

**SUNLINE TRANSIT AGENCY
BOARD MEETING AGENDA**

**Wednesday, September 28, 2016
12:00 p.m.
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

- | | |
|--|--------------------------------|
| <p>1. <u>Call to Order</u>
Chairperson Kristy Franklin</p> <p>2. <u>Flag Salute</u></p> <p>3. <u>Roll Call</u></p> <p>4. <u>Presentations</u>
None</p> <p>5. <u>Finalization of Agenda</u></p> <p>6. <u>Public Comments</u>
(NOTE: Those wishing to address the Board should complete a Public Comment Card and will be called upon to speak.)</p> | <p>Receive Comments</p> |
|--|--------------------------------|

NON AGENDA ITEMS

Anyone wishing to address the Board on items not on the agenda may do so at this time. A limitation of 3 minutes may be imposed upon each person so desiring to address the Board during the first Public Comments designation on the agenda.

AGENDA ITEMS

Anyone wishing to address specific items on the agenda should notify the Clerk at this time so those comments can be made at the appropriate time. A limitation of 3 minutes may be imposed upon each person so desiring to address the Board.

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

----- **RECEIVE AND FILE** -----

8. **Financial Audit for Fiscal Year Ended June 30, 2016** **Receive & File**
(Robert Spiegel, Chair of Finance/Audit Committee;
Staff: Alton Hillis, Sr.)
Recommend that the Board of Directors Receive and File the Fiscal Year 2016 Audit. (Page 1) [SunLine Audited Financial Statements](#); [SunLine Services Group Audited Financial Statements](#)
9. **Consent Calendar** **Receive & File**
All items on the Consent Calendar will be approved by one motion, and there will be no discussion of individual items unless a Board Member requests a specific item be pulled from the calendar for separate discussion. The public may comment on any item.
- a) [Checks over \\$1,000 report for June/July 2016](#) (Page 2-8)
 - b) [Credit Card Statement for July/August 2016](#) (Page 9-17)
 - c) [Monthly Budget Variance Report for June/July 2016](#) (Page 18-25)
 - d) [Contracts Signed in Excess of \\$25,000 June/July 2016](#) (Page 26)
 - e) [Ridership Report for June/July 2016](#) (Page 27-30)
 - f) [SunDial Operational Notes for June/July 2016](#) (Page 31-32)
 - g) [Metrics \(On time Performance, Early Departures, Late Departures, Late Cancellations, Fleet Availability, Driver Absence, Advertising Revenue, Fixed Route Customer Comments, Paratransit Customer Comments\)](#) (Page 33-41)
 - h) [Board Member Attendance](#) (Page 42)
 - i) [International Zero Emission Bus/Fuel Cell Bus Workshop, London, England – Invitation to speak and technical tour of hydrogen facilities](#) (Page 43-48)

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

10. **Approval of Minutes** **Approve**
Request to the Board to approve the Minutes of the July 27, 2016 Board of Directors meeting. (Page 49-61)
11. **Resolution No. 0757 Regulating Parking on Sunline Parking Lots** **Approve**
(Greg Pettis, Chair of Board Operations Committee;
Staff: Pete Gregor)
Recommend the Board of Directors approve the attached Resolution regulating parking on Sunline Transit Agency parking lots, which allows for the installation of signage notifying persons of parking restrictions and provides for the removal of vehicles parked in violation of those restrictions. (Page 62-66)

12. **1st Reading of New Conflict of Interest Code Ordinance** **Approve**
(Greg Pettis, Chair of Board Operations Committee;
Staff: Vanessa Mora)
Recommend that the Board of Directors approve the attached Ordinance for the 1st reading, which updates SunLine Transit Agency's Conflict of Interest Code. (Page 67-71)
13. **Contract for Heavy Duty Vehicle Lifts Replacement** **Approve**
(Robert Spiegel, Chair of Finance/Audit Committee;
Staff: Dean Holm)
Recommend that the Board of Directors grant authority to the CEO/General Manager to execute a contract with Air & Lube Systems, Inc. in the amount of \$310,210 for new bus lifts and installation, upon approval as to form and legality by legal counsel. (Page 72-75)
14. **Contract for Upgrade Maintenance Breakroom** **Approve**
(Robert Spiegel, Chair of Finance/Audit Committee;
Staff: Dean Holm)
Recommend that the Board of Directors grant authority to the CEO/General Manager to execute a contract with Design Construction in the amount of \$43,848 for the Upgrade of the Maintenance Breakroom, upon approval as to form and legality by legal counsel. (Page 76-80)
15. **Agreement Extension with Fenceworks** **Approve**
(Robert Spiegel, Chair of Finance/Audit Committee;
Staff: Dean Holm)
Recommend that the Board of Directors delegate authority to the CEO/General Manager to execute a one (1) year extension, with the option for an additional one (1) year term, of the current agreement with Fenceworks for the rental of construction fence in an amount not to exceed \$3,000. (Page 81-82)
16. **Approve the Design-Build Product Delivery Method Operations Facility - Notice of Exemption** **Approve**
(Robert Spiegel, Chair of Finance/Audit Committee;
Staff: Rudy Le Flore)
Recommend that the Board of Directors:
- a) Find that the Design Build Product Delivery Method for the SunLine Operations Facility will reduce the project delivery time by allowing design and construction work to occur concurrently

b) Direct Staff to file a Notice of Exemption with the County of Riverside Clerks Office for the SunLine Operations Facility which will replace the existing Operations Facility that is at the end of its useful life. (Page 83-84)

17. **Trapeze Services for Configuration and Training** **Approve**
(Robert Spiegel, Chair of Finance/Audit Committee;
Staff: Joseph Friend)
Recommend that the Board of Directors delegate authority to the CEO/General Manager to enter into an agreement with the Trapeze Group for Workforce Management and Time Keeping as per attached SOW for an amount not to exceed \$30,000. (Page 85-86)
18. **Cooperative Agreement Amendment No. 4 - Riverside Commuter Link 220 Service** **Approve**
(Robert Spiegel, Chair of Finance/Audit Committee;
Staff: Joseph Friend)
Recommend that the Board of Directors delegate authority to the CEO/General Manager to enter into Amendment No. 4 for the extension of the Cooperative Agreement 12-027 between SunLine Transit Agency and Riverside Transit Agency (RTA). (Page 87-115)
19. **CNG Fueling Station-Notice of Exemption** **Approve**
(Robert Spiegel, Chair of Finance/Audit Committee;
Staff: Tommy Edwards)
Recommend that the Board of Directors:
(a) Direct Staff to file a Notice of Exemption with the County of Riverside Clerks Office for the SunLine CNG Station Facility which will replace the existing CNG Station Facility that is at the end of its useful life. (Page 116-117)
-
20. **CEO/General Manager's Report**
21. **Closed Session**
- a) **Liability Claims**
Discussion regarding pending liability claims pursuant to Government Code Section 54956.95
Claimants: Jose Torres, Carmen Marcella Torres, Rocky Wood, and Foremost Insurance Group
Agency Claimed Against: SunLine Transit Authority
- b) Closed Session Conference with Legal Counsel – anticipated litigation pursuant to Government Code Section 54956.9 (b)(1) – one item

23. Next Meeting Date

October 26, 2016

12 o'clock Noon – Board Room

32-505 Harry Oliver Trail

Thousand Palms, CA 92276

24. Adjourn



FINANCE/AUDIT COMMITTEE AGENDA

September 28, 2016
10:30 a.m. – 11:30 a.m.
Conference Room 2
SunLine Transit Agency
Thousand Palms, CA

1. Call to Order
2. Roll Call
3. Public Comments
4. Committee Member Comments

----- RECEIVE AND FILE -----

5. Financial Audit for Fiscal Year Ended June 30, 2016 **Receive & File**
(Robert Spiegel, Chair of Finance/Audit Committee;
Staff: Alton Hillis, Sr.)
Recommend that the Board of Directors Receive and File the Fiscal Year 2016 Audit.
(Page 1) [SunLine Audited Financial Statements](#); [SunLine Services Group Audited Financial Statements](#)

