



Wednesday, April 24, 2013

12:00 Noon

(Lunch Provided for Board Members)

**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 PAGERS BE TURNED OFF OR SET ON SILENT MODE FOR THE DURATION OF THE BOARD MEETING.

AGENDA TOPICS

RECOMMENDATION

1. **Call to Order**
Chairman Robert Spiegel
2. **Flag Salute**
3. **Roll Call**
4. **Presentations**
5. **Finalization of Agenda**
6. **Correspondence**
None.

7. Public Comments**Receive Comments**

(NOTE: Those wishing to address the Board should complete a Public Comment Card and will be called upon to speak.)

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 March 27, 2013 Board of Directors Meeting (Pages 1-21)
- b) Checks over \$1,000 for March, 2013 (To be provided at the May Board meeting)
- c) Credit card statement for March, 2013 (Pages 22-25)
- d) Monthly Budget Report for February, 2013 (Reports to be provided at the May Board meeting)
- e) Contract Report, March, 2013. (Page 26)
- f) Ridership Report for March, 2013 (Pages 27-28)
- g) SunDial Operational Notes for March, 2013 (Page 29)

10. Award of Contract for HyRadix Reformer Maintenance Support (Apolonio Del Toro)**Approve**

Request to the Board to grant authorization to the General Manager to approve award of a contract for maintenance support of the HyRadix reformer equipment. (Page 30)

----- **DISCUSSION** -----

11. Legal Counsel Invoices (Chairman Robert Spiegel)

Per the request of Board Member, Mayor Don Adolph, discussion of SunLine Transit Agency Legal Counsel's invoices.

12. General Manager's Report (C. Mikel Oglesby)

13. Next Meeting Date

May 22, 2013

12 o'clock Noon – Kelly Board Room

32-505 Harry Oliver Trail

Thousand Palms, CA 92276

14. Closed Session

a) Closed session – “CONFERENCE WITH LABOR NEGOTIATORS Government Code Sec. 54957.6: Designated Representatives: The Ad Hoc Committee (Robert A. Spiegel, Yvonne Parks, G. Dana Hobart, Don Adolph, Glenn Miller)
Unrepresented Employee: General Manager.

b) Closed session - CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION (Subdivision (a) 54956.9) *United States of America, ex rel. S.I.T.O. Inc., v. SunLine Transit Agency*, USDC Case No. ED CV 12-01084 VAP (OPx)

15. Adjourn

MINUTES
SunLine Transit Agency
Board of Directors Meeting
March 27, 2013

A regular meeting of the SunLine Transit Agency Board of Directors was held at 12:00pm on Wednesday, March 27, 2013 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 12:00 p.m. by Chairman Robert Spiegel.

2. Flag Salute

Councilmember Greg Pettis led all in a salute to our flag.

3. Roll Call

Completed.

Members Present

Robert Spiegel, Chairman, Councilmember, City of Palm Desert
Yvonne Parks, Vice Chairman, Mayor, City of Desert Hot Springs
Rick Hutcheson, Councilmember, City of Palm Springs
Greg Pettis, Councilmember, City of Cathedral City
G. Dana Hobart, Councilmember, City of Rancho Mirage
Douglas Hanson, Councilmember, City of Indian Wells
Don Adolph, Mayor, City of La Quinta
Glenn Miller, Councilmember, City of Indio
Eduardo Garcia, Mayor, City of Coachella
John J. Benoit, Supervisor, County of Riverside

Members Absent

None.

Guests:

Joe Pradetto, County of Riverside
Scott Ellerbrock, PERMA
Kerry Trost, PERMA
Allyn Waggle, CVAG
Kathleen Bennett, Resort Marketing
Bill Meyers, Yellow Cab of the Desert
Michal Brock, Yellow Cab of the Desert
Mabu Hossein, Desert City Cab
KD Labana, Desert City Cab
Harry Incs, American Cab
Scott Russo, American Cab
Patti Patane, Public
Dan Powers, Public

Staff:

C. Mikel Oglesby, General Manager
Jeffrey Goldfarb, Legal Counsel
Carolyn Rude, Special Asst. to the General Manager/Clerk of the Board
Polo Del Toro, Director of Operations
Joe Forgiarini, Director of Transit Planning
Mike Morrow, Director of Maintenance
Don Bradburn, Director of Human Resources
Brenda Walker, Director of Finance
Tommy Edwards, Contracting Officer Technical Representative
Rudy LeFlore, Procurement Consultant
Mannie Thomas, Manager of Operations and Safety Training
Joseph Friend, Senior T Systems Analyst
Rick Barone, Procurement Officer
Michael Jones, Manager Taxicab Administration
Ivanna Samokish, Safety and Security Coordinator
Anita Petke, Transit Planning Assistant
Karen Thomas, Senior Administrative Assistant
Francine DePalo, Administrative Assistant
Mike Jones, Taxi Cab Manager
Vanessa Mora, Desktop Support Technician

4. Presentations

None.

5. Finalization of Agenda

No changes were made.

6. Correspondence

None.

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

None.

AGENDA ITEMS:

None.

8. Board Member Comments

Mayor Adolph stated the following: "A couple of months ago I brought forth as Chairman of the Finance Committee, an issue of billings that came in beyond the scope of the contractual agreement. I have not heard anything about the direction we are going with that issue and for those who maybe don't remember, basically we had got a lot of extra charges from our attorney in regards to work he has been doing for Board members. This is not part of our budget process and of course it gets down the point of Board members authorizing work to be done by, say our attorney in this case, and then we are getting hit with bills on this. I don't have a problem with Board

members asking for advice or consideration on issues that we deal with from the attorney. I guess my problem is this - does Board members have the authority to go ahead and allow work like this to be done and spending money without authorization from the Board or from the authority vested in the General Manager? I think what we need to do is to make a determination as to the direction we want to go on an issue like this. I know that some cities allow this to be done and other cities don't. I think at the present time we need to address this. I would ask that this issue be brought up at the next Board meeting, on the agenda, to discuss and determine the direction we want to go. In the meantime, as Finance Committee Chair, I have told our attorney that if a Board member calls, and it is something beyond the scope of just answering a question – that he is going to have to do some work, and then be billing us, he must notify the Board member that there will be a charge on doing this, so that the Board member knows that SunLine is going to be billed. At this time, I am just asking that this issue be brought forward and let the Board determine the direction we want to go." Chairman Spiegel asked Clerk of the Board to place item on the agenda for the next Board meeting.

Councilmember Glenn Miller stated the following: "Before our next Board meeting comes up, we will have the Coachella Fest and Stage Coach. I am just making sure that everyone knows that we are going to need our taxicabs and buses. Hopefully we are ready to go. We have over 80,000 tickets sold to the first two concerts and over 60,000 to Stage Coach already. And they are providing tickets outside the regular norm to all the cities in the Coachella Valley to purchase one ticket. Anybody who lives within the Coachella Valley can purchase one ticket by going to the Indian Wells Tennis Garden and producing their driver's license or a bill, for any concert you want. There is going to be a lot of people in this Valley."

Mayor Eduardo Garcia stated the following: "I just wanted comment - I read a joint press release from the Supervisor's office and our General Manager on a statement regarding the North Shore bus line services. I wanted to take the time to commend staff for their work on getting the grant. I know that Mikel, myself and several members of the staff spent quite a few hours – long evenings – out in North Shore with crowds of about 40 to 50 people on any given night, expressing the issue of transportation to parts of North Shore and not always a positive outlook coming from the folks in the community. But I think it is certainly a testament to the work that this body has done in hearing the issues that are of concern to the residents of our community. I wanted to compliment staff – the General Manager, Joe (Forgiarini), for your work. I think we are one step shy of closing the deal there and I know that our advocates that sit on RCTC and here on the SunLine Board will do the right thing and bring home the money to be able to provide the services."

Supervisor Benoit stated: "To add to that, I appreciate everybody's work – your office, everybody. Mikel and I talked last night. Word had gotten to the newspapers so we thought we would get them something of substance that they could refer to. It was a joint effort of a lot of people and hopefully it will be there in September. One final step and I think it is pretty well assured."

9. **PERMA's Concerns with Proposed Litigation Committee Bylaws**

Councilmember Hobart stated the following: "May I just ask for a point of information – that is identical to the subject of item #12 on the Litigation Committee and paragraph 7b talks about PERMA having... wouldn't that be a more appropriate place to talk about PERMA so we can talk about all of it together?" Mr. Oglesby stated: "That makes sense. It's up to the Board. When I had put that item together, at the time I put it together, I had a discussion with PERMA and they had talked to me about some things they wanted to discuss pertaining to the Litigation Committee. Since I was not involved in the bylaws and didn't have anything specific, that's why it is so vague, I simply invited them here to speak. I can move it if you would like or not." Chairman Spiegel stated: "Let's go ahead and listen to what Mr. Oglesby has to say." Mr. Oglesby stated: "I am punting this one to PERMA because I don't know what the specific issues are. Mr. Chairman, members of the Board, not at the last meeting, but the one before, there was a discussion to create a Litigation Committee. There wasn't any major discussion or anything in detail. The Board was going to get together and talk about the Litigation Committee. At the time, PERMA was present; Kerry Trost. He sent me an e-mail stating that if the Litigation Committee was going to move forward with presenting this item, they would like to have some type of input and/or express some concerns. So with that being said, I put it on the agenda to let them stand up and tell the Board specifically what those are because I don't know the detail. Scott Ellerbrock, General Manager of PERMA, introduced himself. PERMA stands for Public Entity Risk Management Authority. Mr. Ellerbrock introduced Kerry Trost, PERMA's Liability Claims Manager. Mr. Ellerbrock stated the following: PERMA is SunLine's insurer as well as Claims Administrator for general liability, worker's comp. property and crime. We also insure for many of the entities represented here today. Mr. Oglesby did share the bylaws for the Litigation Committee to us last week. We had a chance to review them. We do have some questions and concerns. We also are operating in a bit of a vacuum. We don't know what the Board's expectations are. We do provide claims management services as well as litigation management services. So we would like to review the Board's expectations as to why this committee was formed. I would like to review our services that we provide in both claims management and litigation management. If the approval of the bylaws cannot be postponed today, then we request that we meet with the Litigation Committee as soon as practical so we can discuss these procedures. Some of the concerns we have...." Councilmember Hobart stated the following: "Excuse me. On page 35, as long as we are jumping into two subjects at the same time, on page 35 is the proposed bylaws for the Litigation Committee. Have you... if you are saying you would like those to go over for a period, for the next month and meet with people who have drafted it, largely me, the Committee has now gone through it. Nobody's trying to freeze you out. In fact we have a paragraph there, but if you have more to say.." Mr. Ellerbrock stated: "No, that is all we are here for today is to meet with the Committee so we can discuss." Chairman Spiegel stated: "We can set up a Litigation Committee meeting."

10. **Consent Calendar**

Mayor Adolph moved for approval of the consent calendar. The motion was seconded by Councilmember Hutcheson. The motion was approved by a unanimous vote.

11. Contract for Construction Material Testing

Mikel Oglesby addressed the Board stating the following: "Thank you Mr. Chairman, members of the Board. This item recommends that the SunLine Board of Directors delegate the General Manager authority to Negotiate and Execute a Contract in an amount Not To Exceed \$150,000 for Material Testing Services subject to approval as to form by Legal Counsel. When we say material testing, we should have put material and inspection testing during conversation in the Finance Committee. That was brought out. SunLine requires material testing services on the Administration Building and Transit Hub. Geocon West, Inc., located in Palm Desert California is the highest rated firm. Negotiations are underway with this firm. Negotiations are underway with this firm. SunLine chose to independently retain an inspection and testing firm rather than having this work performed by potentially interested parties. It made sense to move forward with this because it was already laid out in the budget and it was fully discussed in the Finance Committee." Mayor Adolph moved for approval. Councilmember Miller seconded the motion and approved by a unanimous vote.

