miscellaneous Expense	5,500	1,000	-	1,000
965099906000	Rent to Transit	-	-	-	-
992010000000	Reserve	-	-	-	-
<b>Total Misc. Expenses</b>		<b>17,700</b>	<b>11,100</b>	<b>-</b>	<b>11,100</b>
<b>Total Dept. Operating Expenses</b>		<b>476,035</b>	<b>422,776</b>	<b>40,000</b>	<b>462,776</b>
<b>Operating Income (Expense)</b>		<b>0</b>	<b>0</b>	<b>(143,846)</b>	<b>(143,846)</b>

### SRA Cash Flow Projections to June 2011



## SunLine Services Group

**DATE:** January 26, 2011 **ACTION**

**TO:** Taxi Committee  
Board of Directors

**FROM:** Director of Administration & Human Resources/EEO  
Taxi Administrator

**RE:** Taxicab Fee – Continued from December 1, 2010 Meeting

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### **Recommendation**

Recommend that the Board of Directors approve the attached Resolution regarding the one time per ride surcharge as a fee for a period of February 1, 2011 to June 30, 2011.

### **Background**

At the December 1, 2010 Board meeting, staff was directed to continue the request for a one time per ride surcharge as a fee to the January Board meeting so that staff could present updated taxi budget information, which is provided.

The proposed fee adjustment is a result of Classic Yellow Cab's breach of its contract with SunLine. This one time charge is estimated to cover the anticipated administrative costs of running SunLine Regulatory Administration (SRA). SRA is the regulator for taxicab operations in the Coachella Valley.

### **Change**

**Per Ride Surcharge** **50 cents.**

### **Fiscal Impact**

This proposal is designed to generate sufficient revenue to sustain SRA's regulatory mandate provided by the SSG Ordinance. This surcharge should result in estimated revenue of \$100,000 based on 2010 ride data.

  
Naomi Nightingale

**SunLine Services Group**

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION ADOPTING FEES RELATING TO  
TAXICAB SERVICES WITHIN THE COACHELLA VALLEY  
FEBRUARY 1, 2011 THROUGH JUNE 30, 2011**

WHEREAS, SunLine Services Group is a local agency and its Board of Directors is authorized pursuant to Government Code Section 53075.5 to levy by resolution, fees in an amount sufficient to pay for the costs of regulating taxicab services within the Coachella Valley; and

WHEREAS, the staff of SunLine Regulatory Administration presented a budget for Fiscal Year 2011, which has been approved by the Board; and

WHEREAS, the Board of Directors hereby finds that the fees established herein are reasonable fees imposed solely to recover the actual costs of regulating taxicabs within the Coachella Valley;

NOW, THEREFORE, be it resolved by the Board of Directors of SunLine Services Group:

Section 1. That the following fees shall be charged for the administration and regulation of taxicab services within the Coachella Valley:

The following fees are effective February 1, 2011 thru June 30, 2011:

Per Ride Surcharge	\$ .50
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PASSED, APPROVED AND ADOPTED by the Board of Directors of SunLine Services Group on this 26<sup>th</sup> day of January, 2011 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Date: \_\_\_\_\_

\_\_\_\_\_  
Steve P. Pougnet  
Chairman of the Board of Directors

Date: \_\_\_\_\_

\_\_\_\_\_  
C. Mikel Oglesby  
General Manager

**SunLine Services Group**

**DATE:** January 26, 2011 **RECEIVE & FILE**  
**TO:** Board of Directors  
**FROM:** Director of Finance  
**RE:** Financial Audit of SunLine Services Group for Fiscal  
Year 2009/10

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**Recommendation**

Recommend that the Board of Directors Receive & File the Basic Financial Statements and Independent Auditors' Report from Mayer, Hoffman, McCann, P.C. of SunLine Services Group for fiscal year 2009/10.

**Background**

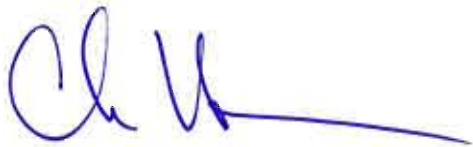
SunLine Services Group is audited each fiscal year by an independent auditing firm. This audit covered fiscal year 2009/10 which began on July 1, 2009 and ended on June 30, 2010.

Their reports consist of the following:

- a) Financial Statements and Independent Auditors' Report.

**Audit Findings**

No financial statement findings were noted.



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Christopher Mitchell