

# SUNLINE SERVICES GROUP BOARD MEETING AGENDA

Wednesday, March 23, 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 January 26, 2011 Board of Directors Meeting (Pages 1-10)
- b) SSG/SRA checks over \$1000 issued January, February 2011 (Pages 11-12)
- c) SSG/SRA Monthly Budget Report for January, February 2011 (Pages 13-16)
- d) Taxi Vehicle/Rides Analysis (Pages 17-18)

**10. Approval of Resolution for Maximum Taxi Rates Change (Naomi Nightingale)****Approve**

Request to the Board to approve the attached Resolution changing maximum taxi rates. (Pages 19-20)

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**11. Next Meeting Date**

Meet as needed.

**12. Adjourn**

**MINUTES**  
**SunLine Services Group**  
**Board of Directors Meeting**  
**January 26, 2011**

A regular meeting of the SunLine Services Group Board of Directors was held on Wednesday, January 26, 2011 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 12:45 p.m. by Chairman Steve Pougnet.

**2. Roll Call**

Completed.

**Members Present**

Steve Pougnet, Chairman, Mayor City of Palm Springs  
Eduardo Garcia, Mayor, City of Coachella  
Yvonne Parks, Mayor, City of Desert Hot Springs  
Gordon Moller, Councilmember, City of Rancho Mirage  
Bob Spiegel, Mayor Pro Tem, City of Palm Desert  
Bill Powers, Councilmember, City of Indian Wells  
Don Adolph, Mayor, City of La Quinta  
Glenn Miller, Mayor Pro Tem, City of Indio

**Members Absent**

John J. Benoit, Supervisor, County of Riverside  
Bud England, Councilmember, City of Cathedral City

**Guests:**

Joseph Pradetto, Supervisor John J. Benoit's Office  
Bob Lyman – County of Riverside  
Arturo Diaz-Airport Taxi  
Bill Meyers – Yellow Cab of the Desert  
Diego Aguilar-LFR Associates  
Gadi Srulovitz –Yellow Cab of the Desert  
Illya Pike-American Cab  
James Braico – Citizen  
J.R. Sanai-American Cab  
Kanwardip Labana-Airport  
Kimberly Webb - Citizen  
Lydia Rodriguez-LFR Associates  
Michael Shepherd – The Shepherd Group  
Norman Strickland-LFR Associates  
Peter Kurzon-American Cab  
Ricardo Diaz-Yellow Cab  
Terry Tapp – Yellow Cab  
Sam Perera-Mayer Hoffman McCann  
Scott Hines-On behalf of American Cab  
Sohan Singh-American Cab

Peter Angone - Citizen  
Mr. Hans Feibelman – Citizen  
Bob Weiman - Citizen  
Carlos Castenon - Citizen  
Charles Cooper - Citizen

**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  
Michael Jones, Taxi Administration Supervisor  
Christopher Mitchell, Director of Finance  
Rudy Le Flore, Procurement Consultant  
Rick Barone, Procurement Officer  
Mannie Thomas, Operations Manager  
David Manriquez, Safety Specialist  
Blanca Flores, Accountant  
Francine DePalo, Administrative Assistant  
Jack Stevens, Human Resources Manager  
Alejandra Gonzalez, Human Resources Technician  
Esteban Huizar, Mechanic A  
James Rayl, Operations Services Coordinator  
Stephanie Buriel, Administrative Assistant  
Frank Shardy, Special Projects Supervisor  
Ed Carson, Accounting Manager  
Vivian Gonzalez, Clerical Assistant  
Maribel Gagnon, Clerical Assistant

**3. Finalization of Agenda**

Chairman Pougnet moved agenda items # 7 and 8, Public Comments and Board Member comments, to follow agenda item #3. There was no opposition from the Board.

**7. Public Comments  
NON-AGENDA ITEMS**

Peter Kurzon – American Cab. Encouraged Board to move the taxi regulation to one of the cities.

Bill Meyers – Yellow Cab of the Desert. Mr. Meyers believes that the taxi Franchises and SRA has come too far to begin with a new regulator and would be a waste of time. All entities should be focused on improvement of their roles

and the overall taxi industry. He stated his concern with the fact that all Franchises agreed to abide by the Ordinance set forth by the SRA, not just the portions that they agree upon. Yellow Cab of the Desert, and Airport, would like to formally document its support in keeping SunLine Services Group as the taxi regulator at this time. He further stated his concern with Classic Yellow Cab's old phones numbers being published in a new phone book under American Cab. He stated that as it stands now, the remaining taxi Franchises are unable to complete for the business. Mr. Meyers stated that this issue needs to be addressed.

Terry Tapp – Yellow Cab. He stated that drivers do not attend Board meetings due to fear of retaliation. He stated that on December 1, he was not allowed to renew his lease with American Cab due to the fact that he was discussing with other drivers, unionizing of the cab industry. Mr. Tapp stated that he discussed this issue with Harry Incs from American Cab and let him know that he was not recruiting or advocating a union.