12. Establishment/Ratification of Board Committees & Approval of Bylaws

Legal Counsel, Jeff Goldfarb, addressed the Board stating the following: "The Bylaws Committee has met and we have reviewed the proposed bylaws for the Litigation Committee, the Finance Committee and the Executive Committee. The recommendation of the Bylaws Committee was to form or ratify the existence of the committee, and when I say ratify, what I mean is to say 'ratify the existence of any committee that was found to be properly formed prior to this, and to adopt the bylaws that are proposed with the Resolution that was submitted to you. I have made a suggestion on some changed language, and that is being handed out right now. That does relate to the ratification issue. When I was drafting this... let me back up a second on the history. We have had a Taxi Committee and we have had an Executive Committee – I'm sorry, a Finance Committee and an Executive Committee. Those committees have provided advice to the Board in the past. The question that was raised was whether those committees were properly formed pursuant to the provisions of the JPA Agreement. I think it is fair to say that we haven't gone through all the evidence yet as to whether and to what extent they were in fact properly formed. What I thought the Resolution should do is to essentially say if those committees were in fact properly formed under the JPA Agreement, then their existence is ratified. If they weren't properly formed, then they are hereby created. That way they can operate properly under either scenario going into the future. The bylaws for each of these committees is attached. I suspect that there would be a desire on the part of the Board to hold off on adopting the bylaws for the Litigation Committee until after we meet with PERMA. I am happy to answer any questions the Board has." Councilmember Hobart asked: "What do you mean by 'they are hereby created' without giving a list of what it is you are talking about? I'm taking your comment where you said about committees that were previously created. You said if they were properly created, then they are ratified; if they were not created in accordance of the Joint Powers Agreement, that they are hereby created. What are they? Shouldn't we know what it is you are talking about?" Mr. Goldfarb asked: "You mean which committees?" Councilmember Hobart stated: "If any and which and what. How do we approve the creation of something that we don't even know it exists?" Mr. Goldfarb answered: "Well if we don't know if it exists, we certainly have the ability to create. Is

the question if it does exist, how are we recreating it?" Councilmember Hobart stated: "No, well...if it does exist appropriately, does it need us to do anything?" Mr. Goldfarb stated: "That's absolutely true." Councilmember Hobart stated: "If somebody... say a Chairman says 'I hereby create the solar system committee. You are saying that we are ratifying that without even knowing whether, or if any, committees were creating by somebody saying 'I hereby create a committee. How can we ratify that unless you tell us what it is we are talking about.'" Mr. Goldfarb stated: "The way I tried to draft the resolution was to say in sort of an and/or sense. The committee is either being created and/or if it previously existed and was in fact properly formed under the JPA agreement, it is then instead of being created, ratified – its existence is ratified. I know that it is not necessary from a legal standpoint to ratify it if it was properly in existence, but I wanted to somehow have this resolution capture the potential that if it does exist, and we don't know if it exists while we are taking this action, that we are not, in essence, creating it, but rather doing something else. I guess it could have said nothing on that, but it seemed to me the ratification was the best suggestion."

Vice Chair Parks stated the following: "The way I read it, 'Whereas the Board desires to establish the Executive Committee and the Finance Committee, and if it is determined that the Executive Committee and/or the Finance Committee had previously been properly formed pursuant to Section 3 of this Agreement, to ratify the existence of such.' However, therefore, in Section 1 'There is hereby established and, to the extent previously and properly created pursuant to Section 3(F)(3) of the Agreement, the Board hereby ratifies the existence of the following committees'. So you are saying that you are establishing the existence of them, but then again, are ratifying the three committees along with bylaws." Councilmember Hobart stated: "I have no problems with those that are specifically identified. I agree that is the appropriate thing for us to do. Are we supporting... are we ratifying the existence of anything other, potentially ratifying it, if somebody going through the bylaws of 1996, says 'oh look, somebody here said I accede this committee' that we don't know about at the moment – are we doing anything at all toward ratification of such an effort?" Mr. Goldfarb stated: "Let me try and answer it this way in a sort of hypothetical. Let's say somebody comes across a Resolution that established the Finance Committee by Board action at some point in time, previous to our taking this action." Councilmember Hobart stated: "But how about a committee that is not mentioned here?" Councilmember Pettis stated: "A Human Resources Committee." Councilmember Hobart stated: "I don't have any quarrel with any of these." Mr. Goldfarb stated: "Oh, I see what you are saying. No, no we are not. We are only acting on these committees that are listed here." Councilmember Hanson asked: "Can you make that more clear to the extent of the question that just came up?" Mr. Goldfarb stated: "Sure. I think we can say 'there is hereby established and to the extent previously and properly created pursuant to Section 3(F)(3) the Board hereby ratifies the existence of the following committee, and only the following committees.' And may I make one more suggestion. In Section 1, after the word 'established', I would suggest that we replace the word 'and' with the word 'or'. It is really an either/or thing." Mayor Parks stated: "I agree." Mr. Goldfarb stated: "Section 2. I think the Board should discuss whether and to what extent it wants to withhold approval of the Litigation Committee bylaws prior to talking to PERMA. I would strike in Section 2, the word 'and Litigation Committee' and I would strike in Section 2, the letter 'C' in exhibits and replacement it with the letter 'B'."

Supervisor Benoit asked the following: "Are we then hereby voting to approve the other two bylaws as well as the Resolution?" Councilmember Pettis stated: "I think that is what this motion would be." Supervisor Benoit stated: "If that is the case, I have a couple of minor questions about the bylaws themselves if appropriate, I would like to address. These are relatively minor things. On the SunLine Transit Agency bylaws for the Executive Committee on page 39 of the agenda, number one of that item. I am reading a great book on Thomas Jefferson, *The Art of Power*, by Jon Meacham. It's a fascinating read. It spends a lot of time talking about the Federal's opposition to Mr. Jefferson and what a jerk he was, according to them at the time. Reading it now, it sounds a little odd to think that there are people that weren't in Jefferson's corner. There were things said about royalty and being involved. When you read it now, you think 'how can he be thinking that?' To tie it here to me is in paragraph 2 'No committee shall be referred to as being the Chairman's Committee.' Okay...once we create these other committees, is anybody going to refer to them as the Chairman's Committee? Or are we just taking a little recent history and embedding it into these bylaws un-necessarily? Maybe there is just a little sensitivity there today; I don't think it will be there in a couple of years and I think it kind of makes you read this and say 'What were they thinking? Who were they worried about at the time?' Is it really necessary to say 'No Chairperson has the authority to modify this procedure.' Of course we have a procedure for how we create a committee and that committee has to be created by the Board, not the Chairman. I think that whole paragraph respectfully to everybody who has been involved in the discussions, could be removed without changing the intent of this bylaws at all. When you read this in two years you won't have to ask 'What was the big issue of the day that was creating that little animosity?' I would move to approve the whole bylaws with the exception – I would eliminate #2. Councilmember Hobart stated: "I will second that."

Councilmember Hanson stated the following: "I wonder when I read this, while I understand and have no issue with what you are trying to achieve there, but doesn't the balance of that paragraph when it says 'Each City and County, which comprise the JPA, has equal authority and no Chairperson has the authority to modify this procedure.'" Supervisor Benoit stated: "Absolutely; an accurate statement that doesn't need to be repeated. It's in the overall ordinance that creates this body."

Councilmember Hobart stated: "Let me ask how the Board feels about at the end of paragraph six, which would be paragraph seven, 'The position of Chair and Vice Chair of the Executive Committee shall rotate among the ten city and county venues.'" Mayor Parks asked where he was at in the document. Councilmember Hobart answered: "No I am reading a proposal. You don't have it in front of you. This is in reference to the Executive Committee, but think I suggested it for other committees as well. My suggestion is that this would be an issue to consider for all of the committees. Since we are on this one at the moment. The position of Chair and Vice Chair of the Executive Committee shall rotate among the ten city and county venues. No such venue can hold a position of Chair or Vice Chair on said committee(s) until each such venue has held or had the opportunity to hold such position. Recusal shall be honored. Every Chair and Vice Chair will transfer to the next in line. No person may serve as a committee Chair or Vice Chair unless he/she has served at least two years on the SunLine Board of Directors"

Chairman Spiegel stated: "Basically what you are saying is in order to be Vice Chair, you have to be on the Board two years."

Vice Chair Parks asked: "Does the Vice Chair move up to the Chair and then out? Do they rotate out?" Councilmember Hobart answered: "No; nobody moves up automatically. Everything takes a vote, except if the Chair dies during the course, or resigns during the course of his/her Chairpersonship, the Vice Chair would take over." Vice Chair Parks stated: "I don't agree with that. I think that after the first year, the Chair leaves and the Vice Chair moves up to Chair and a new Vice Chair is elected from the rest of the Board. Next year that Chair moves out and goes back into rotation."

Councilmember Hobart stated: "First off, that is totally contrary to the Joint Powers Authority Agreement. The JPA Agreement doesn't allow that to begin with. Nobody rotates up. We elect everybody for everything. I'm not ready say the Vice Chair is automatically going to become Chair at the next election. That is often the case, but it is not always the case." Chairman Spiegel stated: "There were several years that the Chair stayed on for a number of years. Dick Kelly was the Chairman for about seven years." Councilmember Hobart further stated: "Bud England – two, Mike Wilson – three or four."

Mr. Oglesby stated the following: "Mayor Steve Pougnet moved forward with changing that and recreating it. I forget what year it was, but the year that Mayor Pougnet became Chair. What he did was that he was elected in and asked for procedure. I think at the time, the procedure laid out was that there would be a Chair and the Vice Chair would automatically move up. That is what Mayor Pougnet moved forward with." Councilmember Hobart stated: "You can't change the Joint Powers Agreement without a vote of every City. So we have to go by that and that precludes that."

Supervisor Benoit stated: "The Joint Powers Authority lays out a process that is inclusive of your addition here?" Councilmember Hobart stated: "No, it only says we have to elect the Chair and Vice Chair each year." Supervisor Benoit stated: "I would be okay with your statement except when you say rotate. Do we now establish a list?" Councilmember Hobart stated: "No just keep it going until everybody – go back two or three years – five years, whatever, and make sure everybody gets a shot at it, or recuses – says no, they don't want to be." Supervisor Benoit stated: "I fully agree with what you want to get done, I believe. But the term rotate kind of implies that there is an order and I think what you mean to say, or would like to say, is that everybody has a chance before anybody repeats, which requires a slightly different wording."

Mayor Garcia stated the following: "I would to chime in here because we did have this conversation as we were having these discussions in the committee format. There is a rotating system that is underway. Mikel, for the last five or six years that I can recall, has presented what that rotating system is, with the exception of the years where there was some consecutive Chairmanships, there has been a process where every city and the county has the chance to move to the Vice Chair position and then by a vote, gets elected to be the Chairperson. Not always has that been the case. You alluded to the change of process by Mayor Pougnet. But there is a list that kind of has

who served what year and who, according to that list, would be the next person moving into the Vice Chair with the vote of the body. We did share that when the Bylaws, Policies and Procedures Committee met recently. We had that discussion. We didn't have a list, but we had a discussion." Councilmember Hobart stated: "I don't recall us going into much detail on that, but what I do think is that when the election comes up, we start – pick a given year where we are going to start. It could be right now. Could go back three years – see who was Chair the last three and whoever gets nominated through any of the remaining cities, has a shot at it. But down the road, there will only be one left standing. There will be no election between it; no contest between."

Supervisor Benoit stated: "Dana, can I suggest – this is an important issue – I would suggest that we vote on the motion before us, adopt these and come back with your suggestions in writing to add at the next meeting."

After further discussion, Supervisor Benoit stated the following: "Mr. Chairman, it has been suggested, and I think it is a good one, that we take these changes, go back to the Committee to incorporate and then bring it back at one time." Supervisor made a motion to continue item until Bylaws, Policy and Procedures Committee can meet to make changes and bring back to the Board. Councilmember Pettis seconded the motion and was approved by a unanimous vote.

