



SunLine Services Group
September 26, 2018
12:00 p.m.

AGENDA

**Regular Board of Directors Meeting
Board Room
32-505 Harry Oliver Trail
Thousand Palms, CA 92276**

In compliance with the Brown Act and Government Code Section 54957.5, agenda materials distributed 72 hours prior to the meeting, which are public records relating to open session agenda items, will be available for inspection by members of the public prior to the meeting at SunLine Transit Agency's Administration Building, 32505 Harry Oliver Trail, Thousand Palms, CA 92276 and on the Agency's website, www.sunline.org.

In compliance with the Americans with Disabilities Act, Government Code Section 54954.2, and the Federal Transit Administration Title VI, please contact the Clerk of the Board at (760) 343-3456 if special assistance is needed to participate in a Board meeting, including accessibility and translation services.

Notification of at least 48 hours prior to the meeting time will assist staff in assuring reasonable arrangements can be made to provide assistance at the meeting.

ITEM

RECOMMENDATION

- | | |
|---|-----------------------|
| 1. CALL TO ORDER | |
| 2. ROLL CALL | |
| 3. PRESENTATIONS | |
| 4. FINALIZATION OF AGENDA | |
| 5. APPROVAL OF MINUTES – JULY 25, 2018 BOARD MEETING | APPROVE (PAGE 3-4) |
| 6. PUBLIC COMMENTS | RECEIVE COMMENTS |

NON AGENDA ITEMS

Members of the public may address the Board regarding any item within the subject matter jurisdiction of the Board; however, no action may be taken on off-agenda items unless authorized. Comments shall be limited to matters not listed on the agenda. Members of the public may comment on any matter listed on the agenda at the time that the Board considers that matter. Each person's presentation is limited to a maximum of three (3) minutes.

ITEM

RECOMMENDATION

7. BOARD MEMBER COMMENTS

RECEIVE COMMENTS

8. CONSENT CALENDAR

RECEIVE & FILE

All items on the Consent Calendar will be approved by one motion, and there will be no discussion of individual items unless a Board Member requests a specific item be pulled from the calendar for separate discussion. The public may comment on any item.

- 8a) [Checks \\$1,000 and Over Report for June & July 2018](#) (PAGE 5-7)
- 8b) [Monthly Budget Variance Report for June & July 2018](#) (PAGE 8-12)
- 8c) [Taxi Vehicle/Rides Analysis July & August 2018](#) (PAGE 13-16)
- 8d) [Metric \(Taxi Expense vs Taxi Revenue\) June & July 2018](#) (PAGE 17-19)

9. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Consideration of whether to initiate litigation pursuant to Government Code Section 54956.9(d)(4)

10. NEXT MEETING DATE

October 24, 2018
12 p.m. – Board Room
32-505 Harry Oliver Trail
Thousand Palms, CA 92276

11. ADJOURN

MINUTES

SunLine Services Group Board of Directors Meeting July 25, 2018

A regular meeting of the SunLine Services Group Board of Directors was held at 12:00 p.m. on Wednesday, July 25, 2018 in the 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 12:00 p.m. by Chairperson Troy Strange.

2. FLAG SALUTE

Vice-Chair Kathleen Kelly led the Pledge of Allegiance.

3. ROLL CALL

Members Present:

Troy Strange, Chair, SunLine Agency Board Member, City of Indio
Kathleen Kelly, Vice Chair, SunLine Agency Board Member, City of Palm Desert
Shelley Kaplan, SunLine Agency Board Member (Alternate), City of Cathedral City
Emmanuel Martinez, SunLine Agency Board Member, City of Coachella
Russell Betts, SunLine Agency Board Member, City of Desert Hot Springs
John Peña, SunLine Agency Board Member (Alternate), City of La Quinta
Pat Cooper, SunLine Agency Board Member (Alternate), County of Riverside
Ty Peabody, SunLine Agency Board Member, City of Indian Wells
Lisa Middleton, SunLine Agency Board Member, City of Palm Springs
G. Dana Hobart, SunLine Agency Board Member, City of Rancho Mirage

4. PRESENTATIONS

No presentations.

5. FINALIZATION OF AGENDA

No changes to the agenda.

6. APPROVAL OF MINUTES – JUNE 20, 2018 BOARD MEETING

SunLine Services Group Board Member Peña (Alternate) moved to approve the minutes of the June 20, 2018 Board meeting. The motion was seconded by SunLine Services Group Board Vice-Chair Kelly. The motion was approved by a vote of 9 yes; 0 no; 1 abstain

7. PUBLIC COMMENTS

Public comments were made by:
Bill Meyers, Yellow Cab of the Desert None.

8. BOARD MEMBER COMMENTS

None.