Kimberly Webb – former driver for American Cab. She stated that she was terminated by American Cab for speaking out against the company. She stated that she was called into a meeting with Harry Incs, the Assistant General Manager and was told not to attend the meeting and her comments would not be welcome. She stated that she had a long on-going mechanical issue with her vehicle; she was forced to take it to an outside company. As a result, she stated that she was berated before other drivers and staff; she had her vehicle taken from her as punishment and hours of operation were reduced from 24 hours to 12 hours. She stated that she is also an Emergency Medical Technician, and believes she is the only one in the taxi industry. Subsequently, she stated that she was discharged when she spoke out against American Cab. She stated that, as Mr. Tapp stated earlier, many of the drivers are fearful of retaliation; if they speak out, they will be fired. She stated that SunLine has done a good job in protecting the public, but has done a terrible job in protecting the drivers. Ms. Webb stated that she was with CYC and was happy. She stated that putting more cars on the road will not resolve the financial issues; it will take more money out of the pockets of the drivers. She stated that she thought this meeting would address the possible revoking of American Cab's franchise; it needs to happen as the human toll is high. She stated that there are a couple of drivers who are homeless and living in their taxis; another driver will be losing their home.

Scott Hines – representing American Cab. He stated there are two sides to every issue. Mr. Hines stated that in regards to the phone number issue, the numbers are published because Verizon pulls up numbers on record and publishes them in a white pages format; they are not advertisements that American Cab or Classic Yellow Cab went out and solicited, they are listed automatically. It is an issue to be worked out with Verizon. Mr. Hines stated that Mr. Meyers does not get a lot of business because he does not put money into advertisement; he does not do any advertising, whereas the other cab companies do. Mr. Hines stated that in regards to Ms. Webb, who was very

articulate, there have been a lot of contractor issues – Mr. Hines stated that she stole a car and charges were pressed against her; she is very disgruntled and she is voicing her opinion and her side of the story. Again, Mr. Hines stated that there are two sides to every story. He asked the Board to remember that as they go into closed session. Mr. Hines stated that the problem is to consider whether or not a hearing will be done to revoke the franchise agreement with American Cab and that there is not a fair or biased system in place. He stated that he is requesting the Board to remember one thing – an independent party, a retired judge, be hired to hear both sides of the story. He stated that we don't need someone that has one side of the story to also be the prosecutor, the judge and the jury to make all the decisions that will affect the future of a company.

### **AGENDA ITEMS**

(See Item #11)

#### **8. Board Member Comments**

Comments by Board Member G. Dana Hobart, read by the Rancho Mirage Councilmember Gordon Moller, who is attending the Board meeting on Mayor Pro Tem Hobart's behalf: (Councilmember Moller asked the Board to keep in mind that Mayor Pro Tem Hobart is an attorney)

"Regardless of the status of our current regulations regarding who investigates and hears the complaints against American Cab, I think it is important to view the matter from a broader view. That is, what process could assure us of providing due process of law? It is basically wrong for the side that brings the complaint to sit in judgment on that complaint, followed by an in-house appellate structure. I have every reason to expect that we will be sued for a denial of due process in the American Cab matter unless we agree to an independent judge (or similar) to hear and determine the validity of our fines and charges against American Cab. In my opinion, this is not a closed case. We will be charged with and likely found to have violated the fundamental principles of due process if we go forward with our own internal structures being followed. When this matter is out of the way, we should probably look at our regulations and procedures to consider modifications. Respectfully, Dana Hobart"

At 12:55p.m. Chairman Pougnet moved into Closed Session.

#### **4. Closed Session**

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.

At 1:40pm Chairman Pougnet announced that the Board has returned to Open Session. There was no reportable action.

#### **5. Presentations**

None.

**6. Correspondence**

None.

(Items # 7 & 8 moved to follow item #3)

**9. Consent Calendar**

Councilmember Powers moved for approval of the consent calendar. The motion was seconded by Mayor Pro Tem Spiegel and was approved by a unanimous vote.

**10. Authorization to Use Restricted Reserves**

Taxi Administrator, Naomi Nightingale, addressed the Board. She stated that staff recommends that the Board grant the Taxi Administrator permission to use restricted reserves to offset budget shortfalls. She stated that the Board, in 2007, required that the SRA maintain a restricted budget reserve of \$100,000. She stated that it may be necessary to use part of the reserve to maintain the operations of the SRA. She stated that if the Board approves the \$.50 surcharge, it may only be necessary to draw approximately \$40,000 out of the reserves. Classic Yellow Cab's breach of contract with SSG resulted in a loss of approximately \$115,000 in revenue. Ms. Nightingale stated that the consequent legal actions of American Cab have also resulted in increased legal fees. If the SSG Board does not approve the \$.50 surcharge, it will be necessary for the SRA to draw from the reserves until additional revenue is received from added taxicabs. SRA is working diligently to put additional taxicabs on the street to minimize the budget impact. Staff is in the process of preparing a Request for Proposals in case the Board decides to move forward in that direction. Ms. Nightingale stated that the proposal is designed to provide revenue to sustain SRA's regulatory mandate provided by the SSG Ordinance. Revenue adjustments that staff is recommending are as follows: revenue fines – increase the budget for this line item by \$10,000 due to increased fines issued for violations; the vehicle permit revenue – decrease the budget by \$30,000 due to the loss of one franchise; operator shared revenue fee – decrease the budget by \$72,250 due to loss of one franchise. The total reduction to revenue is \$92,250. The expenditure adjustments are as follows: legal fees – general: anticipated increase in the budget by \$40,000 due to increased legal costs incurred by the SRA. 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 reserves to cover the deficit unless additional revenue sources are identified.