13. Position Statement Regarding STA Funding

Mikel Oglesby stated the following: "Staff recommends SunLine's Board of Directors adopt a position statement clarifying the Board's response to the possible loss of funding, and the impacts this may cause on SunLine's operations, and/or direct staff of SunLine to partner with CVAG and other relevant federal, state, and local agencies to seek alternative funding options and resources to support the Coachella Valley Rail Plan. We provided a document here that has a lot of information. So I will try and summarize it but still get as much detail in so we understand where things are going. Since the last Board meeting on February 27, 2013, there were various meetings that took place with CVAG to discuss the reallocation of funding from SunLine Transit Agency for use towards future rail services in the Coachella Valley based upon a formula of 90/10 percent split – a combination of STA and LTF funds. Details of that funding was discussed at the last Board meeting and we talked about what STA was, which is capital funding, and LTF which is related to operating. The rail subcommittee agreed that a recommendation would be made to the CVAG Transportation Committee to reallocate \$1.2 million of SunLine's STA allocation. CVAG has made it clear that they can move forward with this request and it doesn't necessarily require SunLine's approval. What I am doing is I am bringing all the information before the Board so the Board is aware of what is going on. The Committee requested an impact analysis from myself to bring to the April 1st meeting. I didn't feel comfortable putting together the impact analysis and putting it in to their proposal without having a discussion with the Board as it falls more under a policy issue. A true representation of the \$1.2 million affect takes more than the General Manager to finalize. There are policy issues that really would need to be talked about by the Board. That is why I am bringing it to you. Based upon various assumptions and an analysis internally concluded that SunLine is already facing a future capital shortfall of approximate \$4

million to \$7 million per year and possibly further compounding an already existing shortfall would deepen further with a \$1.2 million impact. That is pertaining to STA funding. Rail projects like these are under review of the State government which opens it up to additional State rail funding sources. The draft State Rail Plan in 2013 already recognizes the initiative and the State appears interested in funding a more detailed study. What was provided was a short term impact section and a long term impact section. I am going to briefly talk a little about the short term impact section because at the time we were looking at a potential ten year expansion, but based on a document that was just handed to me prior to walking in, it looks like it would be phased in over a three to four year period. Let me talk about short term. While we currently have programed funding to support our immediate needs, if you look at page 42 – FY11 through FY12, it shows the approximate costs of \$7.7 million. We currently have enough funding to offset that so we are in pretty good shape on our immediate needs, but moving forward, we would be looking at alternatives or what to do with the future impacts prior to the \$1.2 million being put on the table. So what does that mean? If we moved forward with a \$1.2 million impact, future buildings could be off the table, age of the fleet could be an issue, technology and bus stops, just to name a few. Under the immediate impact, a portion of it, I will not read it all, but it is there for you. The immediate impact of the loss of \$1.2 million to us – we would have to take a serious look at the fleet - reduction in mid-life overhauls/fleet replacement as required by FTA. We have facilities and equipment – future delays in fueling station, which results in the loss of the ability to fuel. As you know we are the leader in alternate fuel technology. We use CNG. We produce the fuel ourselves and hydrogen. The elimination of new bus shelters and passenger amenities would be affected. Technology issues and studies – elimination of new technology resulting in reduced customer service – the list goes on. Again, we provided a ten year term because in the initial discussions that I was involved in – it was discussed that if \$1.2 million was taken away, let's take a look at what the long term affects would be and how it affects SunLine. It is clear, as CVAG as stated, that they don't want to hurt SunLine Transit Agency. When I went back to do the analysis with staff, it was clear that it was going to affect SunLine either way. We were really taking a hard look at the long term information. Again, based on the CVAG Rail Committee documentation, it looks like they would be looking at progressively doing the same thing, but over a three to four year term. I have not talked with them specifically what that means, but as you go three to four years, as you take money, I don't see how that reverses out, so it would probably continue either way. So what we started doing is looking at the mitigation of funding losses. If this \$1.2 million is gone, what are we going to do? Not only will it affect us from a financial standpoint as far as the \$1.2 million in STA, but the federal match could be a situation where we could lose that, which is \$4.8 million, just from the transit side of the house. In our mitigation of funding losses, a few items that we would probably have to look at moving forward, a Legislation/Voter Initiative - propose a new local funding measure/initiative which requires a public vote, if successful, to support SunLine operations; a potential fare increase. I know that we came to the Board at one point and showed the Board what a fare increase would look like at \$.25 and at \$.50. Here we would probably have to do it at about \$.50. You don't see your immediate funding at first with a fare increase because you usually lose ridership and it creates a little bit of hoopla publicly. In the long run, you could possibly pick up your money there. There is always service reduction to try to bounce it back to save the

money. Originally when we were putting this together, given CVAG's request for \$1.2 million analysis to be included in their proposal to the Transportation Committee, it turned out to be more of a policy issue of whether the Board supports it and further, where the proposed cuts would occur. As I have listed, there are policy implications to each one of those. In addition, I don't know anything from the legal side of the house, so I have asked Mr. Goldfarb to possibly look at whether there are some legal issues just to keep the Board fully informed. We don't have anything at this time. We talked about it the other day and he is going to look into a few things. Really what we are looking for, and again, I guess apparently based on the CVAG document that I have in front of me, there are some alternatives that they are going to come up with at looking for some funding in the Prop 1B portion of funds from RCTC. I don't know the specifics on that because I am just reading it. We do also receive Prop 1B; I don't know whether that includes ours or not. Other than that, everything else looks like it was the same that was discussed when we originally talked about it. So I was trying to get some clear direction on the Board's position because I didn't feel comfortable as General Manager only moving forward and doing a \$1.2 million analysis and handing it over, that will take legs, without coming to the Board. I had not come to the Board with specifics yet." Chairman Spiegel asked: "Who makes the final decision on the \$1.2 million?" Oglesby stated: "It is my understanding that CVAG will present it to RCTC; it will go through the steps and then RCTC will make the final decision based on the information that I have received."

Councilmember Pettis stated the following: "By State law and by the establishment of RCTC, RCTC is the sole discretion on how these funds are allocated. RCTC has historically allowed Western cities to determine how they spend their money and Coachella Valley cities to spend theirs, and Blythe to spend theirs. So they take the recommendations of the CVAG Executive Committee fully in consideration. I don't recall in all my years serving on RCTC they have voted opposite of that, though they certainly could. If they did, we are under voted. They have the vote if they wanted to. I don't recall them ever doing that. I think it is important in this discussion to keep in mind that western Riverside County has chosen over the years to fund their rail program with 22% of STA and LTF funds. I think that 22% of all of the funds that they get go into their rail. Plus, they have dedicated money from Measure A. When Measure A was approved by the voters, since the Coachella Valley had no rail program, no rail operations were set aside, all the Measure A dollars go to SunLine. Any future proposal that would go to the voters ideally would have a rail component. But it is just a component of all of the funds necessary to operate a rail service. CVAG subcommittee met – five cities, as well as SunLine – there was discussion about is 22% the right number. Is there a different number? What would be the impact if operation money was moved at the same time as capital money? There was a real concern that the impacts, especially to our lower income residents, if operational money was taken – how would that affect SunDial and certain other things. So the subcommittee made a recommendation that Mikel has mentioned of 10% so that the fund could begin to be set aside – 10% of the capital money – no operational money whatsoever - so the fund could be set aside to begin to build up an account, if you will, so that improvements can be made to the stations – the Palm Springs and the Indio station, and what is determined to be done in Rancho Mirage – there would be some funds - knowing that there would not be enough money in the first year or two to do

that – but to start to set aside some of those things. It is scheduled to go before the CVAG Transportation Committee meeting on April 1. Depending on the recommendation of that Committee, it would go to CVAG Executive Committee at the end of April and then to go RCTC in May for a final vote. Allyn Waggle is here from CVAG to speak specifically on what staff's recommendation is going to be. It was a change from what the subcommittee had determined. The subcommittee was recommending in the beginning that diversion of funds at the beginning of the 13/14 fiscal year. RCTC and CVAG made some adjustments to that. I think Allyn can give more detail of their recommendation.”

Allyn Waggle addressed the Board: He quoted from his staff report: “Everything that was in Mikel's staff report to you, is what the subcommittee had directed staff to pursue. The direction was 10% TDA – take it all from the capital side, which is the STA money. There is 10% of STA money, which is the \$1.2 million. And, collect money over a period of time, beginning in 13/14 to create a program where we could have passenger rail service in the Coachella Valley in a capital program - meaning stations or studies, or things of that nature. However, on Monday, we heard from RCTC that they had found out that the State had been able to sell more Proposition 1B bonds than they had anticipated to the tune of \$6 million, plus. RCTC needed \$2 million plus and they had a remainder of \$4.2 million that they were willing to commit to CVAG's passenger rail program. They were certain that they would be able to convince the Commission that they would be able to send the money here and they proposed that if CVAG would recommend entering into an MOU with RCTC, they would agree to establish a Coachella Valley rail fund that RCTC would have to administer because they were the authority capable of doing that; however, they would allow that CVAG's Executive Committee could set the conditions as to how the money was spent. So the recommendation that is going to go to the Transportation Committee on Monday, the 1st, is to recommend that CVAG enter an MOU with RCTC to establish this Coachella Valley rail fund to be administered by RCTC, pursuant to policy direction by CVAG's Transportation Committee and Executive Committee. Number two, that CVAG work with RCTC to establish the Coachella Valley rail fund that would utilize \$4.2 million in Prop 1B funds as startup/seed funding. Number three, establish a 90% bus transit/10% passenger rail services split policy for Coachella Valley TDA funds, which is what we were directed to pursue. These funds would be progressively phased in over a three or four year period. The intention of that is to give the SunLine Transit Agency time to consider how they wanted to address this issue. There would have to be some STA funds in the front end because CVAG has no capability of paying for rail services. There will be either RCTC staff time to administer the program; there will be some staff costs. There will be no costs to CVAG side. There will be some minor amounts at the front end and there will be \$4.2 million that will be paying for whatever capital issues that CVAG comes up with for the first several years. Otherwise, there shouldn't be a big draw for some substantial period of time of the STA funds. Then numbers four and five are to establish that the Coachella Valley rail fund initially be used to conduct station development studies, provide some staff support, and provide initial capital funding for approved stations. Number five is begin seeking minor amendments to the Coachella Valley Intermodal Transportation Authority to allow the Authority to receive TDA funds and to tighten, as necessary, the language to clarify that the Authority is not established to operate buses. That was a

concern that Mikel raised at the subcommittee meetings, so that there be no conflict about ultimately this authority taking over bus service. I fought taxis all the time I have been here and I don't want buses either."

Vice Chair Parks asked the following: "The way I'm hearing it is that all of this money is going into having the ability to build or improve existing stations along the route, whether it be Indio, which doesn't have one now, but wants a transit hub, Palm Springs and possibly Rancho Mirage. How soon do you anticipate any additional rail service coming through the Coachella Valley? When are you going to get all of the Union Pacific agreements and building of extra tracks, if you have to, to avoid working with Union Pacific. Taking money from SunLine – I'm all for rail, I would like it to come through and I would like to get on a train, go to L.A. or Vegas." Councilmember Pettis stated: "You are asking a multi-decade question. And it really comes down to when you start the program. You are never going to get that end game if you don't start the program now. There are monthly meetings; I am in monthly meetings with Caltrans, with Amtrak, with SCAG, as well as RCTC and CVAG when I can get Allyn to join me, on all of those issues. I was just in a meeting last week in Santa Barbara with Caltrans and the Surfliner service from San Diego up to San Luis Obispo. Caltrans was there giving their update on a State Rail Plan. Twenty five percent of their entire discussion at that meeting was on the Coachella Valley train, which has nothing to do with Surfliner service. They have made it very clear that they are only studying two emerging rail programs for the entire State. One is the central California and the other is the Coachella Valley. Everything is running in tandem. Can I tell you in six months we will have increased service? No, but there has to be a regional match to anything that we do. The State is going to require a match. I was talking to Doug. If we go to the hospitality industry and ask them to tag on \$.50 to \$1.00 a night to their room rate for a rail fund, they are going to make sure the local government is coming up with their share. If we go to the taxi operators and say add another \$.05 to your fare for rail service, which some cities do, we are going to have to show that we have a matching thing. This is one of those areas. A re-establishment of the next Measure A will also be another source of funds. Palm Springs can go to construction next year on improvements to their stations. Indio is beginning their planning on what they need to do to get their platform. But we can't even get U.P. to say yes, we are going to extend service into Indio until we get the platform built. It's not safe for them to bring in."

Vice Chair Parks asked: "Are there any other sources of funding, other than STA?" Councilmember Pettis answered: "There are a variety of sources; as an example western Riverside County – they use multiple sources. STA funding is part of it and Riverside Transit Agency has adjusted their budget accordingly to lose 22% of their funding that is dedicated to rail. With CVAG's proposal, and I'm not convinced how much I am in favor of that generosity, I am a big rail advocate; it's no secret, they are saying that this would give SunLine two, three or four years to adjust their budget and long range planning to accommodate that transfer of funds, versus what the subcommittee was saying – July 1, 2013."

Supervisor Benoit stated: "This is a very interesting and important discussion. Question for Allyn and Mikel – the document you just read, I got a phone call from Mr. Kirk giving me a heads up and describing it verbally. When exactly did you get that

Mikel?" Mr. Oglesby stated: "Just before I walked in here right now. Staff just happened to pull it up on the internet and handed it to me." Councilmember Pettis stated: "It just went out this morning." Supervisor Benoit further stated: "I think we all deserve to have a chance to look at that." Oglesby stated: "I would have handed it out, but I just got it coming into this meeting." Supervisor Benoit stated: "The way I understand it is that it basically is an effort on the part of RCTC to make us whole for the first or more years of setting aside this money so that it won't have a direct impact on operations at SunLine, which is, I think, is pretty generous, maybe is the right word, move. It needs to be approved at RCTC, but I think my experience with Anne Mayer is that if she says she can do it, it is probably well justified and can be done. If that is truly the case, and we can adopt this 10% set aside, and have three years or longer to ramp up to it, I think, based on how often I am asked in public when rail service is coming to this desert, that is a reasonable starting point for us to take to begin to prepare. We don't have all the answers yet. Will it be Indio? Will it be Palm Springs? Will there be a study or a portion of it for any those? Or another station down the road? We don't know the answer to that, but we know the days arrives when they are ready to accept some service and we are not prepared to do it, we won't be able to move forward. I think it is a fairly reasonable time and amount, particularly since we are being somewhat indemnified for the first three years, to start on a path that we probably ought to start on."