6. Consent Calendar **Receive & File**
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----- **ACTION** -----

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Staff: Dean Holm)
Recommend that the Board of Directors grant authority to the CEO/General Manager to execute a contract with Air & Lube Systems, Inc. in the amount of \$310,210 for new bus lifts and installation, upon approval as to form and legality by legal counsel. (Page 49-52)
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Staff: Dean Holm)
Recommend that the Board of Directors grant authority to the CEO/General Manager to execute a contract with Design Construction in the amount of \$43,848 for the Upgrade of the Maintenance Breakroom, upon approval as to form and legality by legal counsel. (Page 53-57)
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(Robert Spiegel, Chair of Finance/Audit Committee;
Staff: Dean Holm)
Recommend that the Board of Directors delegate authority to the CEO/General Manager to execute a one (1) year extension, with the option for an additional one (1) year term, of the current agreement with Fenceworks for the rental of construction fence in an amount not to exceed \$3,000. (Page 58-59)
10. **Approve the Design-Build Product Delivery Method** **Approve**
Operations Facility - Notice of Exemption
(Robert Spiegel, Chair of Finance/Audit Committee;
Staff: Rudy Le Flore)
Recommend that the Board of Directors:
- a) Find that the Design Build Product Delivery Method for the SunLine Operations Facility will reduce the project delivery time by allowing design and construction work to occur concurrently
 - b) Direct Staff to file a Notice of Exemption with the County of Riverside Clerks Office for the SunLine Operations Facility which will replace the existing Operations Facility that is at the end of its useful life. (Page 60-61)

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(Robert Spiegel, Chair of Finance/Audit Committee;
Staff: Joseph Friend)
Recommend that the Board of Directors delegate authority to the CEO/General Manager to enter into an agreement with the Trapeze Group for Workforce Management and Time Keeping as per attached SOW for an amount not to exceed \$30,000.(Page 62-63)
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(Robert Spiegel, Chair of Finance/Audit Committee;
Staff: Joseph Friend)
Recommend that the Board of Directors delegate authority to the CEO/General Manager to enter into Amendment No. 4 for the extension of the Cooperative Agreement 12-027 between SunLine Transit Agency and Riverside Transit Agency (RTA). (Page 64-92)
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(Robert Spiegel, Chair of Finance/Audit Committee;
Staff: Tommy Edwards)
Recommend that the Board of Directors:
(a) Direct Staff to file a Notice of Exemption with the County of Riverside Clerks Office for the SunLine CNG Station Facility which will replace the existing CNG Station Facility that is at the end of its useful life (Page 93-96)
14. [Adjourn](#)



**AGENDA
BOARD OPERATIONS COMMITTEE**

**September 28, 2016
11:30 – 12:00 a.m.
Conference Room 2
SunLine Transit Agency
Thousand Palms, CA**

1. **Call to Order**
2. **Roll Call**
3. **Public Comments**
4. **Committee Member Comments**

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

5. **[Resolution No. 0757 Regulating Parking on Sunline Parking Lots](#)** **Approve**
(Greg Pettis, Chair of Board Operations Committee;
Staff: Pete Gregor)
Recommend the Board of Directors approve the attached Resolution regulating parking on Sunline Transit Agency parking lots, which allows for the installation of signage notifying persons of parking restrictions and provides for the removal of vehicles parked in violation of those restrictions. (Page 1-5)
6. **[1st Reading of New Conflict of Interest Code Ordinance](#)** **Approve**
(Greg Pettis, Chair of Board Operations Committee;
Staff: Vanessa Mora)
Recommend that the Board of Directors approve the attached Ordinance for the 1st reading, which updates SunLine Transit Agency's Conflict of Interest Code. (Page 6-10)
7. **Adjourn**



SunLine Transit Agency
Audited Financial Statements
As of and for the Years Ended June 30, 2016 and 2015
with Report of Independent Auditors

DRAFT

SunLine Transit Agency
Audited Financial Statements
As of and for the Years Ended June 30, 2016 and 2015
with Report of Independent Auditors

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Report of Independent Auditors

Board of Directors
Sunline Transit Agency
Thousand Palms, California 92276

Report on the Financial Statements

We have audited the accompanying financial statements of the SunLine Transit Agency (STA), which comprise the statements of financial position as of June 30, 2016 and 2015 and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the SunLine Transit Agency as of June 30, 2016 and 2015, and the changes in its financial position, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11, and the schedule of changes in the net pension liability and related ratios and schedules of contributions on pages 33 through 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise STA's basic financial statements. The combining statements of net position, revenues, expenses and changes in net position and cash flows, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements of net position, revenues, expenses and changes in net position and cash flows are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements of net position, revenues, expenses and changes in net position and cash flows are fairly stated in all material respects in relation to the basic financial statements as a whole.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2016 on our consideration of STA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering STA's internal control over financial reporting and compliance.

**Los Angeles, California
September 28, 2016**

DRAFT

The management of SunLine Transit Agency (STA) offers readers of the STA's basic financial statements narrative overview and analysis of the financial activities of STA for the fiscal years (FY) ended June 30, 2016 and 2015. We encourage readers to consider the information presented here in conjunction with the audited financial statements including the notes to the financial statements.

FINANCIAL HIGHLIGHTS

- The combined assets of STA exceeded its liabilities (net position) at the close of the fiscal year by \$51,292,475 for 2016 and \$53,429,212 for 2015. Net position at June 30, 2016 consists of \$51,170,410 of net position invested in capital assets and \$122,065 of unrestricted net position.
- STA's combined net position decreased in fiscal year 2016 by \$2,136,767. The decrease is mainly attributed to decrease in capital contributions to fund the capital projects. This amount is much lower than the change in net position in fiscal year 2015 of \$1,293,906. In fiscal year 2016, STA received less capital grants for continued capital projects, which were completed in 2016. In fiscal year 2016, salaries and employee benefits and other cost (casualty and liability costs) are higher than last year due to across the board salary increase by 3% and new positions added to meet the growing demand for transit services, new initiatives and capital program. Casualty and liability increased from 2015 due to increase in workers' compensation and general liability claims. 2016 Depreciation expense is lower than fiscal year 2015 due to decrease in capital purchases.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to STA's financial statements. STA's basic financial statements consist of two components:

- Financial statements;
- Notes to the basic financial statements.

This report also contains other supplementary information in addition to the financial statements.

Financial Statements. The financial statements are designed to provide readers with a broad overview of STA's finances, in a manner similar to a private sector business.

The *Statement of Net Position* presents information on all of STA's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether STA's financial position is improving or deteriorating. The presentation of net position also distinguishes between those invested in capital assets, those that are restricted by external parties or legal requirements, or those that are unrestricted and can be used for any Agency purpose.

The *Statement of Revenues, Expenses, and Changes in Net Position* provide information regarding the revenues generated and earned (passenger fares and grants) and the expenses incurred related to those revenues. The difference between the revenues and expenses represents the change in net position, or profitability as reflected by the amount of change in net position generated for the fiscal year.

The *Statement of Cash Flows* presents information on STA's sources and uses of cash and the overall change in cash and cash equivalents over the fiscal year. These activities are categorized by the different activities in which STA engages: operating activities, noncapital financing activities, capital and related financing activities, and investing activities.

Since STA's primary function is to provide transportation services to the region's citizens and recover cost through user fees and charges, the financial statements include business-type activities. In addition, the financial statements include not only STA itself (known as primary government), but also one legally separate entity, for which STA is financially accountable for: SunLine Services Group (SSG).