Director of Finance, Christopher Mitchell addressed the Board. He stated that staff will be eating into the reserves in May, and in August of 2011, we will be out of funds. Mr. Mitchell again stressed that the SRA cannot borrow funds from SunLine Transit Agency, which took place in 2002/2003 - the co-mingling of funds. The only option is the recommendation, which is to move forward the \$.50 surcharge which would then allow continuation until the end of the fiscal year without touching the reserves. In October, 2011, we would begin to see revenue.

Ms. Nightingale stated that the SRA does not start collecting revenue or permit fees from the taxi franchises until October 1<sup>st</sup>; there is a long period where the

SRA is not collecting funds, but is using funds. It is estimated that the temporary surcharge will be implemented for five months. Ms. Nightingale stated that at past meetings, Mayor Pro Tem Hobart and Mayor Pro Tem Miller asked about the comparison of fees throughout the taxi industry with the same number of vehicles. Ms. Nightingale stated that staff looked at Manhattan Beach, Hermosa Beach and Redondo Beach and compared the regulatory fees to SunLine. She stated that Manhattan Beach, under a five year contract, has an annual CPI increase not less than zero%. Their franchise was approved in 2009 and currently has five companies, 165 franchised cabs. They charge \$830 per franchised cab in this fiscal year, so they collect \$136,950. Across the board, the fees look as if they are much less than SunLine; however, all of the companies are part of a city. The city pays the staff that runs the franchise companies. They do not have that burden expense that the SRA has. The low-emission vehicles get a discount. Their fees are \$100 less because they are using low-emission vehicles. Ms. Nightingale pointed out the difference in square miles served; Hermosa Beach serves 5.91 square miles, Redondo Beach serves 6.43 miles and Manhattan Beach serves 3.88 square miles. SunLine taxi franchises serves 675 square miles. Geographically SunLine has a much broader area to regulate. SRA only uses two regulatory staff members – one on the day shift and one on the swing shift. SRA has a taxi cab supervisor who is on call 24 hours a day, seven days a week. SRA has one administrative staff person. The shared revenue costs are \$120.42 per cab, per month, which came about as a result of the taxi companies requesting the Board to have a level pay plan rather than the \$.75 surcharge. In 2008, the Board voted to subjugate the \$.75 surcharge; not to get rid of it because at any time we needed to bring it back, we could do so. Ms. Nightingale stated that staff is asking for a \$.50 per trip rather than a \$.75 per mile.

Mayor Garcia moved for approval. The motion was seconded by Mayor Pro Tem Spiegel and was approved by a unanimous vote.

#### **11. Taxicab Fee – Continued from December Meeting**

##### **Public Comments:**

Scott Hines – representing American Cab. Mr. Hines stated that there are different ways to skin a cat. He stated that one alternative that is being presented by staff is to raise fees in order to meet a budget gap created by the exit of Classic Yellow Cab. He offered an alternative. He stated that the market needs more cabs; per a taxicab industry expert, the Mundy Study, says it is right sized at 180 cabs. He stated that we were doing fine with 180 cabs and the industry is limping at 130 right now and not being able to handle the demand that is out there. He stated that if you put 50 cabs on the road, and the approximate annual amount is \$2,000 or so per cab, \$2,000 times 50 is \$100,000 – problem solved. Put cabs back on the road, assign them in an equal distribution to the three franchises and let them get up to max capacity and they will pay their annual fees tomorrow if you allow them to go. Mr. Hines stated that another way is to reduce overhead and staff size. He stated that the Orange County Taxicab

Administration program has a huge square mile area; they sit under OCTA, a transit agency such as SunLine. They have 880 taxicabs that they regulate and they do it with a smaller staff size than SunLine. He stated that there has to be room to save on overhead. He stated that if we raise fares by \$.50, which will ultimately happen, you are impacting tourism, hurting tourism, hurting the work force, as it is on their backs - \$.50 a ride less that they are going to make for their families. He stated that we are hurting the Coachella Valley economy by raising fees in an area where there is already the highest fees. More fees, bad idea.