Mr. Oglesby stated: "First, I wanted to comment on a few things to provide some clarity. There was discussion about western Riverside County and the fact that they give up 22% - 22% versus 78%. I just want it to be known that the split did take place, but it was done after all the capital improvement. They actually had a system and then the discussion of the split took place. So we are doing it a little different. Comparing the way we are doing it now to the way they did it is apples and oranges. The way that they did it is that they went and got the capital money going through a "New Starts" program. It is a lengthy process; it's difficult to go through. What is happening here is instead of going through that, this seems like a quicker way to get the money, which is to just actually go to RCTC and get it. Also, it is mentioned \$1.2 million - it seems sort of minute, but we use 100% of our STA funds for capital. It's \$2 million that we get a year. So if we give up \$1.2 million, it only leaves us \$800,000 a year. That is a major reduction; that is more than half of the capital funding. When we list the impacts, I'm not sure now with the new three to four year - I don't know if that starts in three years, whether the \$1.2 million is split out over a three year period. All of that is not detailed in here and I have not looked at it. Either way, the fleet, facility and technology impacts will still take place. I am a big supporter of rail. I am actually excited that we have Prop. 1B money available - I think that is great news to have rail in the Valley. The bad news is for SunLine financially - that the proposal is still going to take \$1.2 million. So we are in a position where we are robbing Peter to pay Paul and unfortunately we are Peter. It is important that the Board realizes that. Yes, I believe in rail; we all want rail to happen as it would be great for the Valley and tourism, as well as for SunLine, but I just caution that as we move forward, \$1.2 million being taken, whichever way you cut it, if that is the case, some hard policy decisions have to be made in order to move forward. We as staff can do, but it has to be from the direction of the Board from a policy standpoint, not from the General Manager. That is why I brought it to the Board."

Councilmember Hutcheson stated the following: "First I wanted to say that I hardly endorse the Supervisor's remarks; he articulated it very well. It is sort of an ideal scenario. We are able to take the first step toward rail and rail never comes if we don't take that first step, but we get to step up and do it gradually so that SunLine can gradually adjust. No one at this table wants to give up the dollar for anything. We all understand that and we all have to do it every day. I very much respect Mikel's comments because that is exactly what the General Manager of SunLine should be articulating and I respect that fully. But I do think that if we are going to be able to move to rail, and I can't think of anything that would have a more profound economic impact on the County and our area, than rail coming here in the next five or ten years. We have to take that first step. We can phase into it gradually. People who live here and have to commute work west would be able to do that. Then you have the whole secondary economic positive impact in our tourism industry. I think it is a major win and shame on us if we don't go ahead and take this first step now. I think it is a great opportunity."

Mayor Garcia stated the following: "Last meeting my alternate was here and voiced some questions, for that matter, some concerns about the direction that this could take. Our ridership, and residents, and the work force for the tourism and the hospitality industry that drives our economy - I personally feel conflicted here in the sense that we probably will be at the same table with CVAG at the Transportation Committee deciding what direction to go. Whereas, here we are today talking about should we go this way, or should we go that way with the funding that could impact, as was outlined - some capital improvement projects here at SunLine and potentially some services. It was talked about at our last Council meeting, my alternate who was here, and the City Council did not take any formal position, but asked me to express serious concerns not so much against the efforts of bringing rail to our communities, but the immediate impact it would have on SunLine services to our community. I just wanted to make sure that I voiced that position and that concern that was expressed by the majority of our City Council."

Councilmember Miller stated the following: "I understand where Mayor Garcia is coming from too, but as Mr. Hutcheson and Mr. Benoit said, we have to take that first step. Indio has had multiple discussions with Goldenvoice, with both our casinos, Fantasy Springs and Spotlight; they are right next to each other, about providing service from the rail. It is an opportunity for us to get into the 21st century and to be able to provide not only economic opportunities to our hotels and our guests to come in here from the Airport and different transportation, but is also stops some of our congestion. This is a perfect plan with RCTC in allowing us to take a four year look at how we get grant funding - most of our shelters is grant funding, how we can aggressively look at maybe bringing in a new grant writer, or enhancing our grant writing opportunities to bring in more dollars. The rail system is going to stop some of the congestion that we constantly have on our freeway system, even though RCTC spends billions of dollars to enhance it, is still not going to keep up with our growth, especially here in the Coachella Valley. We need alternatives and one of them is going to have to be rail. We are going to have to face that eventually. If RCTC didn't make that move with Metro Link, just think of the congestion you would have in the

L.A. area without that kind of service available. The Coachella Valley is eventually going to come to that point where we are going to have too much traffic on our roads. This is an opportunity for us to do that. I agree we need to make an opportunity to give us a four year out, plus they are giving us a \$4.2 million investment in our own rail system that you can't turn down."

Chairman Spiegel asked the following: "Does it make any difference what we do here today? We are not going to be making the decision, it sounds like." Mr. Oglesby stated: "Based on the information that I got from CVAG, the answer would be that they are going to move forward with whatever they are going to move forward with. But I am kind of split because I am also on the rail committee and they are asking for an analysis that reflects policy and it's kind of difficult to try and create what the impacts are going to be without the Board knowing about it. I don't want to do it on my own and just hand it over. I will probably have to keep coming back to the Board when we put together whatever it is and do those things. That is really why I am putting this on the table because when it is requested of me to develop something, I knew that I didn't have the authority to move forward with it. Also, Vice Chair Parks had mentioned other sources. There are other sources including the New Starts program, which is usually what you go after for rail to get large sums of money. As you aware, it could cost up to \$100 million. \$1.2 million from SunLine is going to put a dent in it, but the good news is that the Prop. 1B money is going to get that ball rolling. If I had known that ahead of time, it probably would have been better if we had just moved forward with the Prop. 1B funding and got the ball rolling versus going after STA funds that we use 100% capital for."

Councilmember Hobart: "I don't think there is a higher priority in the Valley than rail service. We have a lot of priorities; bus service is one of them. I think the highest is rail service. It has to start somewhere and I agree with Supervisor Benoit, Mr. Miller and Mr. Hutcheson. I do believe particularly what Mr. Hutcheson says about the amount of money this means to the Valley. It is crucial for our long term survival."

Councilmember Hanson: "What came to my mind when the General Manager was talking – the good news is that you got three years – if everything was go forward as discussed with the STA funding of 10%, you have got three years to prepare for it, as opposed to them taking \$1.2 million, whatever it is, this year, which was the original proposal and what was thought of at the last meeting when your alternate was here (*Coachella alternate*). I'm sure when he went back he was thinking that they were going to be taking that kind of money immediately this year. The good news for you, as the General Manager and planning moving forward, is that you have got three years to plan for it and hopefully, and given what I have heard in the discussions at RCTC, everyone understands that. I think, quite frankly, they are going to help you more in trying to come up with alternative funding for yourself to augment the loss that you would have in your STA capital funding program. So I can understand your concern as the G.M. here. I would plan for the day that you are going to have 10% less than try to find alternate funding."

Mr. Oglesby stated the following: "Understood and just for clarification – it wouldn't be the loss that I have, it would be the loss that we have. It is not about Mike Oglesby.

We are looking at a lot of expansion - a lot of stuff we have been promising to the public when the day comes. We were kind of holding back trying to save money, get through the recession. Now that it looks like our funding is getting ready to branch out and we were going to do a lot of advancement and maybe cover some of the shortfalls, the money may be sliced. Again, I just got this (document), so I'm glad you provided clarification that we wouldn't be affected in a three year period. I read this and it kind of threw me a little bit. It says 'Establish 90% bus transit, 10% rail services split policy for Coachella Valley TDA funds, which would progressively phase in over a period of three to four years.' So the way that I read that is that it won't be immediate, but it would be phased in over a three to four year period. Those are the exact words. So it is not saying it is going to take place in three years, based on this. If that wasn't the intent, I am really big on what is written, and if the intent is one thing and it is written another, maybe Allyn can clarify that since it says he wrote this document and help me out a bit." Allyn stated: "People smarter than I are going to work on that." Mayor Garcia stated: "I think that is a very important question. Without answering the question, I don't think we can move forward. I don't feel comfortable moving forward."

Chairman Spiegel stated: "This conversation could go on indefinitely. Let me finish my comment. The recommendation is that staff recommends SunLine Board of Directors adopt a position statement clarifying the Board's response to the possible loss of funding and the impacts this may cause on SunLine's operation, and direct staff of SunLine to partner with CVAG and other relevant federal, state, and local agencies to seek alternative funding options and resources to support the Coachella Valley Rail Plan.' That is a good recommendation. It is simply to work with CVAG, try and find other ways to get money and we are going to be supporting rail."

Mayor Adolph stated: "I'm concerned about the response. What kind of response are you talking about?" Mr. Oglesby stated: "I don't know when this \$1.2 million takes effect - whether it is one year or in three years. Greater minds are going to figure that out, but it should be here. CVAG is looking for an analysis of the effect of the reduction of these funds. I don't know when it takes place. I'm all confused. I don't even know when it takes place so I can't do the analysis and it is going to be affecting a lot of major policy related things that I can't do."

Councilmember Pettis stated: "You have given the analysis of what, in your mind, is going to happen - it is in the staff report. That is what is going to go to CVAG's Transportation Committee on April 1. My reading of the General Manager's staff report is that he is going to ask this Board to make a policy statement against the transfer of the \$1.2 million." Mr. Oglesby stated: "It is not against; it is just to make a policy statement." Councilmember Pettis continued: "Against - transferring the \$1.2 million. That's my understanding of it. I heard the discussion and I don't get that sense of the Board that they are willing to take that statement. I think the Board certainly wants SunLine to continue to sit at the table with the rail subcommittee, continue to have discussions on how to improve transit services, both rail and buses; I think that is appropriate. But I also think that it's the Board sense that rail is an important aspect of what has to be done in the Coachella Valley and that we need to move forward with it. The ultimate decision is going to be RCTC at the end of the day in terms of funding."

Mayor Adolph stated: "Rail is inevitable; it's is going to happen." Vice Chair Parks stated: "It is going to happen, it's just when and where the funding comes from."

Chairman Spiegel stated: "I think we are in a place where we have to make some kind of a motion." Mr. Oglesby stated: "How about this. Since it seems that the Board wants to do, have the Board give me direction to move forward with doing the analysis of reducing the system by \$1.2 million and then the question then is, do I let you guys look at it, or do I give it to CVAG first? And by the way, it is not me – I keep hearing 'I' and 'me' – like Mike Oglesby. I deal with staff; staff comes up with the recommendation. I have professionals around me that are coming up with this analysis and putting it in front of me. I can go back with staff and we can put together what the affects would be. I sort of somewhat did it, so I am going to talk to CVAG and see if that is enough and if they are looking for more, than I can put in more detail. But, do I just hand it to them without bringing it to the Board? Or, do I bring it to the Board and then hand it them?"

Councilmember Pettis stated the following: "I will make a motion that the Board of SunLine direct staff to transmit the staff report to CVAG's Transportation Committee, that the Board of SunLine support CVAG and their efforts to bring rail service in the Coachella Valley and direct SunLine staff to continue to work with the CVAG rail subcommittee to establish good policies as it relates to both rail and bus service in the Coachella Valley."

Vice Chair Parks stated: "Can I just clarify one thing – and hopefully would be an amendment - that SunLine makes two projections as far as the loss. One, if they delay it three years before implementation and one if they do it immediately?" Councilmember Pettis stated: "You can do that, but I don't think there is any desire of CVAG right now to do a \$1.2 million diversion of funds." Vice Chair Parks stated: "As of now. So you are thinking that the staff report says – nothing is going to come out of SunLine's STA for three years?" Councilmember Pettis stated: "No, what I heard from this and we probably won't get detail until probably the Executive Committee - that may very well be a ramp up of some funds; I was going to throw out numbers. Could be a quarter of a million dollars this year, and \$500,000 next year – a ramp up as you are beginning to help offset some staffing. Right now CVAG is not spending anything as it relates to RCTC rail staff; we need start helping with some of that cost." Vice Chair Parks stated: "So that is what we would be doing – funding CVAG staff?" Councilmember Pettis stated: "RCTC."