9. CONSENT CALENDAR

- a) Checks \$1,000 and Over Report for May 2018
- b) Monthly Budget Variance Report for May 2018
- c) Taxi Vehicle/Rides Analysis June 2018
- d) Metric (Taxi Expense vs Taxi Revenue) May 2018

SunLine Services Group Board Member Betts moved to approve the consent calendar. The motion was seconded by SunLine Services Group Vice-Chair Kelly. The consent calendar was approved by a unanimous vote of 10 yes; 0 no; 0 abstain

10. GENERAL COUNSEL

Legal counsel provided an update that work continues between counsel, SunLine Services Group and the taxi franchises to update the ordinance to comply with AB 1069.

12. NEXT REGULAR BOARD MEETING DATE

Wednesday, September 26, 2018 at 12:00 p.m.
SunLine Transit Agency Board Room
32-505 Harry Oliver Trail
Thousand Palms, CA 92276

13. MEETING ADJOURNMENT

The meeting was adjourned at 12:05 p.m.

Respectfully Submitted,

Brittney B. Sowell
Clerk of the Board

SunLine Services Group**CONSENT CALENDAR**

DATE: September 26, 2018

RECEIVE & FILETO: Taxi Committee
Board of Directors

RE: SSG/SRA Checks \$1,000 and Over Report for June & July 2018

Summary:

The checks \$1,000 and over report lists all of the checks processed at the Agency with a value of over \$1,000 for a given month. Items identified in bold font represent "pass through" payments that were, or will be, reimbursed to SunLine under the provisions of specific grants or contracts. Items identified with underlines represent "shared" payments with SunLine and specific vendors/employees.

- For the month of June, the largest payment represents reimbursement made to Sunline Transit Agency (STA) for SunLine Regulatory Administration (SRA) for allocations of overhead costs for SRA operations. Additionally, it includes payments made for legal service costs.
- For the month of July, the largest payment issued was for legal service costs. Additionally, it includes payments made to STA for allocations of SRA employees paid through the regular payroll process.

Recommendation:

Receive and file.

**SunLine Regulatory Administration
Checks \$1,000 and Over
For the month of June 2018**

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.

| Vendor Filed As Name | Description | Check # | Payment Date | Payment Amount |
|-----------------------------------|---|----------------|---------------------|-----------------------|
| SUNLINE TRANSIT AGENCY | Jan-May 2018 Operating Expense Allocation | 90524 | 06/29/2018 | 21,570.25 |
| BURKE, WILLIAMS & SORENSEN, LLP | May 2018 Legal Service | 90515 | 06/15/2018 | 5,393.40 |
| SUNLINE TRANSIT AGENCY | Payroll Liabilities 6/1/18 | 90513 | 06/04/2018 | 4,775.98 |
| SUNLINE TRANSIT AGENCY | Payroll Liabilities 6/15/18 | 90520 | 06/15/2018 | 4,709.52 |
| SUNLINE TRANSIT AGENCY | Payroll Liabilities 6/29/18 | 90525 | 06/29/2018 | 4,223.11 |
| SUNLINE TRANSIT AGENCY | June 2018- SRA Overhead Allocations | 90514 | 06/08/2018 | 2,371.67 |
| BURKE, WILLIAMS & SORENSEN, LLP | Apr 2018 Legal Service | 90512 | 06/04/2018 | 1,536.00 |
| Total Checks Over \$1,000 | \$44,579.93 | | | |
| Total Checks Under \$1,000 | \$199.00 | | | |
| Total Checks | \$44,778.93 | | | |

**SunLine Regulatory Administration
Checks \$1,000 and Over
For the month of July 2018**

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.

| Vendor Filed As Name | Description | Check # | Payment Date | Payment Amount |
|-----------------------------------|-------------------------------------|----------------|---------------------|-----------------------|
| BURKE, WILLIAMS & SORENSEN, LLP | June 2018 Legal Service | 90526 | 07/13/2018 | 7,680.00 |
| SUNLINE TRANSIT AGENCY | Payroll Liabilities 7/27/18 | 90531 | 07/31/2018 | 3,537.70 |
| SUNLINE TRANSIT AGENCY | Payroll Liabilities 7/13/18 | 90529 | 07/17/2018 | 3,369.79 |
| SUNLINE TRANSIT AGENCY | July 2018- SRA Overhead Allocations | 90530 | 07/19/2018 | 2,903.75 |
| Total Checks Over \$1,000 | \$17,491.24 | | | |
| Total Checks Under \$1,000 | \$123.06 | | | |
| Total Checks | \$17,614.30 | | | |

SunLine Services Group**CONSENT CALENDAR**

DATE: September 26, 2018

RECEIVE & FILETO: Taxi Committee
Board of Directors

RE: Monthly Budget Variance Report for June & July 2018

Summary:

The budget variance report compares revenues and expenses to the respective line item budgets. The report identifies current monthly revenues and expenses as well as year to date (YTD) values. The current monthly budget values are calculated by taking 1/12th of the annual budget and the YTD budget values are calculated by dividing the yearly budget by the number of months progressed through the fiscal year.