Kimberly Webb – She stated that the issue that Mr. Hines raised – putting more cabs on the road, will not work. Unfortunately, many of the drivers are at a bare minimum. They are losing their homes, etc. She stated that she works very hard and her income is very restricted compared to last year at the CYC. Ms. Webb suggests that cities in the Valley contribute a percentage to SunLine. She then wanted to clarify information stated earlier by Mr. Hines relating to her – no arrest charges were made regarding a stolen vehicle. She stated that Mr. Hines was out of line.

Bill Meyers – Yellow Cab – Mr. Meyers stated that there is a problem and money is needed; cutting costs is a feasible answer. Mr. Meyers stated that putting more cabs on the streets is not an acceptable answer at this point in time. He stated that we can look and see what the activity dictates as we go through the season. We are in poor economic times; we are not seeing the tourist activity. Mr. Meyers stated that another way to fund the SRA is to end the issue with American Cab fines, as well as legal costs. Get them to pay whatever is a reasonable amount and throw that into the budget and move on.

Peter Kurzon – American Cab. Mr. Kurzon stated that Ms. Nightingale made a very eloquent point and hopes the Board heard in relation to the cities handling the regulation, using their own staff, etc., making the operation more efficient. He stated that all the current meetings are about revenue. He stated that Mr. Hines pointed out in the Taxi Committee meeting that yes, the business traveler can afford the extra \$.50 so that it does not affect the driver, but 25-30% of the people he picks up in Palm Springs, Palm Desert and Indian Wells are elderly people. He stated it means the world to them to give him a \$1 tip. They will be the ones who will pay.

(\*At this point, Mayor Adolph excused himself from the meeting)

Taxi Administrator, Naomi Nightingale, addressed the Board stating that staff is recommending approval of the Resolution regarding a one time per ride surcharge as a fee for a period of February 1, 2011 to June 30, 2011. The proposed fee adjustment is a result of Classic Yellow Cab's breach of its contract with SunLine. This fee is estimated to cover the anticipated administrative costs of running SunLine Regulatory Administration. 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. Staff has completed some projections based on

discussions regarding the costs of running the business, etc. She stated that the taxi industry in the Coachella Valley is potentially a \$10 million business if you estimate rides on an average of \$15 to \$22.50 per ride. She stated that the SRA budget is \$422,000. Ms. Nightingales stated that the Mundy Report did not stipulate 180 cabs – it said up to 180 cabs. When Classic Yellow Cab left the Valley, the direction from the Board was for the SRA to look at the market to determine whether or not we could sustain and meet the service needs in the Coachella Valley with 130 cabs; we did that. Ms. Nightingale stated that she received a call from Dr. Mundy stating that he supported 130 cabs. She stated that one thing considered is that if you have 50 less cabs, you should be able to get more rides, which speaks to the issue that Mr. Meyers put forth in terms of how much of the business that was left by Classic Yellow Cab was left to be openly and objectively competed. When we talk about adding \$.50 per ride, as was stated in the taxicab meeting, staff does not like it and would prefer not to do it, but things change and there was no control over Classic Yellow Cab leaving. Ms. Nightingale stated that issue is being dealt with in another arena. In the meantime, we have to regulate taxicabs in the Coachella Valley in the interest of the residents and the visitors, as well as the interest of the franchises. She stated the request is to implement the \$.50 fee for a five month period and staff anticipates this will help with the budget deficit. She stated that the Ordinance does allow for the temporary increase of cabs based on market needs; during the Coachella Fest, the Stage Coach Fest and other large venues coming to the Coachella Valley, we can allow the franchises to add additional temporary cabs to meet those needs. Oglesby added that an important analysis that staff completed concerning 180 taxis is the amount of taxis that were actually in service and the top number was 150. Ms. Nightingale stated that the maximum number that any one taxi franchise can get is 15 cabs. She stated that if we added the 32 cabs that the Ordinance allows, it will not put a dent into the revenue losses that the SRA currently has. She stated that some of the franchises are not financially prepared to add more cabs. She stated that there are legal issues with one of the franchise that is financially prepared; she hopes to resolve the issue quickly so that we can move forward.

Chairman Pougnet asked Ms. Nightingale to provide more information as to what exactly the \$422,000 budget is for. Ms. Nightingale stated that the budget is provided in the packet. She stated that revenue comes from the \$600 permit fees and the shared revenue fees, as well as from fines and other permits as people change. She stated that the biggest costs are staffing, which consists of two regulators that work the Coachella Valley, 675 square miles, one who works day shift and one who works the swing shift. Ms. Nightingale stated that the SRA is a 24 hours a day, seven days a week operation. She also pointed out that in looking at the comparison of the beach cities, some do not regulate full time as they are not on a 24/7 schedule. Ms. Nightingale stated that there are also expenses that are associated with running the business, such as supplies, materials, etc. In regards to wages, the highest wage paid is approximately \$21 per hour. Ms. Nightingale stated that the last time the taxicab franchises will pay any fees will be in March. From that point on, no money is coming in until October.

Councilmember Powers asked if the cities pay any money to the SRA. Oglesby stated no, which is the reason why the SRA was created – to represent the cities.