Supervisor Benoit stated: "I am thinking that Mikel's reading of that memo is a little off. I think that the idea is that they are going to set aside \$1.2 million and they are going to offset it with this other funding. The idea is that we either accept that it is a good way to go or not as a Board here and make that recommendation. I tend to think that the consensus of the Board that I heard is that it is probably a good way to go – to give us time to build up to it. It will start with a \$1.2 million and will result in \$3 million or \$4 million in the bank. When and if we need to build a rail station, we will be able to accept the offer of service in the near future. My read of the Board is that it is okay with most of the members here with some expressed concerns."

Councilmember Hanson stated: "I am wondering if there is any action by this Board today required. It certainly – the Board could express its desire, but the end of the day, has no control over the funding." Vice Chair Parks stated: "It's the analysis that they want." Councilmember Miller stated: "Mikel is asking for the analysis. Councilmember Pettis put a motion on the table. Is there a second?"

Supervisor Benoit stated: "I would second the motion, but I think we need to add to it that we would be willing to entertain discussion about the \$1.2 million set aside of this fund starting immediately with the offset of the first three years because we believe that rail needs to be something that is going to come on the table here soon in the Coachella Valley and this is the way to do." Vice Chair Parks stated: "So you are saying that even though RCTC is putting forth \$4.2 million, you are still going to take \$1.2 million beginning July 2013 - \$1.2 million. So the analysis has to be the immediate short term loss." Supervisor Benoit stated: "No, that money is going to go into the fund and will then be offset by this Prop. B money in the short term for the first three years." Mr. Oglesby stated: "That is on CVAG's side, but from our side, we are going to lose \$1.2 million the first year. Is that accurate?" Councilmember Pettis stated: "What CVAG's report specifically said 'Establish a 90/10 split policy. TDA funds would be progressively phased in over a period of three to four years. So that full hit would not happen until down the road. There would be a ramp up of transferring of funds."

Supervisor Benoit stated: "With that understanding, could the motion be that we understand that, and are willing to entertain those kinds of discussions going forward and that we need to do this because rail is important in the future?"

To reiterate the motion: Councilmember Pettis made the following motion: "I will make a motion that SunLine direct staff to transmit the staff report to CVAG's Transportation Committee, that the Board of SunLine support CVAG and their efforts to bring rail service in the Coachella Valley and direct SunLine staff to continue to work with the CVAG rail subcommittee to establish good policies as it relates to both rail and bus service in the Coachella Valley." Supervisor Benoit seconded the motion stating: "I second the motion with the understanding that we are willing to entertain those kinds of discussions (*as discussed above*) going forward and that the position of this Board is that we need to do this because rail is important in the future." The following vote was given: Yes: Mayor Don Adolph, Councilmember Doug Hanson, Supervisor John Benoit, Councilmember Glenn Miller, Councilmember Rick Hutcheson, Councilmember Greg Pettis, Councilmember G. Dana Hobart; No: Chairman Robert Spiegel, Vice Chair Yvonne Parks; Mayor Eduardo Garcia – abstained from the vote.

14. Bus Service Request

Director of Transit Planning, Joe Forgiarini, addressed the Board: "This is a report regarding a request for service for the Shadow Hills High School which is located on the north-west corner of Indio. It is about four miles east of any of our current bus service. The area has developed over the last fifteen years and is now fairly well populated. The school itself has about 1500 students. Just to clarify, SunLine doesn't have the ability to implement bus service fully devoted to school student travel. There are restrictions on any transit agency doing that. We don't have the ability establish a

route fundamentally linked to a school. However, the area itself is a population of around 9,000 residents. So it is significant. It is in a gated community which provides challenges for us in developing a strong market for ridership. That being said, we are certainly considering the possibility of a route for that area. The cost to run an hourly service, weekdays, is in the vicinity of \$170,000 and we will be considering that as part of our planning. We would only recover about 10% of that cost. So we do have to bear in mind the impact as well, along with all the other service improvements that we have been trying to accommodate." Councilmember Pettis stated: "I am in support of this. It is about the same population base as Thousand Palms, what is our service there?" Mr. Forgiarini stated: "It's Line 32, which runs about every 50 minutes." Councilmember Pettis stated: "So it would be equivalent?" Mr. Forgiarini stated: "It could be close to equivalent. We would normally start with weekday service only until it is a route that has proven itself, rather than expand to a seven day service. It's very hard to remove a service once you have put it out there." Mr. Oglesby stated: "The reason that we brought that forward is that Councilmember Miller had brought it up and asked us to take a look at it. He had waived to me that he has read it." Mayor Adolph stated: "It is needed. I have driven it on many occasions." Chairman Spiegel stated: "The problem is that we are talking out of both sides of our mouth because we are cutting expenses and we want to add bus service. Doesn't make sense."

15. Locations for 70 New Bus Stop Shelters

Director of Planning, Joe Forgiarini, stated that included in the packet is the requested list of bus stops receiving new shelters.

At 1:30pm Chairman Spiegel suspended the SunLine Transit Agency meeting to hold the SSG meeting.

At 1:45pm Chairman Spiegel returned to open session.

16. General Manager's Report

General Manager stated the following: "Earlier this month I attended the American Public Transportation Association's annual Legislative Conference. I met with our local legislators, or their staff, to provide an update on all that is happening here at SunLine. I briefly met with our new Congressman, Raul Ruiz, and provided him with a report providing the exciting accomplishments and our future goals. He was quite impressed. In addition, I met with the acting FTA Associate Administrator for Research, Demonstration and Innovation, Walt Kulyk, who was very enthusiastic about the upcoming addition of two fuel cell buses to our fleet and future projects. It was a very successful trip. We held our annual SunLine Roadeo a couple of weeks ago. The winner of this year's roadeo is again, Victor Duran. Mr. Duran will be representing SunLine at the APTA International Roadeo to be held in Indianapolis in May. A great time was had by union and non-union employees who volunteered as judges or setup of the event as our dedicated drivers participated in the roadeo. Thanks to all staff! We wish Victor Duran luck as he competes in May. That concludes my report."

17. Next Meeting Date

April 24, 2013

12 o'clock Noon – Kelly Board Room

32-505 Harry Oliver Trail

Thousand Palms, CA 92276

At 1:45pm Chairman Spiegel moved into joint SunLine Transit and SSG Closed Sessions.

18. Closed Session

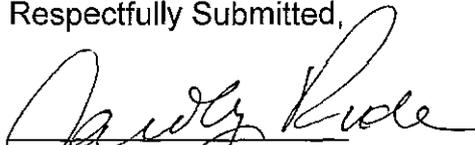
Closed Session – Conference with Legal Counsel- LIABILITY CLAIMS pursuant to subdivision (b)(3)(C) of Government Code Section 54956.9 – Claimant: Carl Fikes; Agency Claimed Against: SunLine Transit Agency.

At 1:55pm Chairman Spiegel moved to return to open session. No reportable action.

19. Adjourn

Chairman Spiegel adjourned the meeting at 1:55p.m.

Respectfully Submitted,


Carolyn Rude
Clerk of the Board

Approved By:



C. Mikel Oglesby
General Manager

Date: 4/10/13

March 2013 Statement



Open Date: 02/22/2013 Closing Date: 03/21/2013

Account:

Visa® Business Card
SUNLINE TRANSIT
C MIKEL OGLESBY.

Cardmember Service ☎ 1-866-552-8855
BUS 35 13

New Balance	\$2,714.63
Minimum Payment Due	\$28.00
Payment Due Date	04/17/2013
<p>Late Payment Warning: If we do not receive your minimum payment by the date listed above, you may have to pay up to a \$39.00 Late Fee and your APRs may be increased up to the Penalty APR of 28.99%.</p>	

Activity Summary		
Previous Balance	+	\$2,398.54
Payments	-	\$2,398.54 CR
Other Credits		\$0.00
Purchases	+	\$2,714.63
Balance Transfers		\$0.00
Advances		\$0.00
Other Debits		\$0.00
Fees Charged		\$0.00
Interest Charged		\$0.00
New Balance	=	\$2,714.63
Past Due		\$0.00
Minimum Payment Due		\$28.00
Credit Line		\$37,000.00
Available Credit		\$34,285.37
Days in Billing Period		28

Payment Options:



Mail payment coupon with a check



Pay online at myaccountaccess.com



Pay by phone 1-866-552-8855

No payment is required.

CPN 000848533

24-Hour Cardmember Service: 1-866-552-8855

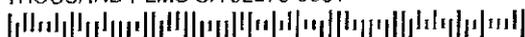
- ☎ to pay by phone
- ☎ to change your address

Automatic Payment

Account Number:

Your new full balance of \$2,714.63 will be automatically deducted from your account on 04/16/13.

SUNLINE TRANSIT
C MIKEL OGLESBY
32505 HARRY OLIVER TRL
THOUSAND OAKS CA 92276-3501





SUNLINE TRANSIT
C MIKEL OGLESBY,

Cardmember Service ☎ 1-866-552-8855

Important Messages

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Account and Agreement terms are not guaranteed for any period of time; we may change the terms of your Agreement, including APRs and fees, in accordance with applicable law and the terms of your Agreement. Your transactional experience with us may also cause a change, including an increase in the margin that is added to the Index, an increase in fees, or

a decrease in the Credit Limit. Factors considered in determining the increased rate or Credit Limit decrease may include your general credit profile; existence, seriousness and timing of the defaults under any agreement that you have with us; and other indications of the Account usage and performance. We will give you notice of any such change in the manner required by Ohio and federal law.

Any agreement changes to APRs and fees will apply to all new and outstanding Account balances you owe under your Account as of the effective date indicated in the notice or otherwise permitted by applicable law, unless the notice provides you with the right to opt out, and you do opt out, before the effective date.

Save time and money by consolidating your debt into one monthly payment. Check your mail for a great offer or call Cardmember Service today for information on a great rate.

Transactions

Payments and Other Credits

Post Date	Trans Date	Ref #	Transaction Description	Amount	Notation
03/18	03/16		PAYMENT THANK YOU	\$2,398.54CR	
TOTAL THIS PERIOD				\$2,398.54CR	

Purchases and Other Debits

Post Date	Trans Date	Ref #	Transaction Description	Amount	Notation
03/06	03/05	2510	AMERICAN PUBLIC TRANS 202-4964800 DC	\$700.00	
03/07	03/05	0071	APTA HOUSING OFFICE FALLS CHURCH VA	\$221.13	
03/15	03/14	5277	MARRIOTT 33769 JW DC WASHINGTON DC 03/13/13 FOR 01 NIGHTS FOLIO: 1920008080000	\$1,793.50	
TOTAL THIS PERIOD				\$2,714.63	

2013 Totals Year-to-Date

Total Fees Charged in 2013	\$0.00
Total Interest Charged in 2013	\$0.00

March 2013 Statement 02/22/2013 - 03/21/2013

Page 3 of 3

SUNLINE TRANSIT
C MIKEL OGLESBY

Cardmember Service ☎ 1-866-552-8855

Company Approval *(This area for use by your company)*

Signature/Approval: _____

Accounting Code: _____

Interest Charge Calculation

Your Annual Percentage Rate (APR) is the annual interest rate on your account.

**APR for current and future transactions.

Balance Type	Balance By Type	Balance Subject to Interest Rate	Variable	Interest Charge	Annual Percentage Rate	Expires with Statement	Interest Free Period
**BALANCE TRANSFER	\$0.00	\$0.00	YES	\$0.00	13.99%		NO
**PURCHASES	\$2,714.63	\$0.00	YES	\$0.00	13.99%		YES
**ADVANCES	\$0.00	\$0.00	YES	\$0.00	20.99%		NO

Contact Us

 Phone

Voice: 1-866-552-8855
TDD: 1-888-352-6455
Fax: 1-866-807-9053

 Questions

Cardmember Service
P.O. Box 6353
Fargo, ND 58125-6353



Mail payment coupon with a check

Cardmember Service
P.O. Box 790408
St. Louis, MO 63179-0408



Online

myaccountaccess.com

Pacific Western Bank
SunLine Transit Agency Visa Credit Card Statement
Closing Date: March 21, 2013

Payments and other credits:

Detail:			
03/18/13	Payment	Credit card payment	\$2398.54CR
Detail:			
03/05/13	APTA	APTA Bus/Paratransit/Rodeo Conf. Registration-General Manager	\$ 700.00
03/05/13	APTA Housing	APTA Bus/Paratransit/Rodeo Conf. Hotel Deposit-General Manager	\$ 221.13
03/14/13	Marriott JW DC	APTA Legislative Conference Hotel charges – General Manager	\$1793.50

Note: All travel is included in the Board approved FY 2013 budget.