For June:

- As of June 30, 2018, the organization's revenues are \$29,630 under budget or 11.7% below the YTD budget. Expenditures are \$8,840 under budget or 3.5% below the YTD budget.
- The net YTD operating gain (loss) after expenses is (\$20,790).
- YTD-June information is based on unaudited financials and is subject to change. Once the year end audit is complete, data will be updated.

For July:

- As of July 31, 2018, the organization's revenues are \$8,839 under budget or 57.0% below the YTD budget. Expenditures are \$11,451 under budget or 43.8% below the YTD budget.
- The net YTD operating gain (loss) after expenses is (\$8,061).

Recommendation:

Receive and file.

SunLine Regulatory Administration
Budget Variance Report
June 2018

| Description | FY 18 Total Budget | Current Month | | | Year to Date | | | |
|--|--------------------|--------------------|---------------|-------------------------|--------------------|------------------|-------------------------|----------------------|
| | | Actual | Budget | Favorable (Unfavorable) | YTD Actual | FY 18 YTD Budget | Favorable (Unfavorable) | Percentage Remaining |
| Revenues: | | | | | | | | |
| Meter Readings | 156,497 | 6,607 | 13,041 | (6,434) | 138,991 | 156,497 | (17,507) | 11.2% |
| Revenue Fines | 2,000 | 0 | 167 | (167) | 3,326 | 2,000 | 1,326 | -66.3% |
| New Driver Permit Revenue | 4,000 | 0 | 333 | (333) | 6,570 | 4,000 | 2,570 | -64.3% |
| Driver Transfer Revenue | 850 | 0 | 71 | (71) | 850 | 850 | 0 | 0.0% |
| Driver Renewal Revenue | 9,200 | 150 | 767 | (617) | 6,250 | 9,200 | (2,950) | 32.1% |
| Driver Permit Reinstatement/Replacement | 150 | 0 | 13 | (13) | 15 | 150 | (135) | 90.0% |
| Vehicle Permit Revenue | 80,900 | 0 | 6,742 | (6,742) | 67,950 | 80,900 | (12,950) | 16.0% |
| Other Revenue | - | 0 | 0 | 0 | 15 | 0 | 15 | -100.0% |
| Total Revenue | 253,597 | 6,757 | 21,133 | 14,376 | 223,967 | 253,597 | (29,630) | 11.7% |
| Expenses: | | | | | | | | |
| Salaries and Wages | 104,987 | 10,014 | 8,749 | (1,265) | 119,243 | 104,987 | (14,256) | -13.6% |
| Fringe Benefits | 69,092 | 3,389 | 5,758 | 2,369 | 60,199 | 69,092 | 8,893 | 12.9% |
| Services | 48,300 | 7,878 | 4,025 | (3,853) | 41,384 | 48,300 | 6,916 | 14.3% |
| Supplies and Materials | 5,203 | 251 | 434 | 182 | 4,246 | 5,203 | 957 | 18.4% |
| Utilities | 4,258 | 355 | 355 | 0 | 4,258 | 4,258 | 0 | 0.0% |
| Casualty and Liability | 12,112 | 1,009 | 1,009 | 0 | 12,112 | 12,112 | 0 | 0.0% |
| Taxes and Fees | 20 | 4 | 2 | (2) | 281 | 20 | (261) | -1305.1% |
| Miscellaneous | 9,625 | 63 | 802 | 739 | 3,033 | 9,625 | 6,592 | 68.5% |
| Total Expenses | 253,597 | 22,963 | 21,133 | (1,830) | 244,757 | 253,597 | 8,840 | 3.5% |
| Total Operating Surplus (Deficit) | \$ - | \$ (16,206) | | | \$ (20,790) | | | |

Budget Variance Analysis - SunLine Regulatory Administration

Revenue - Unfavorable

- The unfavorable variance in revenues is mainly attributed to a continued decline in taxi trips.
As of YTD Fiscal Year 2017/18 there is a decrease of 85,725 Taxi Trips compared to the YTD Fiscal Year 2016/17.

| Taxi Trips | | | | |
|------------|----------|----------|----------|--------|
| | FY17-Jun | FY18-Jun | Variance | %Δ |
| Trips | 18,273 | 13,640 | (4,633) | -25.4% |

| Taxi Trips | | | | |
|------------|----------|----------|----------|--------|
| | YTD-FY17 | YTD-FY18 | Variance | %Δ |
| Trips | 363,761 | 278,036 | (85,725) | -23.6% |

- Vehicle permit revenue has an unfavorable variance due to a decrease in permitted taxi cabs. In the Fiscal Year 2016/17 there were 150 permitted taxicabs. In the Fiscal Year 2017/18 there are 123 permitted taxi cabs. In FY 2017/18 the franchises have not been putting as many vehicles on the road due to reduced demand and difficulty obtaining drivers.