Mayor Parks stated that the last thing that she would want to do is raise taxi fees; however, when you look at the situation - \$100,000 in reserves, and without the \$.50 per ride fee, you are going to exhaust the funds and be left with nothing. She stated that we do not have a choice but to approve the fee.

Mayor Pro Tem Miller stated that it will be the consumer that will pay. He stated that it is so convoluted in so many different avenues – you have Classic Yellow Cab and issues with American Cab. He stated that he is being told Dr. Mundy is fine with 130 cabs, but we have to have 180 cabs to pay the bills, so we would need 180 cabs to continue with the budget unless we raise fees. He stated that there are some issues that go back and forth, but to put the fee on the back of the driver and the consumer is contrary to what we are trying to do, which is to provide service to the community and guests that come into the Valley. Mayor Pro Tem Miller stated the situation was not their fault and for us to have them bail us out is what continues to happen. He stated that he understands and agrees with Mayor Parks, but we need to look at other ways, such as cutting expenses. He stated there are no guarantees of what will happen in five months.

Ms. Nightingale stated staff is looking at several options so that we can find a solution, such as following the Board direction in moving forward with a Request For Proposals. She stated that the current budget was based on 180 cabs back in July of 2010. We were not made aware of the exit of Classic Yellow Cab until September of 2010. Mayor Pro Tem Miller stated that if we do stay with 130 cabs, we would need to lower the budget. Ms. Nightingale stated that within the taxi industry they feel that 130 cabs provides for an increase in number of rides. Mayor Pro Tem Spiegel stated that he is opposed to the \$.50 cent fee, but if that is the only option, we need to move forward. Mayor Parks stated that this is a temporary fee. Ms. Nightingale reminded the Board that the SRA reduced the budget the last three years. When the shared revenue fees were implemented, they were at \$1804; this year the fee is at \$1441. She stated that if we knew that Classic Yellow Cab was going to breach its contract, we would not have reduced the budget.

Councilmember Moller stated that it is easy to say that the cities need to support and contribute to the SRA; a member of the audience mentioned that the cities could have code enforcement to help in regulating. He stated his city's code enforcement person is now taking care of issues relating to animal issues, as well as graffiti removal; cities are tight and cannot get into the taxi business.

Vice Chairman Garcia stated that we are getting mixed message as to whether the market will sustain additional cabs. He believes that it will require additional assessment. Ms. Nightingale stated that the Mundy Study was completed due to

the fact that the taxi market in the Coachella Valley was over saturated. The Study had stated that we needed to lower the amount of cabs so that the companies were compensated. The Study said the market could take up to 180 cabs. She stated that staff will continue to monitor and make adjustments as necessary.

Mayor Pro Tem Spiegel moved to approve the \$.50 cent per ride fee. Councilmember Powers seconded the motion. The vote is as follows: Yes: Cities of Palm Springs, Coachella, Desert Hot Springs, Palm Desert, Indian Wells; Opposed: City of Indio and Rancho Mirage. Motion passed.

**12. Audit of SunLine Services Group for Fiscal Year Ended June 30, 2010**

Director of Finance, Christopher Mitchell, addressed the Board to Receive and File the Audit of SunLine Services Group for fiscal year ending June 30, 2010. Mayor Pro Tem Spiegel moved for approval. The motion was seconded by Mayor Pro Tem Miller and approved by a unanimous vote.

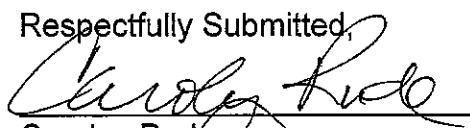
**13. Next Meeting Date**

Chairman Pougnet announced that the next regular meeting of the Board of Directors will be held on February 23, 2011 at 12 noon – Kelly Board Room, 32-505 Harry Oliver Trail, Thousand Palms, CA 92276.

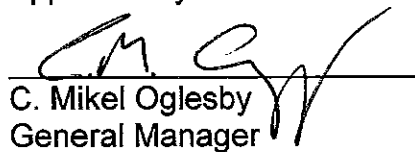
**14. Adjourn**

Chairman Pougnet adjourned meeting at 2:25p.m.

Respectfully Submitted,

  
Carolyn Rude  
Clerk of the Board

Approved by:

  
C. Mikel Oglesby  
General Manager

Date: 3/10/11

**SunLine Regulatory Administration**  
**Checks \$1,000 and Over**  
**For the month of January 2011**

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	Payroll Liability Expense	089281	1/6/2011	\$10,978.11
SUNLINE TRANSIT AGENCY	Operating Expense	089286	1/20/2011	\$9,084.41
SUNLINE TRANSIT AGENCY	Payroll Liability Expense	089287	1/20/2011	\$8,311.58
MAYER HOFFMAN MCCANN P.C.	Audit Services (SSG)	089278	1/6/2011	\$3,000.00
LEFLORE GROUP LLC, THE	Consultant	089284	1/20/2011	\$1,105.00