Contracts Signed Under General Manager Authorization

February-13

Vendor	Product/Service	Need	GM Authoriztion	Cost
CPAC	Backup Data Recovery System	Existing data backup is at capacity. New equipment is 20TB with 5TB off site for recovery	Approved as part of a Budget line item of SRTP FY11/12	\$37,241.00



SunLine Transit Agency Monthly Ridership Report March - 2013

FY
2012 & 2013

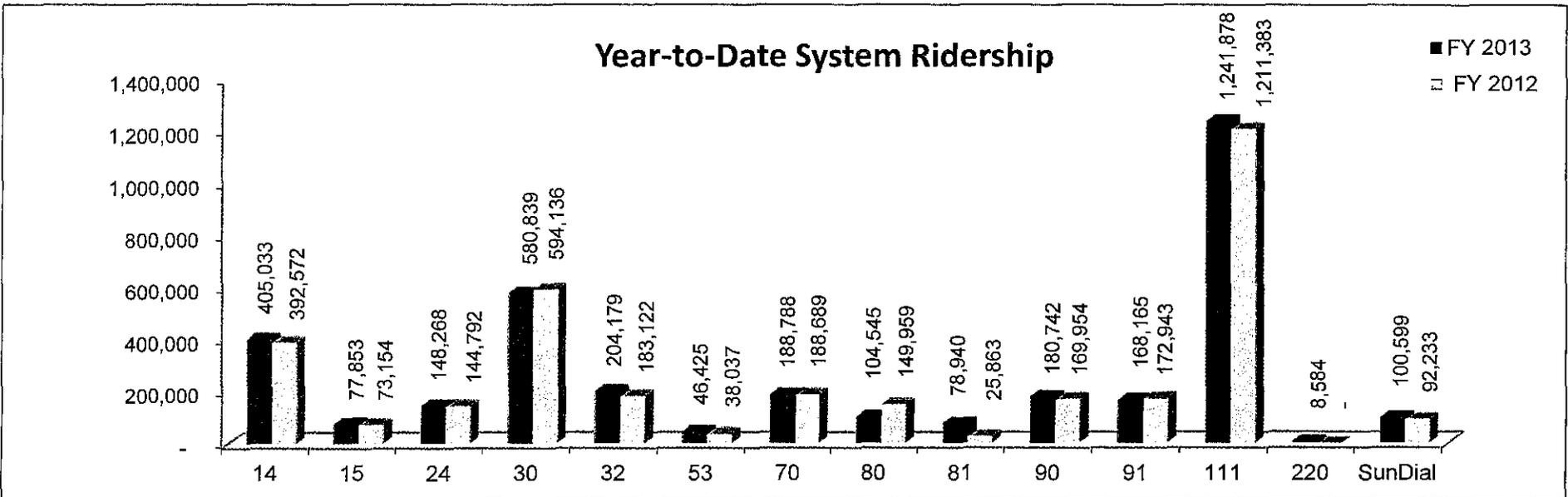
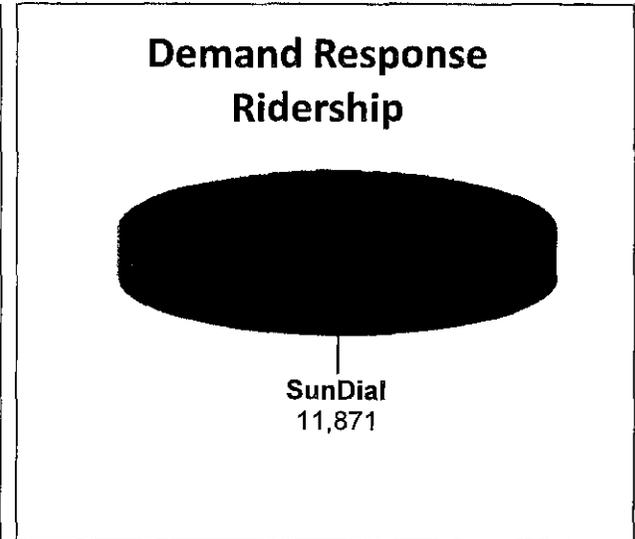
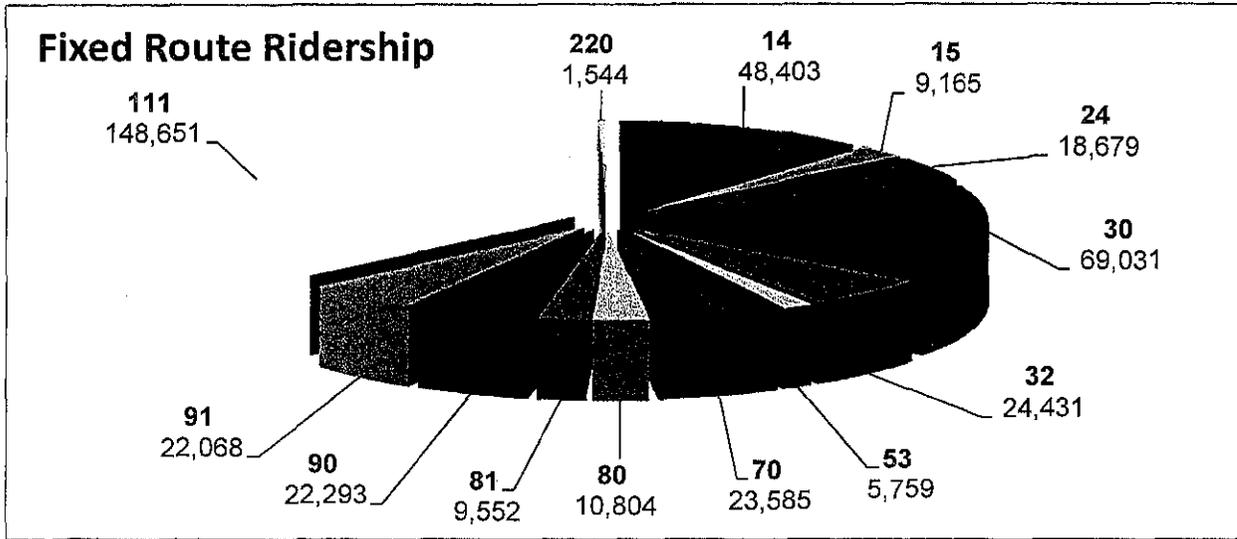
Line	Fixed Route Description	Mar 2013	Mar 2012	Feb 2013	Month Var.	% Var.	FY 2013 YTD	FY 2012 YTD	YTD Var.	% Var.	Bikes		Wheelchairs	
											Monthly	YTD	Monthly	YTD
14	DHS/PS	48,403	47,402	45,025	1,001	2.1%	405,033	392,572	12,461	3.2%	1,412	11,272	359	2,490
15	DHS	9,165	9,343	8,853	(178)	-1.9%	77,853	73,154	4,699	6.4%	134	1,006	53	327
24	PS/CC	18,679	17,805	17,053	874	4.9%	148,268	144,792	3,476	2.4%	410	3,507	163	1,146
30	CC/PS	69,031	73,367	64,143	(4,336)	-5.9%	580,839	594,136	(13,297)	-2.2%	1,900	15,980	663	5,498
32	PD/RM/TP/PS	24,431	23,818	24,019	613	2.6%	204,179	183,122	21,057	11.5%	1,155	9,422	158	1,613
53	PD/IW	5,759	5,062	5,600	697	13.8%	46,425	38,037	8,388	22.1%	202	1,857	33	154
70	LQ/BD	23,585	25,519	22,798	(1,934)	-7.6%	188,788	188,689	99	0.1%	606	5,239	47	602
80	Indio	10,804	11,970	10,693	(1,166)	-9.7%	104,545	149,959	(45,414)	-30.3%	140	1,253	115	1,049
81	Indio	9,552	8,845	9,084	707	0.0%	78,940	25,863	53,077	0.0%	110	1,068	78	811
90	Coachella/Indio	22,293	20,698	21,765	1,595	7.7%	180,742	169,954	10,788	6.3%	505	4,045	175	1,366
91	Cch/Th/Mecca	22,068	22,704	21,611	(636)	-2.8%	168,165	172,943	(4,778)	-2.8%	473	3,563	56	443
111	PS/Indio	148,651	149,810	140,924	(1,159)	-0.8%	1,241,878	1,211,383	30,495	2.5%	4,782	40,065	1,046	8,561
220	PD to Riverside	1,544	-	1,221	1,544	0.0%	8,584	-	8,584	0.0%	48	174	5	49
Fixed route total		413,965	416,343	392,789	(2,378)	-0.6%	3,434,239	3,344,604	89,635	2.7%	11,877	98,451	2,951	24,109
Demand Response														
SunDial		11,871	11,402	10,800	469	4.1%	100,599	92,233	8,366	9.1%				
System total		425,836	427,745	403,589	(1,909)	-0.4%	3,534,838	3,436,837	98,001	2.9%				
		Mar. 2013	Mar. 2012	Feb. 2013										
Weekdays:		21	22	20										
Saturdays:		5	5	4										
Sundays:		5	4	4										
Total Days:		31	31	28										

Please note:

Commuter Link 220 service was implemented on September 10, 2012.

Line 80 was separated into Lines 80 and 81 in January 2012. The percentage variances for Line 80 is calculating ridership before the routes were separated.

SunLine Transit Agency Monthly Ridership Report March - 2013





SunDial Operational Notes
March 2013

1. ON-TIME PERFORMANCE

<u>Last Year</u>	<u>This Year</u>	
91.0	89.4	Total trips carried in the on-time window
706	1241	Total trips late during the month
10,380	11,703	Total trips

2. RIDERSHIP and MILEAGE

<u>Last Year</u>	<u>This Year</u>	
11,402	11,871	Total passengers for the month
93,083	98,843	Total miles traveled for the month

3. SAFETY

<u>Last Year</u>	<u>This Year</u>	
0	0	Total preventable accidents

4. RIDE-A-LONG & ONBOARD EVALUATIONS

<u>Last Year</u>	<u>This Year</u>	
0	0	Total Ride-a-Long Evaluations
4	21	Total Onboard Inspections
2	4	Total Safety Evaluations

5. DENIALS

<u>Last Year</u>	<u>This Year</u>	
0	0	Total Denied Trips

6. WHEELCHAIR BOARDINGS

<u>Last Year</u>	<u>This Year</u>	
1,884	1,477	Total Mobility Device Boarding's

cc: Mikel Oglesby, Carolyn Rude, Polo Del Toro, Mannie Thomas, Jim Rayl, Diane Beebe

SunLine Transit Agency

DATE: April 24, 2013 **ACTION**

TO: Finance Committee
Board of Directors

FROM: Director of Operations

RE: Award of Contract for HyRadix Reformer Maintenance Support

Recommended Action

Recommend that the Board grant authorization to the General Manager to approve award of a contract for maintenance support of the HyRadix reformer equipment to Patrick Brassil upon review as to form and legality by Legal Counsel.

Background

In 2006, SunLine Transit Agency installed a commercial HyRadix Aptus™ Hydrogen Generator capable of producing up to 220 kg/day as well as a six-year maintenance agreement to guarantee reformer operation. In December 2012, the final maintenance service, per this agreement, was performed. SunLine will be contracting for maintenance support for the reformer per annual basis. This is a Sole Source procurement based on the uniqueness of this equipment and the requirement to only allow qualified personnel to perform maintenance. Mr. Brassil is the only known source to provide these services.

Financial Impact

SunLine's estimated cost for this new service is \$60,000 per year for a total \$180,000 over three years. This will be paid using existing operational funding on an annual basis.



Apolonio Del Toro



**AGENDA
FINANCE COMMITTEE**

**April 24, 2013
10:15 a.m. – 11:00 a.m.**

**G.M. Conference Room
SunLine Transit Agency
Thousand Palms, CA**

1. **Call to Order**
 2. **Roll Call**
 3. **Public Comments**
 4. **Consent Calendar**
 - a) Transit checks over \$1,000 for March, 2013 (To be provided at May Board meeting)
 - b) Credit card statement March, 2013 (Pages 1-4)
 - c) SunLine Transit Monthly Budget Reports for February, 2013 (Reports to be provided at May Board meeting)
 - d) Contract Report – March, 2013. (Page 5)
 5. **Award of Contract for HyRadix Reformer Maintenance Support** **Approve**
(Apolonio Del Toro)
Discuss request to the Board to grant authorization to the General Manager to approve award of a contract for maintenance support of the HyRadix reformer equipment. (Page 6)
- **DISCUSSION** -----
6. **SunLine FY 2013 Six-Month Budget Status Report (C. Mikel Oglesby)** **Discussion**
Discuss the FY 2013 six-month budget status report. (To be provided at the Finance Committee meeting.)
-
7. **Adjourn**

March 2013 Statement



Open Date: 02/22/2013 Closing Date: 03/21/2013

Account:

Visa® Business Card
SUNLINE TRANSIT
C MIKEL OGLESBY,

Cardmember Service (1-866-552-8855
BUS 35 13

New Balance	\$2,714.63
Minimum Payment Due	\$28.00
Payment Due Date	04/17/2013
<p>Late Payment Warning: If we do not receive your minimum payment by the date listed above, you may have to pay up to a \$39.00 Late Fee and your APRs may be increased up to the Penalty APR of 28.99%.</p>	

Previous Balance	+	\$2,398.54
Payments	-	\$2,398.54cr
Other Credits		\$0.00
Purchases	+	\$2,714.63
Balance Transfers		\$0.00
Advances		\$0.00
Other Debits		\$0.00
Fees Charged		\$0.00
Interest Charged		\$0.00
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Credit Line		\$37,000.00
Available Credit		\$34,285.37
Days in Billing Period		28

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Pay online at myaccountaccess.com



Pay by phone 1-866-552-8855

No payment is required.