Salaries and Wages - Unfavorable

- Allocated salary expenses have been higher October through June to assist with Agency needs.

Fringe Benefits - Favorable

- Fringe benefit savings are attributed to lower balances for accrual expenses.

Services - Favorable

- The favorable variance is primarily attributed to actual legal and auditing service costs being lower than the budgeted amount.
- The unfavorable variance in June is due to expenses incurred for legal services general.
Legal counsel conducted review and analysis of AB 1069, and the Taxi Cab Ordinance for the Taxi Committee.

Supplies and Materials - Favorable

- The favorable variance is mainly attributed to savings in office supply costs, and repair part expenses.

Utilities - Favorable

- Utility expenses are within an acceptable range of the budget.

Casualty and Liability - Favorable

- Casualty and liability expenses are within an acceptable range of the budget.

Taxes and Fees - Unfavorable

- The unfavorable variance is attributed to the California User Fuel Tax.
The tax was determined after an audit of usage from 01/01/14 to 12/31/16. A \$249.19 payment was made to the state board of equalization.

Miscellaneous - Favorable

- The favorable balance is mainly attributed to travel and training expenses not incurred, and lower bank adjustment fees.

SunLine Regulatory Administration
Budget Variance Report
July 2018

| Description | FY 18 Total Budget | Current Month | | | Year to Date | | | |
|--|---------------------|-------------------|---------------|-------------------------|-------------------|------------------|-------------------------|----------------------|
| | | Actual | Budget | Favorable (Unfavorable) | YTD Actual | FY 18 YTD Budget | Favorable (Unfavorable) | Percentage Remaining |
| Revenues: | | | | | | | | |
| Meter Readings | 104,674 | 6,276 | 8,723 | (2,447) | 6,276 | 8,723 | (2,447) | 94.0% |
| Revenue Fines | 3,000 | 0 | 250 | (250) | 0 | 250 | (250) | 100.0% |
| New Driver Permit Revenue | 9,000 | 180 | 750 | (570) | 180 | 750 | (570) | 98.0% |
| Driver Transfer Revenue | 1,000 | 0 | 83 | (83) | 0 | 83 | (83) | 100.0% |
| Driver Renewal Revenue | 10,000 | 200 | 833 | (633) | 200 | 833 | (633) | 98.0% |
| Driver Permit Reinstatement/Replacement | 25 | 0 | 2 | (2) | 0 | 2 | (2) | 100.0% |
| Vehicle Permit Revenue | 58,242 | 0 | 4,854 | (4,854) | 0 | 4,854 | (4,854) | 100.0% |
| Other Revenue | - | 0 | 0 | 0 | 0 | 0 | 0 | -100.0% |
| Total Revenue | 185,941 | 6,656 | 15,495 | 8,840 | 6,656 | 15,495 | (8,840) | 96.4% |
| Expenses: | | | | | | | | |
| Salaries and Wages | 112,555 | 7,666 | 9,380 | 1,714 | 7,666 | 9,380 | 1,714 | 93.2% |
| Fringe Benefits | 70,138 | 4,200 | 5,845 | 1,645 | 4,200 | 5,845 | 1,645 | 94.0% |
| Services | 96,000 | 795 | 8,000 | 7,205 | 795 | 8,000 | 7,205 | 99.2% |
| Supplies and Materials | 5,019 | 109 | 418 | 309 | 109 | 418 | 309 | 97.8% |
| Utilities | 4,816 | 401 | 401 | 0 | 401 | 401 | 0 | 91.7% |
| Casualty and Liability | 17,774 | 1,481 | 1,481 | 0 | 1,481 | 1,481 | 0 | 91.7% |
| Taxes and Fees | 20 | 3 | 2 | (1) | 3 | 2 | (1) | 85.0% |
| Miscellaneous | 7,690 | 62 | 641 | 579 | 62 | 641 | 579 | 99.2% |
| Total Expenses | 314,012 | 14,717 | 26,168 | 11,451 | 14,717 | 26,168 | 11,451 | 95.3% |
| Total Operating Surplus (Deficit) | \$ (128,071) | \$ (8,061) | | | \$ (8,061) | | | |

Budget Variance Analysis - SunLine Regulatory Administration

Revenue - Unfavorable

- The unfavorable variance in revenues is mainly attributed to a continued decline in taxi trips.
As of YTD Fiscal Year 2018/19 there is a decrease of 4,334 Taxi Trips compared to the YTD Fiscal Year 2017/18.

| Taxi Trips | | | | |
|------------|-----------|-----------|----------|--------|
| | FY18-July | FY19-July | Variance | %Δ |
| Trips | 17,310 | 12,976 | (4,334) | -25.0% |

| Taxi Trips | | | | |
|------------|----------|----------|----------|--------|
| | YTD-FY18 | YTD-FY19 | Variance | %Δ |
| Trips | 17,310 | 12,976 | (4,334) | -25.0% |

- Taxi franchises pay the full year's vehicle permits during the peak months of October through April.