<b>Total of Checks Over \$1,000</b>	<b>\$32,479.10</b>
<b>Total of Checks Under \$1,000</b>	<b>\$2,178.43</b>
<b>Total of All Checks for the Month</b>	<b>\$34,657.53</b>
<b>Total Amount of Checks Prior Years Same Month</b>	<b>\$29,800.69</b>

**SunLine Regulatory Administration**

**Checks \$1,000 and Over**

**For the month of February 2011**

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	Payroll Liability Expense	089295	2/3/2011	\$11,134.53
SUNLINE TRANSIT AGENCY	Payroll Liability Expense	089297	2/16/2011	\$8,361.04
SUNLINE TRANSIT AGENCY	Operating Expense	089301	2/24/2011	\$4,952.93
LEFLORE GROUP LLC, THE	Consultant	089299	2/23/2011	\$2,210.00

<b>Total of Checks Over \$1,000</b>	\$26,658.50
<b>Total of Checks Under \$1,000</b>	\$2,272.55
<b>Total of All Checks for the Month</b>	\$28,931.05
<b>Total Amount of Checks Prior Years Same Month</b>	\$40,149.63

**SRA--Taxi  
Statement of Activities  
January 2011**

	Un-Audited FY 09/10	Total FY 10/11 Budget	Current Month			Year to Date		
			Actual	Budget	Favorable (Unfavorable)	Actual	Budget	Favorable (Unfavorable)
<b>Revenue:</b>								
Meter Readings	-	107,781	-	-	-	-	-	-
Revenue Fines	5,900	15,000	150	2,083	(1,933)	12,800	4,583	8,217
Vehicle Inspections	18,300	19,000	150	1,583	(1,433)	8,350	11,083	(2,733)
New Driver Permits	9,840	5,500	300	458	(158)	2,250	3,208	(958)
Driver Transfers	10,010	6,000	350	500	(150)	4,200	3,500	700
Driver Renewals	10,390	7,250	800	604	196	3,550	4,229	(679)
Driver Permit Reinstatement/Replacement	165	200	25	17	8	75	117	(42)
Vehicle Transfers	65	130	-	-	-	(50)	130	(180)
Vehicle Permits	108,000	78,000	22,084	13,000	9,084	61,084	52,000	9,084
Operator Shared Revenue Fee	277,377	187,850	57,026	55,656	1,370	189,220	187,850	1,370
Operator Application Fee	12,000	-	-	-	-	-	-	-
Interest	192	-	13	-	13	81	-	81
Other	1,078	36,065	3	-	3	45	-	45
<b>Total revenue</b>	<b>\$ 453,318</b>	<b>\$ 462,776</b>	<b>\$ 80,901</b>	<b>\$ 73,902</b>	<b>\$ 7,000</b>	<b>\$ 281,606</b>	<b>\$ 266,701</b>	<b>\$ 14,905</b>
<b>Expenses:</b>								
Salaries and wages	189,590	184,661	13,148	15,429	2,280	108,614	107,197	(1,417)
Fringe benefits	145,448	131,315	10,633	11,000	368	80,368	77,311	(3,057)
Services	120,551	131,800	7,206	13,600	6,394	71,394	55,200	(16,193)
Supplies and materials	8,566	3,900	247	400	153	3,748	2,800	(948)
Miscellaneous	20,056	11,100	1,329	1,192	(138)	12,453	12,842	388
<b>Total expenses</b>	<b>\$ 484,211</b>	<b>\$ 462,776</b>	<b>\$ 32,564</b>	<b>\$ 41,621</b>	<b>\$ 9,057</b>	<b>\$ 276,577</b>	<b>\$ 255,349</b>	<b>\$ (21,227)</b>
<b>Total Operating Surplus/Deficit</b>	<b>\$ (30,894)</b>	<b>\$ -</b>	<b>\$ 48,338</b>	<b>\$ 32,281</b>	<b>\$ 16,057</b>	<b>\$ 5,029</b>	<b>\$ 11,351</b>	<b>\$ (6,322)</b>

SunLine Regulatory Admin  
Comparison of Balance Sheets  
June 30, 2005 through January 31, 2011

	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 1/31/2011
Cash	\$ 93,979	\$ 49,228	\$ 54,854	\$ 225,745	\$ 281,247	\$ 270,226	\$ 255,347
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	\$ 50
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>\$ 304,930</b>
Accounts Payable and Accruals	\$ 49,150	\$ 50,592	\$ 33,100	\$ 74,272	\$ 35,440	\$ 75,768	\$ 60,139
Due to Affiliate	\$ 266,203	\$ 27,517	\$ 23,352	\$ 55,464	\$ 26,503	\$ 7,354	\$ 4,953
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>\$ 65,092</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	\$ 90,305
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>\$ 239,838</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>\$ 304,930</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>\$ 5,029</b>