CPN 000648533

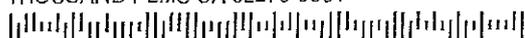
Automatic Payment

24-Hour Cardmember Service: 1-866-552-8855

- (to pay by phone
- (to change your address

Account Number:
Your new full balance of \$2,714.63 will be automatically deducted from your account on 04/16/13.

SUNLINE TRANSIT
C MIKEL OGLESBY
32505 HARRY OLIVER TRL
THOUSAND PLMS CA 92276-3501





SUNLINE TRANSIT
C MIKEL OGLESBY

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Any agreement changes to APRs and fees will apply to all new and outstanding Account balances you owe under your Account as of the effective date indicated in the notice or otherwise permitted by applicable law, unless the notice provides you with the right to opt out, and you do opt out, before the effective date.

Save time and money by consolidating your debt into one monthly payment. Check your mail for a great offer or call Cardmember Service today for information on a great rate.

Transactions

Payments and Other Credits

Post Date	Trans Date	Ref #	Transaction Description	Amount	Notation
03/18	03/16		PAYMENT THANK YOU	\$2,398.54CR	_____
TOTAL THIS PERIOD				\$2,398.54CR	

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TOTAL THIS PERIOD				\$2,714.63	

2013 Totals Year-to-Date	
Total Fees Charged in 2013	\$0.00
Total Interest Charged in 2013	\$0.00

March 2013 Statement 02/22/2013 - 03/21/2013

Page 3 of 3

SUNLINE TRANSIT
C MIKEL OGLESBY

Cardmember Service ☎ 1-866-552-8855

Company Approval *(This area for use by your company)*

Signature/Approval: _____ Accounting Code: _____

Interest Charge Calculation

Your Annual Percentage Rate (APR) is the annual interest rate on your account.

**APR for current and future transactions.

Balance Type	Balance By Type	Balance Subject to Interest Rate	Variable	Interest Charge	Annual Percentage Rate	Expires with Statement	Interest Free Period
**BALANCE TRANSFER	\$0.00	\$0.00	YES	\$0.00	13.99%		NO
**PURCHASES	\$2,714.63	\$0.00	YES	\$0.00	13.99%		YES
**ADVANCES	\$0.00	\$0.00	YES	\$0.00	20.99%		NO

Contact Us

 Phone

Voice: 1-866-552-8855
TDD: 1-888-352-6455
Fax: 1-866-807-9053

 Questions

Cardmember Service
P.O. Box 6353
Fargo, ND 58125-6353



Mail payment coupon with a check

Cardmember Service
P.O. Box 790408
St. Louis, MO 63179-0408



Online

myaccountaccess.com

Pacific Western Bank
SunLine Transit Agency Visa Credit Card Statement
Closing Date: March 21, 2013

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Detail:			
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Detail:			
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03/14/13	Marriott JW DC	APTA Legislative Conference Hotel charges – General Manager	\$1793.50

Note: All travel is included in the Board approved FY 2013 budget.

Contracts Signed Under General Manager Authorization

February-13

Vendor	Product/Service	Need	GM Authorization	Cost
CPAC	Backup Data Recovery System	Existing data backup is at capacity. New equipment is 20TB with 5TB off site for recovery	Approved as part of a Budget line item of SRTP FY11/12	\$37,241.00

SunLine Transit Agency

DATE: April 24, 2013 **ACTION**
TO: Finance Committee
Board of Directors
FROM: Director of Operations
RE: Award of Contract for HyRadix Reformer Maintenance Support

Recommended Action

Recommend that the Board grant authorization to the General Manager to approve award of a contract for maintenance support of the HyRadix reformer equipment to Patrick Brassil upon review as to form and legality by Legal Counsel.

Background

In 2006, SunLine Transit Agency installed a commercial HyRadix Aptus™ Hydrogen Generator capable of producing up to 220 kg/day as well as a six-year maintenance agreement to guarantee reformer operation. In December 2012, the final maintenance service, per this agreement, was performed. SunLine will be contracting for maintenance support for the reformer per annual basis. This is a Sole Source procurement based on the uniqueness of this equipment and the requirement to only allow qualified personnel to perform maintenance. Mr. Brassil is the only known source to provide these services.

Financial Impact

SunLine's estimated cost for this new service is \$60,000 per year for a total \$180,000 over three years. This will be paid using existing operational funding on an annual basis.


Apolonio Del Toro



**SUNLINE SERVICES GROUP
BOARD MEETING AGENDA**

**Wednesday, April 24, 2013
12:00 pm
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**
Chairman Robert Spiegel

2. **Roll Call**

3. **Finalization of Agenda**

4. **Presentations**

5. **Correspondence**
None.

6. **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.

7. Board Member Comments**Receive Comments**

Any Board Member who wishes to speak may do so at this time.

ACTION**8. 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 March 27, 2013 Board of Directors Meeting (Pages 1-4)
- b) SSG/SRA checks over \$1000 issued March, 2013 (To be provided at the May Board meeting)
- c) SSG/SRA Monthly Budget Reports, February, 2013 (To be provided at the May Board meeting)
- d) Taxi Vehicle/Rides Analysis, March, 2013 (Pages 5-6)

INFORMATION**9. Name Change Approval for Airport Taxi (C. Mikel Oglesby)**

Provide the Board with a report of process for the name change for Airport Taxi to Desert City Cab. (Pages 7-8)

10. Closed Session

- a) Closed session – “CONFERENCE WITH LABOR NEGOTIATORS
Government Code Sec. 54957.6: Designated Representatives: The Ad Hoc Committee (Robert A. Spiegel, Yvonne Parks, G. Dana Hobart, Don Adolph, Glenn Miller)’ Unrepresented Employee: General Manager.

11. Next Meeting Date

May 22, 2013, or as needed.
12 o'clock Noon – Kelly Board Room

12. Adjourn

MINUTES
SunLine Services Group
Board of Directors Meeting
March 27, 2013

A regular meeting of the SunLine Services Group Board of Directors was held on Wednesday, March 27, 2013 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 1:30p.m. by Chairman Robert Spiegel.

2. Roll Call

Completed.

Members Present

Robert Spiegel, Chairman, Councilmember, City of Palm Desert
Yvonne Parks, Vice Chairman, Mayor, City of Desert Hot Springs
Rick Hutcheson, Councilmember, City of Palm Springs
Greg Pettis, Councilmember, City of Cathedral City
G. Dana Hobart, Councilmember, City of Rancho Mirage
Douglas Hanson, Councilmember, City of Indian Wells
Don Adolph, Mayor, City of La Quinta
Eduardo Garcia, Mayor, City of Coachella
John J. Benoit, Supervisor, County of Riverside

Members Absent

Glenn Miller, Councilmember, City of Indio

Guests:

Joe Pradetto, County of Riverside
Scott Ellerbrock, PERMA
Kerry Trost, PERMA
Allyn Waggle, CVAG
Kathleen Bennett, Resort Marketing
Bill Meyers, Yellow Cab of the Desert
Michal Brock, Yellow Cab of the Desert
Mabu Hossein, Desert City Cab
KD Labana, Desert City Cab
Harry Incs, American Cab
Scott Russo, American Cab
Patti Patane, Public
Dan Powers, Public

Staff:

C. Mikel Oglesby, General Manager
Jeffrey Goldfarb, Legal Counsel
Carolyn Rude, Special Asst. to the General Manager/Clerk of the Board
Polo Del Toro, Director of Operations

Joe Forgiarini, Director of Transit Planning
Mike Morrow, Director of Maintenance
Don Bradburn, Director of Human Resources
Brenda Walker, Director of Finance
Tommy Edwards, Contracting Officer Technical Representative
Rudy LeFlore, Procurement Consultant
Mannie Thomas, Manager of Operations and Safety Training
Joseph Friend, Senior T Systems Analyst
Rick Barone, Procurement Officer
Michael Jones, Manager Taxicab Administration
Ivanna Samokish, Safety and Security Coordinator
Anita Petke, Transit Planning Assistant
Karen Thomas, Senior Administrative Assistant
Francine DePalo, Administrative Assistant
Mike Jones, Taxi Cab Manager
Vanessa Mora, Desktop Support Technician

3. **Finalization of Agenda**

No changes to agenda.

4. **Presentations**

None.

5. **Correspondence**

None.

6. **Public Comments**

NON - AGENDA ITEMS

None.

AGENDA ITEMS:

None.

7. **Board Member Comments**

None.

8. **Consent Calendar**

Vice Chair Parks moved for approval of the consent calendar. The motion was seconded by Councilmember Hutcheson. The motion was approved by a unanimous vote.

9. **Adoption of Resolution Setting Taxicab Rates**

Vice Chair Parks stated the following: "The Taxicab Committee reviewed this request in its entirety and makes a recommendation to the Board to approve staff recommendation with the change of date of implementation to April 1, 2013, instead of May 1st." Chairman of the Taxi Committee, Councilmember Hobart stated: "This gives them the opportunity to have the higher rate for Coachella Fest." Councilmember Pettis stated: "In the agenda, it speaks about the other item – the waiting time?" Vice Chair Parks stated: "The waiting time is in there, but does not change. The rate per mile goes up to \$3.12 and is to be

implemented April 1st." Councilmember Hanson asked: "Question on the rate. The justification for the increase in rate was because of fuel costs. Is that it?" Mr. Oglesby answered: "Yes, that is what triggered it. But the justification for the change is in the Ordinance. It requests that we review annually." Councilmember Hanson further stated: "You review it annually; you determined that because of the fuel costs, you should have a rate increase. Given that fuel costs are fluctuating up and down, and this year and maybe it will never go down, has there ever been any thought given to having rather than a rate increase, having a fuel surcharge that would be based upon the price of gas at any given time, and to the extent that it could be implemented - that this fuel surcharge would apply depending on what the cost of gas is at any given time? Was that considered or discussed?" Vice Chair Parks stated: "The consideration is that their rate is posted on their cabs. So it would have to be changed every time the fuel goes up or down." Mr. Oglesby stated: "I can answer the question. First, let me start by talking a little bit about the cap that we currently have. When we look at the dollar amount, when we put the maximum amount on, the operators can charge up to that amount. So at any given time, should the price of gas go down, they could lower that amount. We give them the flexibility to manage their business by doing that. In a way, that is an approach of doing it similar to what you are mentioning - which is instead of putting a set dollar amount that can be plugged in, we are setting the cap up and down. There was a time when we did look at the methodology of a fuel surcharge and that got us in a little bit of hot water. I can't remember the specifics, but it was before we went into the franchise system. We were doing all types of charges and fuel charges and it required us to come back constantly and take a look at it versus what you are saying. I remember there was an analysis done, and this was a simpler approach. We can come back to the Board at any time if there is a drastic change." Councilmember Hanson further asked: "Has the rate ever been lowered?" Mr. Oglesby stated: "Yes, we lowered the rate quite some time ago; it was kind of a pendulum where when we lowered the rate, the owners and the drivers weren't happy, but the riders were happy. Then we raised the rate, the owners and the drivers were happy, but the riders were not. Mayor Adolph may be able to speak to that. He was on the Taxi Committee." Mayor Adolph stated: "Yes, the drivers used to come in and say the fuel costs are going on and it is killing us. We made the adjustments to meet their needs so they could make a profit. We did this many times."

Councilmember Hobart stated: "We learned one thing in the Taxi Committee that I think everybody in the room did not know. I think most everybody didn't know, including all of us. Listen to this sentence: 'When a taxicab slows to a speed below 12 miles per hour, the wait time calculation kicks in as a supplement to the per mile rate. All of us thought that the wait time meant when you were stopping - waiting. This was written in July of 2010. It is just interesting to add to our knowledge about the business of regulating.'" Vice Chair Park stated: "In the Taxi Committee we had a long discussion with each of the three taxi companies in order to make our recommendation."