Salaries and Wages - Favorable

- Salary and wage expenses are within an acceptable range of the budget.

Fringe Benefits - Favorable

- Fringe benefit savings are attributed to lower balances for accrual expenses.

Services - Favorable

- Service expenses are within an acceptable range of the budget.

Supplies and Materials - Favorable

- The favorable variance is mainly attributed to savings in office supply costs, and repair part expenses.

Utilities - Favorable

- Utility expenses are within an acceptable range of the budget.

Casualty and Liability - Favorable

- Casualty and liability expenses are within an acceptable range of the budget.

Taxes and Fees - Unfavorable

- Budget is twelve-period allocation.
In July a CA user fuel tax was paid, the tax is paid on an annual basis.

Miscellaneous - Favorable

- The favorable balance is mainly attributed to travel and training expenses, and membership and subscription fees not incurred.

SunLine Services Group
CONSENT CALENDAR

DATE: July 26, 2018

RECEIVE & FILE

TO: Taxi Committee
Board of Directors

RE: Taxi Vehicle/Rides Analysis July & August 2018

Summary:

The attached report summarizes the total number of taxi trips generated in the Coachella Valley for each month of the current fiscal year, compared to the same months for the two previous fiscal years. A second graph shows the total taxi trips for the current fiscal year compared to the two previous fiscal years. The graph illustrates a steady decline in taxi demand. July and August are generally the two slowest months of the year due to the seasonal nature of the industry.

Recommendation:

Receive and file.

JULY 2018 TRIPS PER VEHICLE
(business volumes, averaged values)

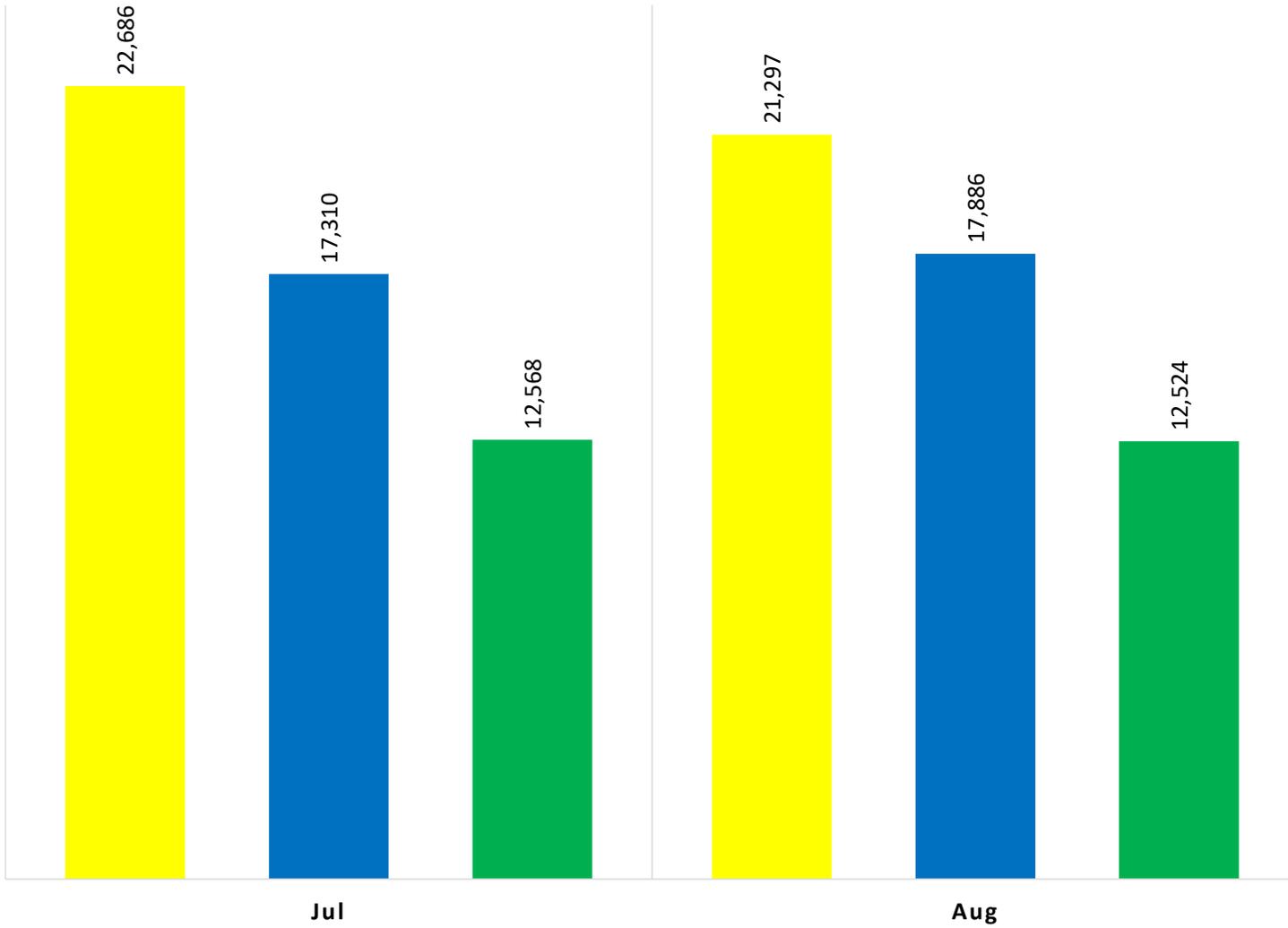
| COMPANY | # OF CABS WORKED | # OF TRIPS | % OF BIZ | AVG. TRIPS CAB | AVG. TRP DAY | 31 |
|-----------------------------|------------------|------------|----------|----------------|--------------|----|
| AMERICAN CAB | 15 | 4100 | 32.6% | 273.33 | 8.82 | |
| DESERT CITY CAB | 26 | 3187 | 25.4% | 122.58 | 3.95 | |
| YELLOW CAB OF THE DESERT | 30 | 5281 | 42.0% | 176.03 | 5.68 | |
| | | | | | | |
| | 71 | 12568 | 100.00% | 177.01 | 5.71 | |