**SRA--Taxi**  
**Statement of Activities**  
**February 2011**

	Audited		Total		Current Month			Year to Date		
	FY 09/10	FY 10/11	Budget	FY 10/11	Actual	Budget	Favorable (Unfavorable)	Actual	Budget	Favorable (Unfavorable)
<b>Revenue:</b>										
Meter Readings	-	107,781			-	18,668	(18,668)	-	18,668	-
Revenue Fines	5,900	15,000			170	2,083	(1,913)	12,970	6,666	6,304
Vehicle Inspections	18,300	19,000			600	1,583	(983)	8,950	12,667	(3,717)
New Driver Permits	9,840	5,500			200	458	(258)	2,450	3,667	(1,217)
Driver Transfers	10,010	6,000			100	500	(400)	4,300	4,000	300
Driver Renewals	10,390	7,250			900	604	296	4,450	4,833	(383)
Driver Permit Reinstatement/Replacement	165	200			10	17	(7)	85	133	(48)
Vehicle Transfers	65	130			-	-	-	(50)	130	(180)
Vehicle Permits	108,000	78,000			5,402	13,000	(7,598)	66,487	65,000	1,487
Operator Shared Revenue Fee	277,377	187,850			-	-	-	189,220	187,850	1,370
Operator Application Fee	12,000	-			-	-	-	-	-	-
Interest	192	-			12	-	12	93	-	93
Other	1,078	36,065			2	-	2	47	-	47
<b>Total revenue</b>	<b>\$ 453,318</b>	<b>\$ 462,776</b>			<b>\$ 7,396</b>	<b>\$ 36,914</b>	<b>\$ (29,517)</b>	<b>\$ 289,002</b>	<b>\$ 303,614</b>	<b>\$ 4,056</b>
<b>Expenses:</b>										
Salaries and wages	189,590	184,661			13,892	14,305	413	122,506	121,501	(1,005)
Fringe benefits	145,448	131,315			11,083	10,586	(497)	91,451	87,897	(3,554)
Services	120,551	131,800			5,182	13,600	8,418	76,576	68,801	(7,775)
Supplies and materials	8,566	3,900			204	400	196	3,952	3,200	(752)
Miscellaneous	20,056	11,100			1,173	1,192	18	13,627	14,033	406
<b>Total expenses</b>	<b>\$ 484,211</b>	<b>\$ 462,776</b>			<b>\$ 31,535</b>	<b>\$ 40,083</b>	<b>\$ 8,548</b>	<b>\$ 308,111</b>	<b>\$ 295,432</b>	<b>\$ (12,679)</b>
<b>Total Operating Surplus/Deficit</b>	<b>\$ (30,894)</b>	<b>\$ -</b>			<b>\$ (24,139)</b>	<b>\$ (3,169)</b>	<b>\$ (20,969)</b>	<b>\$ (19,110)</b>	<b>\$ 8,182</b>	<b>\$ (8,623)</b>

SunLine Regulatory Admin  
Comparison of Balance Sheets  
June 30, 2005 through February 28, 2011

	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 2/28/2011
Cash	\$ 93,979	\$ 49,228	\$ 54,854	\$ 225,745	\$ 281,247	\$ 270,226	\$ 235,424
A/R	\$ 17,230	\$ 12,690	\$ 48,111	\$ 48,485	\$ 68,792	\$ -	\$ -
Prepays	\$ -	\$ -	\$ -	\$ -	\$ 1,580	\$ 3,978	\$ -
Due from other Gov't's	\$ 3,447	\$ 2,488	\$ -	\$ -	\$ -	\$ 223	\$ 50
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>\$ 285,007</b>
Accounts Payable and Accruals	\$ 49,150	\$ 50,592	\$ 33,100	\$ 74,272	\$ 35,440	\$ 75,768	\$ 62,711
Due to Affiliate	\$ 266,203	\$ 27,517	\$ 23,352	\$ 55,464	\$ 26,503	\$ 7,354	\$ 6,647
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>\$ 69,358</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	\$ 66,116
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>\$ 215,649</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>\$ 285,007</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>\$ (19,110)</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	CABS	TRIPS	TRIP/VEH	CABS	TRIPS	TRIP/VEH		
JUL	193	32,877	170	205	33,123	161	240	28,204	117	269	25,681	95	184	27,321	148	184	27,321	148		
AUG	185	25,911	140	209	24,445	117	240	24,010	100	269	28,635	106	184	28,450	154	184	28,450	154		
SEP	195	29,145	149	215	35,072	163	240	35,278	147	269	28,182	105	184	28,206	153	184	28,206	153		
OCT	196	44,593	227	221	32,817	148	240	38,459	160	205	33,063	161	184	37,131	202	184	37,131	202		
NOV	197	36,344	184	227	40,343	178	240	41,751	174	203	41,851	206	184	33,450	182	184	33,450	182		
DEC	187	38,687	207	232	34,534	149	243	46,866	193	204	36,141	177	184	26,942	146	184	26,942	146		
JAN	191	40,638	212	240	42,539	177	245	27,290	114	204	30,363	149	183	39,745	217	183	39,745	217		
FEB	196	43,880	224	241	41,587	173	246	41,520	169	206	50,594	246	185	38,116	206	185	38,116	206		
MAR	204	42,973	210	241	51,373	213	255	54,598	214	205	41,492	202	186	42,705	230	186	42,705	230		
APR	206	53,980	262	241	50,791	211	269	46,823	174	205	44,697	218	186	59,997	323	186	59,997	323		
MAY	204	38,698	190	240	42,916	179	271	43,593	161	205	49,071	239	186	41,175	221	186	41,175	221		
JUN	203	33,348	164	240	34,427	143	271	35,711	132	183	26,819	147	186	38,696	208	186	38,696	208		
<b>TOTALS</b>	<b>2357</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>	<b>2216</b>	<b>441,934</b>	<b>199</b>		