Vice Chair Parks moved for approval with an implementation date of April 1, 2013. The motion was seconded by Councilmember Pettis. The motion was approved by a unanimous vote.

10. Establishment/Ratification of Board Committees & Approval of Bylaws

Legal Counsel, Jeff Goldfarb, recommended to continue this item. Councilmember Hobart moved for approval to continue item. The motion was seconded by Councilmember Hutcheson and approved by a unanimous vote.

At 1:40pm, Chairman Spiegel announced that the Board would need to add an emergency closed session. Legal Counsel, Jeff Goldfarb stated the following: "First, if we could, as SSG, authorize a Closed Session to occur after the Closed Session for STA. Let me give you the facts and circumstances for the Closed Session. The need for immediate action has recently come to the attention of a local agency and the situation is this: we received a letter from an attorney who represents a cab driver. A cab driver was recently arrested for driving under the influence. SSG has suspended that person's cab driver permit. He is asking for a hearing to be held in very short order. The purpose of the Closed Session is to discuss several issues associated with this. We got the letter from the attorney on the 26th so the need for this arose after the posting of the agenda. It takes a 2/3 vote to convene a closed session. Councilmember Hobart moved to add the closed session. Councilmember Hutcheson seconded the motion and was approved by a unanimous vote.

At 1:45pm, Chairman Spiegel suspended SSG meeting to reconvene SunLine Transit Agency meeting to hold joint SunLine Transit Agency and SSG Closed Sessions.

Closed Session

Closed session to conference with Legal Counsel—(Gov. Code Sec. 54956.9).

At 1:55pm, Chairman Spiegel returned to open session. No reportable action.

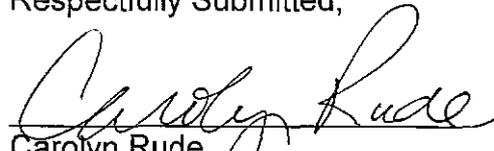
11. Next Meeting Date

Chairman Spiegel announced that the next regular meeting of the Board of Directors will be held April 24, 2013 at 12 noon – Kelly Board Room, 32-505 Harry Oliver Trail, Thousand Palms, CA 92276.

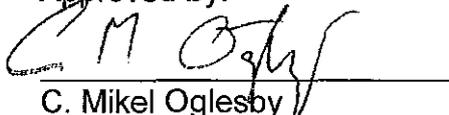
12. Adjourn

Chairman adjourned the meeting at 1:55p.m.

Respectfully Submitted,


Carolyn Rude
Clerk of the Board

Approved by:


C. Mikel Oglesby
General Manager

Date: 4/10/13

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												
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DEC	187	38,687	207	232	34,534	149	243	46,866	193	204	36,141	177	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
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	FY 04/05		FY 05/06		FY 06/07		FY 07/08		FY 08/09	
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LOWEST TRIPS	AUG	23,671	AUG	29,238	AUG	29,459	JUL	33,019		
MOST VEHICLES	JUL	170	JUL	151	APR	170	F,M	174		
LEAST VEHICLES	NOV	153	NOV	117	AUG	123	SEP	131		
MOST TRIPS/VEH	APR	345	APR	1004	APR	421	MAR	412		
LEAST TRIPS/VEH	AUG	153	AUG	198	AUG	240	JUL	250		

SunLine Services Group

DATE: April 24, 2013 **INFORMATION**

TO: Taxi Committee
Board of Directors

FROM: General Manager

RE: Name Change Approval for Airport Taxi

Background

In early 2012, Airport Taxi notified SunLine Services Group that it was interested in changing its name from Airport Taxi Inc. to Airport Taxi Inc, dba "Desert City Cabs." Given the issues raised by the change in corporate membership within American Cab, SunLine staff contacted SunLine Legal Counsel to determine how to proceed.

SunLine Legal Counsel discovered that Section 1.065 sub B2 prohibits a Franchisee from placing any advertisement (presumably including signage on the side of the cab) which "uses a name other than the name registered with SSG for which a valid Franchise has been issued without first obtaining written consent of SSG." After discussion with SunLine staff, it was agreed that approving a name change would be within the authority of staff and thus did not need Board approval.¹

Through coordination with General Counsel, Airport Taxi was sent a letter dated April 3, 2012 indicating conditions that had to be met in order to confirm that this was only a change in name and not a change in ownership. This concern was raised because of the pending change in the Ordinance bringing ownership changes under the purview of the SSG Board of Directors.

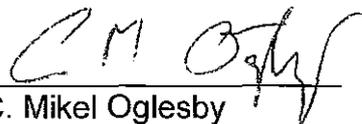
On April 3, 2012, Airport Taxi was sent a letter communicating a conditional approval and the conditions that had to be met in order to finalize the change. Since several conditions had to be met, Airport Taxi undertook satisfying these conditions at their own expense and risk. It was stipulated in the letter that if all conditions were not met, the name change would be considered null and void.

¹ the rationale supporting this decision is that the Ordinance only required "SSG approval," not Board approval, which often times spelled out as a requirement (i.e. Section 1.030 A "The Board may, and is empowered to, grant any qualified person a nonexclusive franchise to operate a taxi cab..." 1.040 B2 "...each one year extension period shall rest exclusively with the Board.")

The SSG Ordinance approved in September, 2012 and implemented thirty days later, brought ownership changes under the purview of the SSG Board of Directors. SunLine Counsel and Counsel for Airport Taxi had agreed on the language to be certified to by Airport Taxi that the change was in name only and not an ownership change. That certificate was received in March, 2013.

During the name change process, SunLine became aware that Airport Taxi also intended on pursuing an ownership change, in part due to the death of an owner and in part due to other issues. SunLine informed Airport Taxi that they would have to comply with Section 1.090.5 prior to obtaining approval of the change in membership. No application has yet been received; however, SunLine's General Counsel spoke to Airport Taxi's attorney as recently as Monday, April 8 at which time Airport Taxi's Counsel told SunLine's Counsel that they are in the process of compiling all the necessary information to apply for approval of the membership change. Airport Taxi has continually emphasized, however, that the name change is not dependent upon approval of the change in ownership. In support of this claim of independence, Airport Taxi signed a declaration that it intends to rebrand the company regardless of whether the change in ownership occurs. Given this uncoupling of the two requests, SunLine approved the name change.

In the abundance of caution, Airport Taxi (aka Desert City Cab) was sent a reminder earlier this month that SRA had not received a valid request for ownership change subsequent to the new Ordinance requirements being applicable. No ownership change has been received by any franchise subsequent to the new ownership provisions going into effect.


C. Mikel Oglesby



**AGENDA
TAXI COMMITTEE MEETING**

**April 24, 2013
9:30am – 10:15am**

**Board Room
SunLine Transit Agency
Thousand Palms, CA**

(Public Comments will be accepted on each Agenda item upon the conclusion of the staff report on that item. Public comments on non-agendized items will be accepted during the Public comments section. Comments may be limited to 3 minutes in length. Please notify the Committee Chair if you wish to comment.)

1. **Call to Order**

2. **Roll Call**

3. **Confirmation of Agenda**

4. **Public Comments**

Receive Comments

Anyone wishing to address the Taxi Committee on items not on the Agenda should do so at this time. Each presentation is limited to three minutes.

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

5. **Consent Calendar**

- a) SSG/SRA checks over \$1000 issued for March, 2013 (To be provided at the May Board meeting)
- b) SSG/SRA Monthly Budget Report February, 2013 (Reports to be provided at the May Board meeting)
- c) Taxi Vehicle/Rides Analysis, March, 2013 (Pages 1-2)

----- **INFORMATION** -----

6. **Name Change Approval for Airport Taxi (C. Mikel Oglesby)**

Provide the Board with a report of process for the name change for Airport Taxi to Desert City Cab. (Pages 3-4)

----- **DISCUSSION** -----

7. **Taxicab Study Proposal** (C. Mikel Oglesby)

Discuss and provide input on the selection process of the evaluation of the taxicab study proposal received. (Page 5)

8. **Adjourn**

TRIP vs. VEHICLE ANALYSIS

TRIP vs. VEHICLE ANALYSIS

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SunLine Services Group

DATE: April 24, 2013 **INFORMATION**

TO: Taxi Committee
Board of Directors

FROM: General Manager

RE: Name Change Approval for Airport Taxi

Background

In early 2012, Airport Taxi notified SunLine Services Group that it was interested in changing its name from Airport Taxi Inc. to Airport Taxi Inc, dba "Desert City Cabs." Given the issues raised by the change in corporate membership within American Cab, SunLine staff contacted SunLine Legal Counsel to determine how to proceed.

SunLine Legal Counsel discovered that Section 1.065 sub B2 prohibits a Franchisee from placing any advertisement (presumably including signage on the side of the cab) which "uses a name other than the name registered with SSG for which a valid Franchise has been issued without first obtaining written consent of SSG." After discussion with SunLine staff, it was agreed that approving a name change would be within the authority of staff and thus did not need Board approval.¹

Through coordination with General Counsel, Airport Taxi was sent a letter dated April 3, 2012 indicating conditions that had to be met in order to confirm that this was only a change in name and not a change in ownership. This concern was raised because of the pending change in the Ordinance bringing ownership changes under the purview of the SSG Board of Directors.

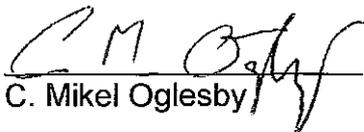
On April 3, 2012, Airport Taxi was sent a letter communicating a conditional approval and the conditions that had to be met in order to finalize the change. Since several conditions had to be met, Airport Taxi undertook satisfying these conditions at their own expense and risk. It was stipulated in the letter that if all conditions were not met, the name change would be considered null and void.

¹ the rationale supporting this decision is that the Ordinance only required "SSG approval," not Board approval, which often times spelled out as a requirement (i.e. Section 1.030 A "The Board may, and is empowered to, grant any qualified person a nonexclusive franchise to operate a taxi cab..." 1.040 B2 "...each one year extension period shall rest exclusively with the Board.")

The SSG Ordinance approved in September, 2012 and implemented thirty days later, brought ownership changes under the purview of the SSG Board of Directors. SunLine Counsel and Counsel for Airport Taxi had agreed on the language to be certified to by Airport Taxi that the change was in name only and not an ownership change. That certificate was received in March, 2013.

During the name change process, SunLine became aware that Airport Taxi also intended on pursuing an ownership change, in part due to the death of an owner and in part due to other issues. SunLine informed Airport Taxi that they would have to comply with Section 1.090.5 prior to obtaining approval of the change in membership. No application has yet been received; however, SunLine's General Counsel spoke to Airport Taxi's attorney as recently as Monday, April 8 at which time Airport Taxi's Counsel told SunLine's Counsel that they are in the process of compiling all the necessary information to apply for approval of the membership change. Airport Taxi has continually emphasized, however, that the name change is not dependent upon approval of the change in ownership. In support of this claim of independence, Airport Taxi signed a declaration that it intends to rebrand the company regardless of whether the change in ownership occurs. Given this uncoupling of the two requests, SunLine approved the name change.

In the abundance of caution, Airport Taxi (aka Desert City Cab) was sent a reminder earlier this month that SRA had not received a valid request for ownership change subsequent to the new Ordinance requirements being applicable. No ownership change has been received by any franchise subsequent to the new ownership provisions going into effect.


C. Mikel Oglesby

SunLine Services Group

DATE: April 24, 2013 **DISCUSSION**
TO: Taxi Committee
FROM: General Manager
RE: Taxi Study Proposal Evaluation

Background

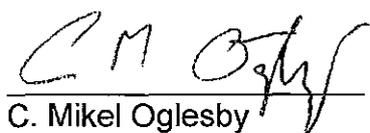
At the direction of the SunLine Services Group (SSG) Taxi Committee, SunLine Staff drafted and issued a solicitation for taxi consulting services. This study was to be used to, among other things, assist the SSG Board with the disposition of the non-temporary permits abandoned by Classic Yellow Cab.

SunLine posted the solicitation on its website and directly solicited at least five vendors on January 30, 2013. Questions provided by potential proposers were responded to on March 8, 2013 via Addendum No. 1.

On March 13, 2013, the proposal due date, Staff received only one proposal. A preliminary review of this proposal indicates that it is responsive to the solicitation.

Due to the sensitive nature of this study, Staff wants to ensure that an opportunity for input from the Taxi Committee is provided prior to concluding the selection process. This may include an interview by Committee Members prior to execution of an agreement.

Staff invites the Taxi Committee to provide input on the selection process.


C. Mikel Oglesby