Notes to Financial Statements

The notes provide information on significant accounting policies, cash and investments, governmental subsidies, inventory, capital assets, long-term liabilities, unearned revenues, risk management, retirement plans, and other areas for a full understanding of the data in the financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning STA's progress in funding its obligation to provide pension benefits to its employees.

FINANCIAL STATEMENT ANALYSIS

Net Position

As stated earlier, increases or decreases in net position over time may serve as a useful indicator of STA's financial position. At June 30, 2016, STA's assets exceeded liabilities by \$51,292,475, a \$2,136,737 decrease from June 30, 2015. A condensed summary of the Statements of Net Position as of June 30, 2016 and 2015 is shown below:

	<u>2016</u>	<u>2015</u>	<u>Changes</u>
Current and other assets	\$ 10,949,708	\$ 14,797,473	\$ (3,847,765)
Capital assets	51,170,410	53,354,767	(2,184,357)
Deferred outflows of resources	3,957,884	3,314,887	642,997
Total assets and deferred outflows of resources	<u>66,078,002</u>	<u>71,467,127</u>	<u>(5,389,125)</u>
Current liabilities	8,548,959	14,826,397	(6,277,438)
Long-term liabilities	4,975,042	2,874,844	2,100,198
Deferred inflows of resources	1,261,526	336,674	924,852
Total liabilities and deferred inflows of resources	<u>14,785,527</u>	<u>18,037,915</u>	<u>(3,252,388)</u>
Net position			
Net investment in capital assets	51,170,410	53,354,767	(2,184,357)
Unrestricted	122,065	74,445	47,620
Total net position	<u>\$ 51,292,475</u>	<u>\$ 53,429,212</u>	<u>\$ (2,136,737)</u>

STA's investment in capital assets (e.g. buses, support vehicles, passenger facilities/structures, and peripheral equipment for operations, maintenance, and administrative support) reflects the largest portion of STA's net position. STA uses these capital assets to provide transportation services to the surrounding communities, as well as maintain the necessary service infrastructure. Because of this, these assets are not available for future spending. The decrease of \$2,184,357 in net investment in capital assets at June 30, 2016, resulted primarily from the disposal of trailers, vehicles, additions to capital assets relating to commencement of battery dominant fuel cell bus project, lease of electric buses, rehabilitation of buses, replacement of paratransit vehicles, and other small projects in STA's capital program.

Unrestricted net position represents the portion of net position that can be used to finance day-to-day operations without constraints by debt covenants, enabling legislation, or other legal requirements. Unrestricted net position increased by \$47,620, changed from \$74,445 at June 30, 2015 to \$122,065 at June 30, 2016. The slight increase is due to STA's proceeds from sale of fixed assets and SSG's revenues generated more than expenses incurred during fiscal year 2016.

Changes in Net Position

For the fiscal years ended June 30, 2016 and 2015, STA's combined revenues were \$36,979,147, and \$38,572,673, respectively, while the total expenses, excluding depreciation were \$31,942,873 and \$28,070,258, respectively. Grants finance a significant portion of the transit operations. The table below represents condensed financial data related to the changes in net position of (\$2,136,737) and \$1,293,906 during the fiscal years ended June 30, 2016, and 2015, respectively. The significant decrease in net position in 2016 was due to decrease in capital grants to fund the capital projects.

	2016	2015	Changes
OPERATING REVENUES			
Passenger fares	\$ 3,200,299	\$ 3,315,354	\$ (115,055)
CNG and hydrogen fuel sales	3,299,395	2,180,683	1,118,712
Operating Grants	24,483,495	21,598,733	2,884,762
Capital Grants	5,012,097	10,491,641	(5,479,544)
Interest and other revenues	983,861	986,262	(2,401)
Total revenues	36,979,147	38,572,673	(1,593,526)
Controllable Operating Expenses			
Salaries and benefits	22,331,808	20,399,787	1,932,021
Casualty and liability costs	2,801,076	1,207,375	1,593,701
Services	2,281,593	2,153,834	127,759
Utilities	1,698,920	1,774,744	(75,824)
Materials and supplies	1,601,597	1,364,829	236,768
Administrative	275,591	351,306	(75,715)
Fuel and Lubricants	212,112	141,569	70,543
Tires	198,948	237,211	(38,263)
Taxes	187,862	151,043	36,819
Miscellaneous	353,366	288,560	64,806
Total controllable operating expenses	31,942,873	28,070,258	3,872,615
Depreciation	7,138,846	9,217,204	(2,078,358)
(Gain) or Loss on sale of capital assets	34,165	(8,695)	42,860
Total expenses	39,115,884	37,278,767	1,837,117
Changes in Net Position	(2,136,737)	1,293,906	(3,430,643)
Net position			
Beginning of year	53,429,212	52,135,306	1,293,906
Ending of year	\$ 51,292,475	\$ 53,429,212	\$ (2,136,737)

Revenues

Passenger fares revenues decreased in fiscal year 2016 by \$115,055 due to a decline in ridership.

CNG and hydrogen fuel revenues which reflect outside fuel revenues, state emission credits and CNG rebates increased in fiscal year 2016 by \$1,118,712 compared to fiscal year 2015 due to increase in volumes produced and sold.

Operating grants in fiscal year 2016 increased by \$2,884,762 due to the increased LTF and Measure A funds, receipt of Low-Carbon Transit Operations Program (LCTOP) and reimbursement from Federal 5310 operating assistance and decrease in state and federal grants assistance. Fiscal year 2015 operating grants were also higher than fiscal year 2014 as LTF, Measure A funds, Federal 5307 and 5311 assistance applied to operations were more and other federal grants experienced net increase as well.

Capital grants in fiscal year 2016 decreased by \$5,479,544 due to lower expenses incurred on capital projects. Projects in fiscal year 2016 primarily included replacement of para-transit vans, rehabilitation of buses, intelligent transportation systems upgrade, and commencement of the battery dominant fuel cell bus. STA spent more on capital projects in 2015 mostly due to final construction of the administration building, solar panels, new bus shelters, new office furniture and fixtures and replacement of paratransit vans and support vehicles. The rolling stock purchases, bus camera system upgrade, solar panels, installation of new bus shelters and new phone system projects were completed in 2016.

Interest and other revenues in fiscal year 2016 decreased by \$2,401 due to decrease in interest revenue. Fiscal year 2015 is higher than fiscal year 2014 mainly because of increase in advertising revenues.

The combined amount of operating and capital grants in fiscal year 2016 and 2015 reflects 80% and 83% of total revenues respectively. These funds come from a variety of specific funding sources. Each funding source is guided by government regulations regarding the type and use of funds.

Annually, STA submits its short-range transit plan to the Riverside County Transportation Commission (RCTC), which is the basis for annual operating and capital grant allocations. Local Transportation Funds (LTF) comprise the significant component of STA's operating grants; other operating grants generally include funding from Measure A, Riverside County's one-half cent sales tax for transportation purposes, Low-Carbon Transit Operations Program and Federal Transit Administration (FTA).

Capital assets are funded primarily by capital grants from Federal Transit Administration (FTA) with matching funds from State Transit Assistance and Proposition 1B, LTF, and other sources.

Expenses

Adopted Agency policies, procedures, and business processes are used as management tools to control expenses and attain goals and objectives. These combined controllable operating expenses consist of cost elements that exclude depreciation. For purposes of this analysis, operating expenses before depreciation will be discussed. These expenses totaled \$31,942,873 during fiscal year 2016, an increase of \$3,872,615 from fiscal year 2015. This increase was due to increase in insurance claims, implementation of service improvement, across the board salary increases, changes in pension actuarial valuation, increase in repair parts, services, fuel, taxes, and offset by decrease in utilities, tires and lubes, and others.

Salaries and benefits increased in fiscal year 2016 by \$1,932,021 due to increase in administrative employees, across the board salary increase, increase in operators to support service improvements on lines 20, 90, 91 and 220. Benefits increased due to increase in health insurance and pension valuation.