AUGUST 2018 TRIPS PER VEHICLE
(business volumes, averaged values)

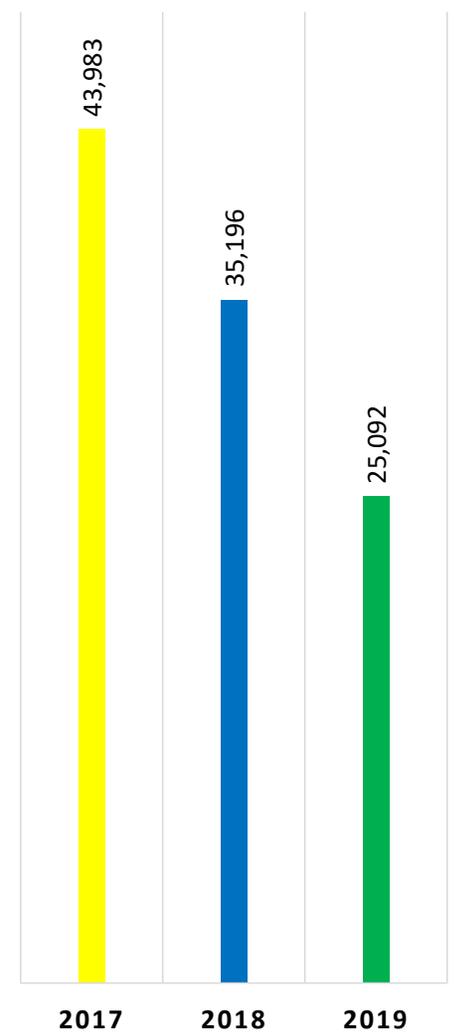
| COMPANY | # OF CABS WORKED | # OF TRIPS | % OF BIZ | AVG. TRIPS CAB | AVG. TRP DAY | 31 |
|--------------------------|-------------------------|-------------------|-----------------|-----------------------|---------------------|-----------|
| AMERICAN CAB | 19 | 4076 | 32.5% | 214.53 | 6.92 | |
| DESERT CITY CAB | 31 | 3390 | 27.1% | 109.35 | 3.53 | |
| YELLOW CAB OF THE DESERT | 35 | 5058 | 40.4% | 144.51 | 4.66 | |
| | | | | | | |
| | 85 | 12524 | 100.00% | 147.34 | 4.75 | |

Number of Taxi Trips - July-Aug FY19

2017 2018 2019



FY Year to Date No. of Taxi Trips



Measures the total number taxi trips taken year to date for FY 2017, 2018 and 2019.