	FY 09/10				FY 10/11				FY				FY					
	CABS	TRIPS	TRIP/VEH	CABS	TRIPS	TRIP/VEH	CABS	TRIPS	TRIP/VEH	CABS	TRIPS	TRIP/VEH	CABS	TRIPS	TRIP/VEH	CABS	TRIPS	TRIP/VEH
JUL	170	26,487	156	151	31,211	207												
AUG	155	23,671	153	148	29,238	198												
SEP	158	29,239	185	150	31,807	212												
OCT	153	37,468	245	117	40,222	344												
NOV	153	40,466	264	126	40,494	321												
DEC	160	32,084	201	128	36,226	283												
JAN	155	38,276	247	133	45,232	340												
FEB	157	36,557	233	132	42,331	321												
MAR	159	44,219	278															
APR	167	57,645	345															
MAY	157	42,074	268															
JUN	156	29,940	192															
<b>TOTALS</b>	<b>1900</b>	<b>438,126</b>	<b>231</b>	<b>1085</b>	<b>296,761</b>	<b>274</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>	<b>0</b>	<b>0</b>	<b>#DIV/0!</b>



**SunLine Services Group**

**DATE:** March 23, 2011 **ACTION**

**TO:** Taxi Committee  
Board of Directors

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

**RE:** Approval of Resolution Changing Maximum Taxi Rates

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**Recommendation**

Recommend that the Board of Directors approve the attached Resolution changing maximum taxi rates effective April 1, 2011 through March 31, 2012.

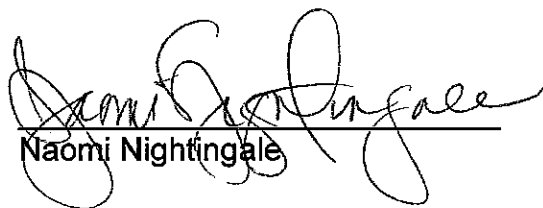
**Background**

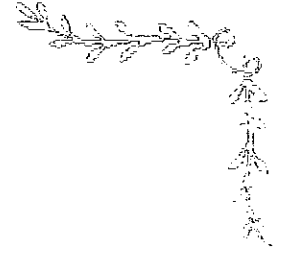
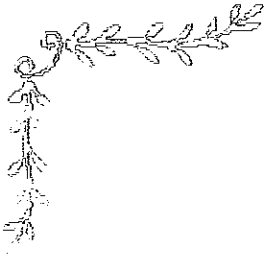
The SunLine Services Group (SSG) Ordinance and franchise agreements with the taxicab operators contemplate an annual review and approval of rates by a Resolution of the SSG Board of Directors. The per-mile rate is based on a formula included in the franchise agreements. This rate adjustment results in an increase in the per mile rate from \$2.80 per mile to \$2.96 per mile. The adjustment is based on the leading cost indicator for taxicab operations, which are fuel costs.

Fuel costs have risen dramatically in the past few months. This increased rate will offset some of the costs being incurred by the actual taxi drivers.

**Fiscal Impact**

None.

  
Naomi Nightingale



**SunLine Services Group**

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

**RESOLUTION ADOPTING RATES FOR  
TAXICAB SERVICES WITHIN THE COACHELLA VALLEY  
April 1, 2011 THROUGH March 31, 2012**

WHEREAS, SunLine Services Group is a local agency authorized by Government Code section 53075.5 and SunLine Services Group Ordinance to establish by resolution of its Board of Directors the maximum rates to be charged for provision of taxicab services within the Coachella Valley; and

WHEREAS, the budget for SunLine Regulatory Administration for Fiscal Year 2012 will be presented to the Board; and

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

Section 1. That the following are the maximum rates that may be charged by taxicab operators for provision of taxicab services within the Coachella Valley:

The following rates are effective April 1, 2011:

Maximum Base Rate	\$ 3.25
Maximum Rate per Mile	\$ 2.96
Maximum Hourly Wait Time Rate	\$ 24.00

Section 2. That the Maximum Rate per Mile is charged to passengers in increments of 1/8 of a mile.

PASSED, APPROVED AND ADOPTED by the Board of Directors of SunLine Services Group on this 23<sup>rd</sup> day of March, 2011, by the following vote:

AYES:                      NOES:                      ABSENT:                      ABSTAIN:

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

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

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

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