Casualty and liability cost increased in fiscal year 2016 by \$1,593,702 due to increase in insurance claims on worker's compensation and general liability and additional provisions for unallocated losses adjustment expenses.

Materials and supplies increased in fiscal year 2016 by \$236,768 due to increase in repair parts of vehicles and maintenance of old facilities.

Services increased in fiscal year by \$127,759 due to increase in third party contract services for marketing, custodial services, communication systems upgrade, computer software licenses, labor counsel, and temporary help.

Fuel and lubricants increased in fiscal year 2016 by \$70,543 mainly due to increase in outsourced hydrogen when the hydrogen station was down.

Utilities expense decreased in fiscal year 2016 by \$75,825 mainly due to decrease in electricity for using solar panels and decrease in cost of natural gas by 10%.

Tires decreased in fiscal year 2016 by \$38,263 due to change of vendor.

Taxes represents fuel taxes paid based on the generation of CNG and hydrogen. In fiscal year 2016, STA generated more volume compared to fiscal year 2015.

Miscellaneous expenses increased in fiscal year 2016 by \$64,806 due mostly to increase in membership and subscriptions, bank service fees, consulting and trainings and seminars.

Administrative expenses decreased in fiscal years 2016 and 2015 due to decrease in administrative personnel in SSG.

Depreciation expense decreased in fiscal year 2016 by \$2,078,358 due to decrease in capital purchases.

A breakdown of operating expenses is reflected on page 6.

CAPITAL ASSETS

STA's capital assets (net of accumulated depreciation), as of June 30, 2016 and 2015, amounted to \$51,170,410 and \$53,354,767 respectively. Capital assets include land, buildings, fleet, communication/fare box systems, machinery/equipment, support vehicles, facilities improvement and passenger facilities.

Significant capital asset projects during FY 2016 included the following:

- Final construction phase of Solar Panels
- Commencement of Battery Dominant Fuel Cell Bus
- Rehabilitation of Buses
- Replacement of para-transit vehicles
- Enterprise Resource Planning (continued)
- Commencement of CNG and Hydrogen Fueling Station
- Avail systems upgrade
- Wireless video link for buses
- Lease of electric buses

Significant capital asset projects during FY 2015 included the following:

- Final construction of the Administration Building
- Replacement of para-transit vehicles and support vehicles
- Solar panel project
- VOIP telephone system

A summary of the capital assets balances at June 30, 2016 related activity is presented in Note 5 of the basic financial statements.

ECONOMIC FACTORS AND OTHER FACTORS

These significant factors were considered as budget assumptions when preparing the Agency's budget for FY 2016:

- Economic expansion has had a positive impact on sales tax revenues, which has increased LTF and Measure A grant revenues
- Service improvement initiatives and service expansions
- Estimated overall ridership growth of 2%
- Increase in outside fuel sales, advertising revenues and bus shelter maintenance fees
- State emission credits
- New positions added to meet the growing demand for transit services, new initiatives and capital program.
- Increase in salaries and fringe benefits for bargaining and non-bargaining employees
- Increase in insurance costs

The combined final approved budget for fiscal year 2016 totaled \$31,218,600, which is an increase of \$2,698,631 or 9% over the fiscal year 2015 budget of \$28,519,969. The combined final approved budget for fiscal year 2015 totaled \$28,519,969, which is an increase of \$3,029,655, or 12% over the fiscal year 2014 budget of \$25,487,814.

As stated previously, STA relies on operating and capital grants for approximately 86% of its total revenue. These funds come from a variety of specific funding sources. Each funding source is guided by government regulations regarding type and use of funds. The economic expansion in Riverside County has contributed to an increase in the operating and capital grant funds available, however signs of recovery are not as robust as expected.

A component of the Agency's operating grants is local operating assistance. These funds are governed by various provisions of the Transportation Development Act and Public Utilities Code. One such provision is adherence to a predetermined farebox recovery ratio (fare revenue/operating expenses excluding SSG's operating revenues and expenses) approved by RCTC and the California Department of Transportation. The fiscal year 2016 required farebox recovery ratio was 18.21%; the Agency's actual ratio was 22.56% which exceeded the requirement. Fiscal year 2015 required farebox recovery ratio was 17.80%; the Agency's actual ratio was 21.85% which exceeded the requirement.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of STA's finances for all those with an interest in STA's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Finance Officer, SunLine Transit Agency, 32-505 Harry Oliver Trail, Thousand Palms, CA 92276.

DRAFT

**SunLine Transit Agency
Statements of Net Position**

	June 30	
ASSETS	2016	2015
Current assets		
Cash and cash equivalents	\$ 5,667,228	\$ 8,914,410
Accounts receivable, net	636,688	370,953
Due from other governmental agencies	3,222,656	4,606,850
Inventory	764,960	583,750
Prepaid items	158,661	21,316
Total current assets	10,450,193	14,497,279
Noncurrent assets		
Deposits	499,515	300,194
Capital assets, not depreciated	6,592,942	6,571,626
Capital assets, depreciated	44,577,468	46,783,141
Total noncurrent assets	51,669,925	53,654,961
Total assets	62,120,118	68,152,240
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amounts from pension	3,957,884	3,314,887
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses	811,064	913,014
Accrued payroll and related liabilities	620,408	701,472
Retention Payable	-	672,718
Due to other governmental agency	-	3,000,000
Net pension liability - current portion	2,177,519	1,729,476
Compensated absences - current portion	1,411,148	869,312
Claims payable - current portion	939,812	767,970
Unearned revenue	2,589,008	6,172,435
Total current liabilities	8,548,959	14,826,397
Noncurrent liabilities		
Net pension liability	1,929,220	670,083
Compensated absences	-	412,831
Claims payable	3,045,822	1,791,930
Total noncurrent liabilities	4,975,042	2,874,844
Total liabilities	13,524,001	17,701,241
DEFERRED INFLOWS OF RESOURCES		
Deferred amounts from pension	1,261,526	336,674
NET POSITION		
Net investment in capital assets	51,170,410	53,354,767
Unrestricted	122,065	74,445
Total net position	\$ 51,292,475	\$ 53,429,212

See notes to financial statements.

SunLine Transit Agency
Statements of Revenues, Expenses and Changes in Net Position

	Years ended June 30	
	2016	2015
OPERATING REVENUES		
Passenger fares	\$ 3,200,299	\$ 3,315,354
CNG and hydrogen fuel sales	3,299,395	2,180,683
Taxi license fees	349,167	441,852
Other	632,196	542,607
Total operating revenues	7,481,057	6,480,496
OPERATING EXPENSES		
Salaries and employee benefits	22,331,808	20,399,787
Depreciation	7,138,846	9,217,204
Casualty and liability costs	2,801,076	1,207,375
Services	2,281,593	2,153,834
Utilities	1,698,920	1,774,744
Materials and supplies	1,601,597	1,364,829
Administrative	275,591	351,306
Fuel and lubricants	212,112	141,569
Tires and tubes	198,948	237,211
Taxes	187,862	151,043
Miscellaneous	353,366	288,560
Total operating expenses	39,081,719	37,287,462
OPERATING LOSS	(31,600,662)	(30,806,966)
NONOPERATING REVENUES		
Operating grants:		
Local Transportation Fund	15,029,833	11,752,396
Federal Transit Administration - Section 5307	2,197,912	3,058,867
Federal Transit Administration - Section 5310	17,564	-
Federal Transit Administration - Section 5311	359,891	429,687
Federal Transit Administration - Section 5316	74,850	200,564
Federal Transit Administration - Section 5317	64,541	115,068
Federal Transit Administration - Other	90,898	181,435
State Transit Assistance	-	14,716
Measure A	6,492,099	5,846,000
Low-Carbon Transit Operations Program (LCTOP) Grant	155,907	-
Total operating grants	24,483,495	21,598,733
Interest income	2,498	1,803
Gain (loss) on sale of capital assets, net	(34,165)	8,695
Total nonoperating revenues	24,451,828	21,609,231
LOSS BEFORE CAPITAL CONTRIBUTIONS	(7,148,834)	(9,197,735)
CAPITAL CONTRIBUTIONS		
Capital grants:		
Federal Transit Administration	1,870,783	3,151,187
State Transit Assistance	873,861	467,630
Proposition 1B	351,977	6,377,636
Local Transportation Fund	660,115	456,149
Other	1,255,361	39,039
Total capital contributions	5,012,097	10,491,641
CHANGES IN NET POSITION	(2,136,737)	1,293,906
NET POSITION		
Beginning of year	53,429,212	52,135,306
End of year	\$ 51,292,475	\$ 53,429,212

See notes to financial statements.