SunLine Services Group
CONSENT CALENDAR

DATE: September 26, 2018

RECEIVE & FILE

TO: Taxi Committee
Board of Directors

RE: Revenue – Expense for June & July 2018

Summary:

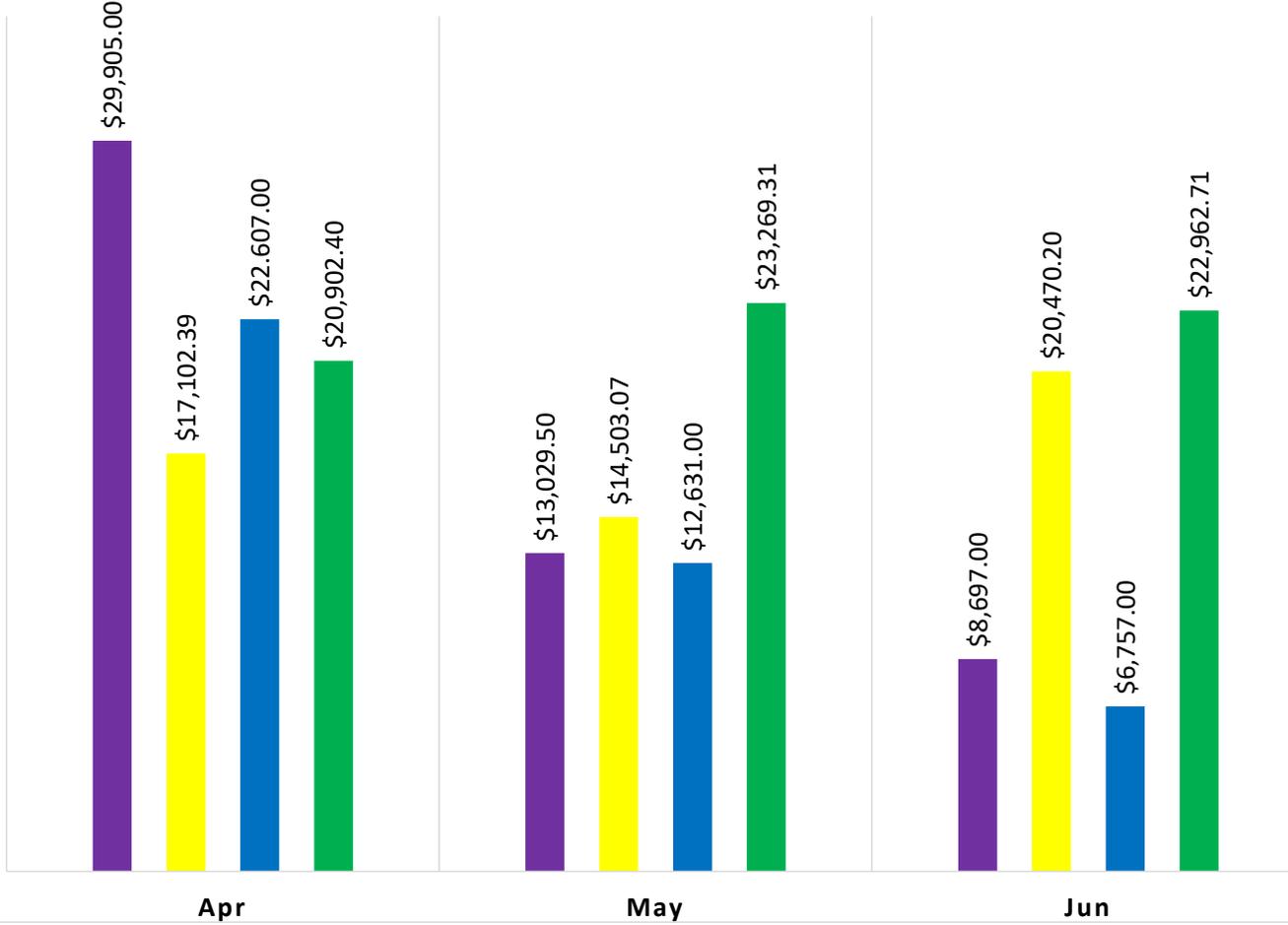
- The graph displays revenue and expenses for the current month and three previous months. Revenues are generated by surcharge fees, vehicle permit fees and driver permit fees. Expenses display the total operational costs for SunLine Services Group.
- Variance graph displays the total variance between revenue and expense occurring to date, for the current fiscal year.
- June and July are the second and third consecutive “off-season” months of the calendar year. This is reflected in the revenue vs. expense graph.
- Expenses for the month of June 2018 were \$16,205.71 greater than revenue.
- Expenses for the month of July 2018 were \$8,061.43 greater than revenue. This is reflected in the variance FY19 graph.

Recommendation:

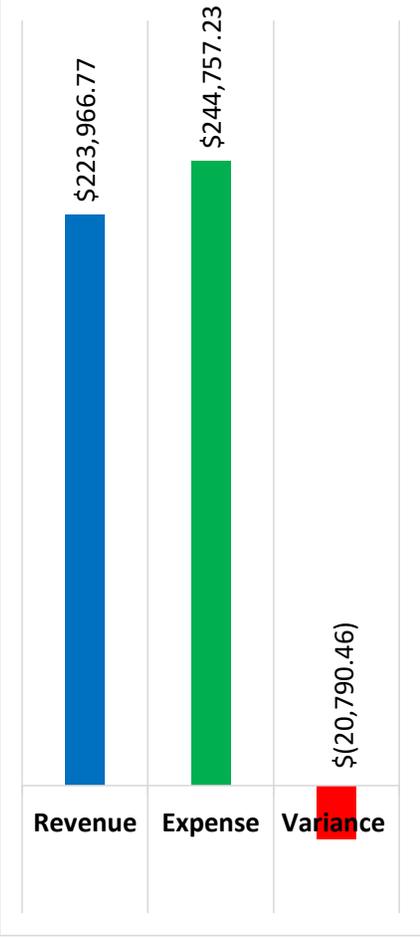
Receive and file.