**SunLine Transit Agency
Statements of Cash Flows**

	Years ended June 30	
	2016	2015
Cash flows from operating activities		
Cash received from customers	\$ 7,214,622	\$ 6,375,637
Cash payments to suppliers for goods and services	(9,204,702)	(8,237,768)
Cash payments to employees for services	(20,568,005)	(21,434,677)
Net cash used in operating activities	(22,558,085)	(23,296,808)
Cash flows from noncapital financing activities		
Cash received from operating grants	22,876,982	21,583,838
Loan proceeds from RCTC	-	3,000,000
Payment of loan to RCTC	(3,000,000)	-
Net cash provided by noncapital financing activities	19,876,982	24,583,838
Cash flows from capital and related financing activities		
Cash received from capital grants	4,420,077	4,996,686
Acquisition and construction of capital assets	(5,012,097)	(10,448,656)
Proceeds from sale of capital assets	23,443	8,695
Net cash used in capital and related financing activities	(568,577)	(5,443,275)
Cash flows from investing activity		
Cash received from interest income	2,498	1,805
Net cash provided by investing activity	2,498	1,805
Change in cash and cash equivalents	(3,247,182)	(4,154,440)
Cash and cash equivalents, beginning of year	8,914,410	13,068,850
Cash and cash equivalents, end of year	\$ 5,667,228	\$ 8,914,410
Reconciliation of operating loss to net cash provided by (used in) operating activities:		
Operating loss	\$ (31,600,662)	\$ (30,806,966)
Provision for doubtful accounts	829	-
Depreciation	7,138,846	9,217,204
Changes in operating assets and liabilities:		
Accounts receivable	(266,564)	(105,559)
Inventory	(181,210)	(99,588)
Prepaid items	(137,345)	105,066
Deposits	(199,321)	(269,593)
Deferred outflows of resources	(642,997)	(3,314,887)
Accounts payable and accrued liabilities	(101,950)	(583,803)
Retention payable	(672,718)	-
Accrued payroll and related liabilities	(81,064)	89,932
Net pension liability	1,707,180	2,148,635
Compensated absences	129,005	47,099
Claims payable	1,425,734	(61,722)
Unearned revenue	(700)	700
Deferred inflows of resources	924,852	336,674
Net cash used in operating activities	\$ (22,558,085)	\$ (23,296,808)

See notes to financial statements.

NOTE 1 REPORTING ENTITY

SunLine Joint Powers Transportation Agency (doing business as SunLine Transit Agency) ("STA"), was originally formed by the County of Riverside, California, and the cities in the Coachella Valley to provide transportation services in the Coachella Valley. STA is a special purpose government and is eligible for funding under Section 99200 et. seq. of the California Public Utilities Code.

These financial statements present STA and its legally separate component unit, entity for which STA is considered to be financially accountable. Because STA appoints a majority of the component unit's boards of directors, the board is substantively the same, and STA is able to impose its will on the component unit. STA presents blended component unit, although a legally separate entity, is, in substance, part of STA's operations.

Included within the reporting entity as blended component unit:

SunLine Services Group ("SSG") was formed in 1993 in order to enhance public/private partnerships in the Coachella Valley. SSG operations include regulate, license, and franchise the taxicabs and alternative transportation in the Coachella Valley. Effective July 1, 1996, SSG adopted ordinances to give it the authority to regulate taxicab.

NOTE 2 SUMMARY SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Financial statement presentation follows the recommendations promulgated by the Governmental Accounting Standards Board ("GASB") commonly referred to as accounting principles generally accepted in the United States of America ("U.S. GAAP"). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

The financial statements (i.e., the statement of net position, the statement of revenues, expenses and changes in net position, and statement of cash flows) report information on all of the activities of the primary government and its component unit.

Basis of Accounting and Measurement Focus

The financial statements are reported using the "economic resources" measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue when all eligibility requirements have been met. Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenue of the current fiscal period.

NOTE 2 SUMMARY SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating revenues are those revenues that are generated from the primary operations of STA. STA reports a measure of operations by presenting the change in net position from operations as "operating income" in the statement of revenues, expenses, and changes in net position. Operating activities are defined by STA as all activities other than financing and investing activities (interest expense and investment income), and other infrequently occurring transaction of a non-operating nature. Operating expenses are those expenses that are essential to the primary operations of STA. All other expenses are reported as non-operating expenses.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with original maturities of 90 days or less and are carried at cost, which approximates fair value.

Investments

Investments are stated at fair value, which is based on quoted market price. Changes in fair value that occur during the fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

Receivables

Receivables are shown net of allowances for doubtful accounts, if any. Federal and State grants accrued as revenue when all eligibility requirements have been met. Amount earned but outstanding at year-end are reported as accounts receivable.

Inventory

Inventory consists of vehicle parts held for consumption, fuel and bus passes. Inventory is stated at the lower of weighted average cost or market.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond the fiscal year ended are recorded as prepaid items.

Deposits

Deposits represent amounts held by the Public Entity Risk Management Authority (PERMA) on behalf of STA to pay workers' compensation claims and other expenses that do not involve a transfer of risk to PERMA.

NOTE 2 SUMMARY SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets are valued at historical cost, or estimated historical cost, if actual historical cost was not available. Donated capital assets are valued at their estimated fair market value on the date of donation. STA policy has set the capitalization threshold for reporting capital assets at \$1,000, all of which must have an estimated useful life in excess of one year. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Land improvements	10 – 20 years
Building	10 – 30 years
Office furniture and equipment	3 – 7 years
Vehicles	4 – 12 years
Equipment	5 – 10 years

Major outlays for capital assets are capitalized as projects, and once constructed, the related repairs and maintenance costs are expensed. Interest accrued during capital assets construction, if any, is capitalized as part of the asset cost, net of interest income on construction bond proceeds.

Compensated Absences

It is STA's policy to permit employees to accumulate earned but unused vacation leaves up to 500 hours and unlimited hours for unused sick leave. Management, non-exempt, and union employees begin to accrue vested vacation and sick hours upon being hired, except for part-time employees who begin to accrue such hours after the first year. Accumulated unpaid vacation and vested sick leave pay is recorded as an expense and a liability at the time the benefit is earned.

Claims Payable

STA's uninsured claims are accrued and charged to expense when the claims are reasonably determinable and the existence of a liability is probable. Liabilities include amount for claims that have been incurred but not reported (IBNR).

Deferred Inflows and Outflows of Resources

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as revenue until that time.

NOTE 2 SUMMARY SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net Position is classified as follows:

Net investment in capital assets - The component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted - This component of net position is the amounts of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investments in capital assets or the restricted component of net position.

Federal, State, and Local Subventions

Federal, state and local governments have made various grants and subventions available to STA for operating assistance and acquisition of capital assets. Grants for operating assistance, the acquisition of equipment or other capital outlay are not formally recognized in the accounts until the grant becomes a valid receivable as a result of STA's complying with appropriate grant requirements. Operating assistance grants are included in non-operating revenues in the year in which the related expenses are incurred. Revenues earned under capital grants are recorded as capital contributions.

Fuel and Lubricants Expense

STA allocates operating expenses to the fuel and lubricants expense on the statement of revenues, expenses and change in net position including salaries and benefits, and supplies, representing the costs incurred for the generation of CNG fuel by STA.

Use of Restricted/Unrestricted Resources

When both restricted and unrestricted resources are available for use, it is STA's policy to use restricted resources first, then unrestricted resources as they are needed.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of the contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 SUMMARY SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pension Reporting

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of STA's pension plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported in the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Implementation of New Accounting Pronouncements

During the fiscal year ended June 30, 2016, STA adopted GASB Statement No. 72, *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements, provides guidance for determining a fair value measurement for financial reporting purposes, and guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

NOTE 3 CASH AND INVESTMENTS

Cash and investments consisted of the following:

June 30, 2016

	STA	SSG	Total
Cash on hand	\$ 1,835	\$ 100	\$ 1,935
Deposits with financial institutions	4,618,658	484,530	5,103,188
Investments - LAIF	562,105	-	562,105
Total cash and investments	\$ 5,182,598	\$ 484,630	\$ 5,667,228

June 30, 2015

	STA	SSG	Total
Cash on hand	\$ 1,335	\$ 100	\$ 1,435
Deposits with financial institutions	7,948,583	404,301	8,352,884
Investments - LAIF	560,091	-	560,091
Total cash and investments	\$ 8,510,009	\$ 404,401	\$ 8,914,410

Demand Deposits

At fiscal year-end of 2016 and 2015, the carrying amount of demand deposits was \$5,103,188 (2015 - \$8,352,884) and the bank balance was \$5,105,024 (2015 - \$8,993,194) of which the total amount was collateralized or insured with securities held by the pledging financial institutions in STA's name discussed as follows:

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Demand Deposits (Continued)

The California Government Code requires California banks and savings and loan associations to secure STA's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in STA's name.

The market value of pledged securities must equal at least 110% of STA's cash deposits. California law also allows institutions to secure Agency's deposits by pledging first trust deed mortgage notes having a value of 150% of STA's total cash deposits. STA may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation ("FDIC"). STA, however, has not waived the collateralization requirements.

Authorized Investments

The table below identifies the investment types that are authorized for STA by the California Government Code (or STA's investment policy where more restrictive), and certain provisions that address interest rate risk and concentration of risk.

Investment Type	Authorized by Investment Policy	Maturity	Maximum Percentage of Portfolio	Maximum Investments in One Issuer
Local Agency Bonds	No	N/A	N/A	N/A
U.S. Treasury Obligations	Yes	5 years	None	None
Federal Agency Securities	Yes	5 years	25%	None
Banker's Acceptances	Yes	180 days	40%	None
Commercial Paper-Pooled Funds	Yes	270 days	40%	A-1
Negotiable Certificates of Deposit	Yes	5 years	30%	None
Repurchase Agreements	Yes	1 year	None	None
Reverse Repurchase Agreements and Securities	No	N/A	N/A	None
Medium-Term Notes	Yes	5 years	30%	"A" Rating
Mutual Funds and Money Market Funds	No	N/A	20%	Multiple
Mortgage Pass-Through Securities	Yes	5 years	20%	"A" "A" Rating
County Pooled Investment Funds	No	N/A	None	None
Local Agency Investment Fund (LAIF)	Yes	N/A	None	\$50 million

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

The Agency's investment in LAIF has a maturity of less than one year.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a nationally recognized statistical rating organization. STA's investment in LAIF at June 30, 2016 was not rated.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of STA's investment in a single issuer. The investment policy of STA contains no limitations on the amount that can be invested in one issuer beyond that stipulated by the California Government Code. As of June 30, 2016, STA did not have any investments in any one issuer (other than external investment pools) that represented 5% or more of its total investment portfolio.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, STA will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. The California Government Code and STA's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investment, other than the provision for deposits as disclosed previously.

Investment in State Investment Pool

The Agency is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the Agency's investment in this pool is reported in the accompanying financial statements at amounts based on the Agency's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. As of June 30, 2016, the Agency had a contractual withdrawal value of \$562,105.

Fair Value Measurement

STA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

STA's investments in LAIF as of June 30, 2016 and 2015 is reported at the Agency's pro-rata share of the amortized cost provided by LAIF for the entire LAIF portfolio. This amount approximates fair value.

NOTE 4 DUE FROM OTHER GOVERNMENTAL AGENCIES

At June 30, 2016 and 2015, due from other governments consisted of the following:

	2016	2015
Federal Transportation Administration (FTA)	\$ 2,617,147	\$ 3,700,154
State Transit Assistance (STA)	316,457	226,072
Local Transportation Fund	12,101	191,455
Others	276,951	2,002
Total	\$ 3,222,656	\$ 4,606,850

Federal Transportation Administration (FTA)

Under the provisions of the FTA, funds are available to the Agency for maintenance costs, acquisition, construction, improvement and maintenance of transit facilities, transit vehicles and equipment.

State Transit Assistance and Local Transportation Fund

Under the provisions of the State Transit Assistance Fund, funds are available to the Agency for maintenance costs, acquisition, construction, improvement and maintenance of transit facilities, transit vehicles and equipment.

Others

Funds represents cost reimbursements in accordance with the Cooperative Agreement with CalStart.

NOTE 5 CAPITAL ASSETS

Summary of changes in capital assets is as follows:

June 30, 2016

	Balance July 1, 2015	Additions	Deletions	Transfers	Balance June 30, 2016
Non-depreciable assets					
Land	\$ 3,141,003	\$ -	\$ -	\$ -	\$ 3,141,003
Construction in progress	3,430,623	4,525,441	-	(4,504,125)	3,451,939
Total nondepreciable assets	6,571,626	4,525,441	-	(4,504,125)	6,592,942
Depreciable Assets					
Buildings	27,709,578	-	(397,897)	1,914,401	29,226,082
Land Improvements	3,561,762	-	-	135,127	3,696,889
Facility Improvement	178,988	62,644	-	548,330	789,962
Office furniture and equipment	5,838,189	204,018	(55,810)	324,015	6,310,412
Vehicles	50,495,909	182,908	(569,871)	1,533,628	51,642,574
Equipment	5,664,365	37,086	(2,787)	48,624	5,747,288
Total depreciable assets	93,448,791	486,656	(1,026,365)	4,504,125	97,413,207
Less accumulated depreciation	(46,665,650)	(7,138,846)	968,757	-	(52,835,739)
Total depreciable assets, net	46,783,141	(6,652,190)	(57,608)	4,504,125	44,577,468
Total capital assets, net	\$ 53,354,767	\$ (2,126,749)	\$ (57,608)	\$ -	\$ 51,170,410

SunLine Transit Agency
Notes to Financial Statements
Years ended June 30, 2016 and 2015

NOTE 5 CAPITAL ASSETS (CONTINUED)

June 30, 2015

	Balance July 1, 2014	Additions	Deletions	Transfers	Balance June 30, 2015
Non-depreciable assets					
Land	\$ 3,141,003	\$ -	\$ -	\$ -	\$ 3,141,003
Construction in progress	21,459,619	9,296,058	-	(27,325,054)	3,430,623
Total nondepreciable assets	<u>24,600,622</u>	<u>9,296,058</u>	<u>-</u>	<u>(27,325,054)</u>	<u>6,571,626</u>
Depreciable Assets					
Buildings	7,822,301	-	(49,998)	19,937,275	27,709,578
Land Improvements	3,532,184	1,500	-	28,078	3,561,762
Facility Improvement	3,674,615	18,103	-	(3,513,730)	178,988
Office Furniture and Equipment	5,226,721	446,360	(219,789)	384,897	5,838,189
Vehicles	39,241,621	545,296	(704,388)	11,413,380	50,495,909
Equipment	6,506,468	141,339	(58,596)	(924,846)	5,664,365
Total depreciable assets	<u>66,003,910</u>	<u>1,152,598</u>	<u>(1,032,771)</u>	<u>27,325,054</u>	<u>93,448,791</u>
Accumulated depreciation	<u>(38,481,217)</u>	<u>(9,217,204)</u>	<u>1,032,771</u>	<u>-</u>	<u>(46,665,650)</u>
Total depreciable assets, net	<u>27,522,693</u>	<u>(8,064,606)</u>	<u>-</u>	<u>27,325,054</u>	<u>46,783,141</u>
Total capital assets, net	<u>\$ 52,123,315</u>	<u>\$ 1,231,452</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,354,767</u>