Revenue vs. Expense - June 2018

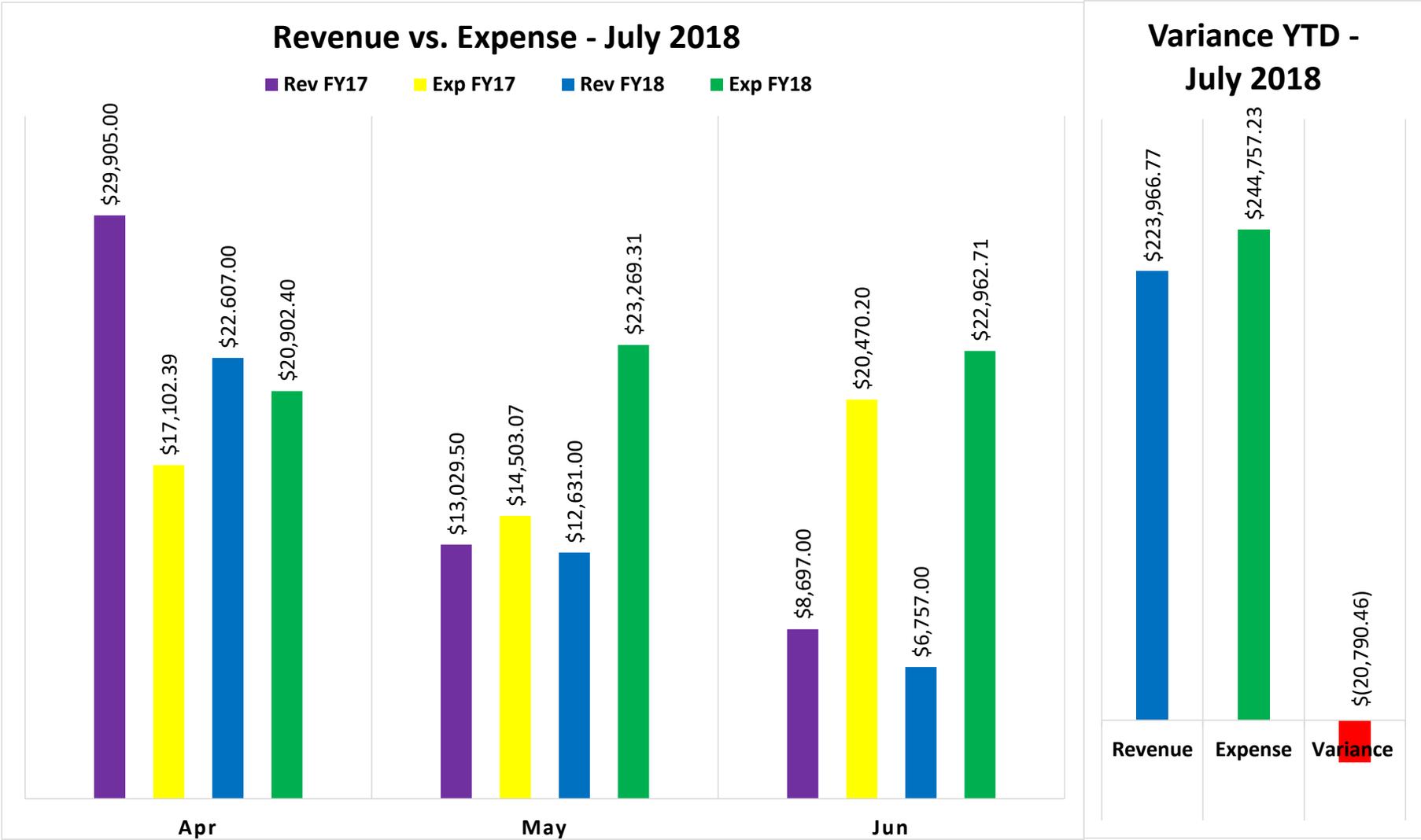
■ Rev FY17
 ■ Exp FY17
 ■ Rev FY18
 ■ Exp FY18



Variance YTD - June 2018



The graph measures Revenues vs Expenses for FY 17 & FY 18



The graph measures Revenues vs Expenses for FY 17 & FY 18