Depreciation expense for the year ended June 30, 2016 and 2015 comprised of:

	<u>2016</u>	<u>2015</u>
SunLine Transit Agency	\$ 7,132,124	\$ 9,214,574
SunLine Services Group	<u>6,722</u>	<u>2,630</u>
Total	<u>\$ 7,138,846</u>	<u>\$ 9,217,204</u>

Changes in capital assets by funding source were as follows:

June 30, 2016

	Federal Funds	STA/Prop 1B Funds	TDA Funds	Measure A	Operator/ Other	Total
Balance at July 1, 2015	\$ 40,567,653	\$ 35,548,642	\$ 15,296,160	\$ 10,000	\$ 8,597,962	\$ 100,020,417
Additions, net	1,870,783	1,225,838	660,115	-	1,255,361	5,012,097
Deletions	<u>(154,736)</u>	<u>(534,926)</u>	<u>(213,136)</u>	<u>-</u>	<u>(123,567)</u>	<u>(1,026,365)</u>
Balance at June 30, 2016	<u>\$ 42,283,700</u>	<u>\$ 36,239,554</u>	<u>\$ 15,743,139</u>	<u>\$ 10,000</u>	<u>\$ 9,729,756</u>	<u>\$ 104,006,149</u>

June 30, 2015

	Federal Funds	STA/Prop 1B Funds	TDA Funds	Measure A	Operator/Other	Total
Balance at July 1, 2014	\$ 37,535,567	\$ 29,363,274	\$ 15,084,701	\$ 10,000	\$ 8,610,990	\$ 90,604,532
Additions, net	3,151,187	6,845,265	456,149	-	(3,945)	10,448,656
Deletions	<u>(119,101)</u>	<u>(659,897)</u>	<u>(244,690)</u>	<u>-</u>	<u>(9,083)</u>	<u>(1,032,771)</u>
Balance at June 30, 2015	<u>\$ 40,567,653</u>	<u>\$ 35,548,642</u>	<u>\$ 15,296,160</u>	<u>\$ 10,000</u>	<u>\$ 8,597,962</u>	<u>\$ 100,020,417</u>

SunLine Transit Agency
Notes to Financial Statements
Years ended June 30, 2016 and 2015

NOTE 6 UNEARNED REVENUE

Unearned revenues represent excess capital and operating assistance. The following represent the amounts at June 30:

	2016	2015
Capital Assistance		
Federal Transit Authority	\$ 21,708	\$ -
State Transit Assistance	163,902	400,130
Proposition 1B	1,633,203	1,594,547
Transportation Development Act	152,530	577,100
Operators/Others	36,042	27,628
Total capital assistance	2,007,385	2,599,405
Operating Assistance		
Low Carbon Transit Operations Program	539,373	-
Transportation Development Act	-	3,553,091
Operator/Others	42,250	19,939
Total operating assistance	581,623	3,573,030
Total	\$ 2,589,008	\$ 6,172,435

Capital Assistance

Changes in unearned revenue by funding source for the year ended June 30, 2016 and 2015 were as follows:

June 30, 2016

	Federal Funds	STA Funds	Prop 1 B Funds	TDA Funds	Operator/ Other Funds	Total
Excess capital funds at July 1, 2015	\$ -	\$ 400,130	\$ 1,594,547	\$ 577,100	\$ 27,628	\$ 2,599,405
Interest earned	-	-	266	-	-	266
Allocation received	<u>1,892,491</u>	<u>637,634</u>	<u>390,367</u>	<u>235,544</u>	<u>1,263,775</u>	<u>4,419,811</u>
Funds Available	1,892,491	1,037,764	1,985,180	812,644	1,291,403	7,019,482
Less eligible costs - capitalized	<u>(1,870,783)</u>	<u>(873,861)</u>	<u>(351,977)</u>	<u>(660,115)</u>	<u>(1,255,361)</u>	<u>(5,012,097)</u>
Excess capital funds at June 30, 2016	<u>\$ 21,708</u>	<u>\$ 163,903</u>	<u>\$ 1,633,203</u>	<u>\$ 152,529</u>	<u>\$ 36,042</u>	<u>\$ 2,007,385</u>

June 30, 2015

	Federal Funds	STA	Prop 1 B	TDA Funds	Operator/	Total
Excess capital funds at July 1, 2014	\$ -	\$ 494,783	\$ 7,599,339	\$ 645,327	\$ 27,628	\$ 8,767,077
Interest earned	-	-	426	-	-	426
Allocation received	<u>3,151,187</u>	<u>372,977</u>	<u>372,417</u>	<u>387,922</u>	<u>-</u>	<u>4,284,503</u>
Funds Available	3,151,187	867,760	7,972,182	1,033,249	27,628	13,052,006
Less eligible costs - capitalized	<u>(3,151,187)</u>	<u>(467,630)</u>	<u>(6,377,635)</u>	<u>(456,149)</u>	<u>-</u>	<u>(10,452,601)</u>
Excess capital funds at June 30, 2015	<u>\$ -</u>	<u>\$ 400,130</u>	<u>\$ 1,594,547</u>	<u>\$ 577,100</u>	<u>\$ 27,628</u>	<u>\$ 2,599,405</u>

NOTE 6 UNEARNED REVENUE (CONTINUED)

Operating Assistance

Changes in unearned revenue by funding source for the year ended June 30, 2016 were as follows:

	STA Measure A				
	Federal Funds	TDA Funds	LCTOP Funds	Operator/ Other Funds	Total
Excess operating funds at July 1, 2015	\$ -	\$ 3,553,091	\$ -	\$ 19,939	\$ 3,573,030
Allocation received	2,805,656	12,055,396	7,187,379	42,250	22,090,681
Funds available	2,805,656	15,608,487	7,187,379	62,189	25,663,711
Eligible costs	(2,805,656)	(15,029,833)	(6,648,006)	(19,939)	(24,503,434)
Changes in pension	-	(578,654)	-	-	(578,654)
Excess operating funds at June 30, 2016	\$ -	\$ -	\$ 539,373	\$ 42,250	\$ 581,623

	STA Measure A				
	Federal Funds	TDA Funds	LCTOP Funds	Operator/ Other Funds	Total
Excess operating funds at July 1, 2014	\$ -	\$ 60,401	\$ -	\$ 8,334	\$ 68,735
Allocation received	3,985,621	13,445,720	5,846,000	27,630	23,304,971
Funds Available	3,985,621	13,506,121	5,846,000	35,964	23,373,706
Less eligible costs	(3,985,621)	(11,752,396)	(5,846,000)	(16,025)	(21,600,042)
Prior Period Adjustment/Changes in Pension	-	1,799,366	-	-	1,799,366
Excess operating funds at June 30, 2015	\$ -	\$ 3,553,091	\$ -	\$ 19,939	\$ 3,573,030

NOTE 7 LONG-TERM OBLIGATIONS

Summary of changes in long-term obligations for the year ended June 30, 2016 is as follows:

	Balance			Balance June 30, 2016	Due Within One Year	Due In More Than One Year
	July 1, 2016	Additions	Deletions			
Compensated absences	\$ 1,282,143	\$ 1,974,176	\$ (1,845,171)	\$ 1,411,148	\$ 1,411,148	\$ -
Claims payable	2,559,900	2,808,427	(1,382,693)	3,985,634	939,812	3,045,822
Net pension liability	2,399,559	3,696,807	(1,989,627)	4,106,739	2,177,519	1,929,220
Total	\$ 6,241,602	\$ 8,479,410	\$ (5,217,491)	\$ 9,503,521	\$ 4,528,479	\$ 4,975,042

Compensated Absences

Compensated absences at June 30, 2016 and 2015, amounted to \$1,411,148 and \$1,282,143, respectively. There is no fixed payment schedule for compensated absences.

Claims Payable

Claims payable at June 30, 2016 and 2015, amounted to \$3,985,634 and \$2,559,900, respectively. There is no fixed payment schedule for claims payable. See Note 8 for more detail.

Net Pension Liability

Refer to Note 9 for information.

NOTE 8 RISK MANAGEMENT

STA is a participant in the Public Entity Risk Management Authority (PERMA) formed under a joint powers agreement between local governments and special districts for the purpose of jointly funding (pooling risks) general liability and workers' compensation insurance for the member agencies. STA's general liability self-insured retention is \$125,000 per claim. The total general liability coverage limit is \$50,000,000 per occurrence. Workers' compensation insurance costs are based on annual deposit premiums. STA's workers' compensation self-insured retention is \$250,000 per claim and coverage limits are statutory limits. Settlements have not exceeded insurance coverage for each of the past three years.

If PERMA experiences an unusually large number of losses during a policy year, the funds for a given program may become exhausted. In such case, the Board of Directors of PERMA may impose premium surcharges on all members who were in the program at the time such loss or losses occurred in order to pay the necessary costs. Annual surcharges shall not exceed an amount equal to three times the member's annual premium for the policy year in which such loss occurred. STA's surcharge would be based upon its pro rata share of premiums paid in said year.

STA's self-insured retention for general and workers' compensation liabilities is based on an annual actuarial study discounted at 2.5%. Changes in liabilities for the past two fiscal years were as follows:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Provisions of Claims</u>	<u>Claim Payments</u>	<u>Ending Balance</u>
2013-2014	2,276,962	1,255,374	(910,714)	2,621,622
2014-2015	2,621,622	799,739	(861,461)	2,559,900
2015-2016	2,559,900	2,808,427	(1,382,693)	3,985,634

Separate financial statements are available for PERMA by contacting it at 36-951 Cook Street, Suite 101, Palm Desert, California 92211.

NOTE 9 EMPLOYEE RETIREMENT PLANS

Plan Description

STA contributes to the Sunline Transit Retirement Income Plans for Bargaining and Non-Bargaining Personnel (Plans), single-employer defined benefit pension plans. STA administers the Plans through a Retirement Committee appointed by STA's Board of Directors.

NOTE 9 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Plan Description (Continued)

Bargaining and non-bargaining participants are 100 percent vested in their accrued benefit after completion of five years of credited service. Normal retirement age is 62; however, an employee may retire prior to age 62, provided he/she has attained age 55 or has completed 25 years of credited service. Employees who retire early are subject to a reduced benefit. An employee may remain employed after his/her normal retirement age and receive an increased benefit. Non-bargaining employees shall at all times be 100 percent vested in their contributions.

Bargaining Personnel Plan - Prior to June 30, 2007, the amount of the monthly retirement benefit at the normal retirement date shall be equal to 1/90 of the first \$400 of Final Average Monthly Earnings (FAME) plus 1/60 of the excess of FAME over \$400, times years and completed quarters of credited service. The calculation was amended effective July 1, 2007, whereas benefit payments at the normal retirement date shall be equal to 1/60 of FAME, multiplied by years and completed quarters of service. FAME is the average of the thirty-six highest consecutive months of earnings as a participant. If the employee has attained age 62 at termination and completed ten years of service, the minimum monthly benefit is \$400. Earnings mean compensation paid during a plan year as an eligible employee, excluding any compensation paid as bonuses, overtime, or other extra pay. A year of credited service for each plan year is earned during which an employee is employed full time for STA. The basic form of benefit payment is a life annuity; however, various joint and survivor annuity forms are available, provided certain requirements are met.

Non-Bargaining Personnel Plan - The amount of the monthly retirement benefit at the normal retirement date shall be equal to the greater of a) 2.5 percent times FAME times years of credited service (FAME is the average of the thirty-six highest consecutive months of earnings as a participant) or b) if the employee has attained age 62 at termination and completed ten years of service, the minimum monthly benefit is \$400. Earnings mean compensation paid during a plan year as an eligible employee, excluding any compensation paid as bonuses, overtime, or other extra pay. The maximum benefit is 90% of FAME. A year of credited service for each plan year is earned during which an employee is employed full time for STA. The basic form of benefit payment is a life annuity; however, various joint and survivor annuity forms are available, provided certain requirements are met.

NOTE 9 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Plan Description (Continued)

Death, Disability and Termination Benefits Under the Plans - If an active employee (participant) dies, a death benefit may be paid to the participant's spouse, (or dependent under age 21) provided the participant has completed five years of credited service. The benefit is the participant's accrued benefit assuming that the participant retired on the day prior to their death. If an employee becomes totally and permanently disabled after completing ten years of services he/she shall be entitled to receive an unreduced pension equal to 2.5 percent of FAME times years of service. This benefit cannot exceed the projected benefit at age 62 based on current FAME and total service assuming continued employment until age 62. If a participant who has completed five years of vesting service is terminated for any reason other than death, he/she will be entitled to receive his/her normal benefit upon attainment of age 55.

Separate financial statements for the Plans may be obtained from STA.

The Plans' provisions and benefits in effect at June 30, 2016, are summarized as follows:

	Bargaining	Non-Bargaining
Benefit formula at normal retirement age	1.6% @ 62	2.5% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	55 - 62	55 - 62
Monthly benefits, as a % of eligible compensation	1.6%	2.0% to 2.5%
Required employee contribution rates	none	0.03
Required employer contribution rates	0.1263	0.2379

Employees Covered – At June 30, 2016, the following employees were covered by the benefit terms for each Plan:

	Bargaining	Non-Bargaining
Inactive employees or beneficiaries currently receiving benefits	71	39
Inactive employees entitled to but not yet receiving benefits	92	89
Active employees	256	91
	419	219

Contributions – Funding contributions for both Plans are determined annually on an actuarial basis as of January 1 by an actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Agency is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

NOTE 9 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Net Pension Liability

The Agency's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of December 31, 2015. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions – The total pension liabilities in the January 1, 2016 actuarial valuations were determined using the following actuarial assumptions:

	<u>Bargaining</u>	<u>Non-Bargaining</u>
Valuation Date	January 1, 2016	January 1, 2016
Measurement Date	December 31, 2015	December 31, 2015
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Discount Rate	6.0%	6.0%
Inflation	2.75%	2.75%
Payroll Growth	3.0%	4.0%
Projected Salary	3.0% ⁽¹⁾	4.0% ⁽¹⁾
Investment Rate of Return	6.0% ⁽²⁾	6.0% ⁽²⁾
Mortality	RP-2006 Blue Collar Mortality Table with generational improvements beginning in 2006 on the Social Security Administration's assumption scale. After disablement, the RP 2006 Disabled Retiree Table with generational improvements beginning in 2006 based on the Social Security Administration's assumption scale.	RP-2006 Blue Collar Mortality Table with generational improvements beginning in 2006 on the Social Security Administration's assumption scale. After disablement, the RP 2006 Disabled Retiree Table with generational improvements beginning in 2006 based on the Social Security Administration's assumption scale.

⁽¹⁾ Depending on merit, seniority and inflation

⁽²⁾ Net of pension plan investment expenses, including inflation

Given the size of the plan, there is not enough data available to conduct credible experience study. The assumptions are not anticipated to produce significant cumulative actuarial gains or losses over time. The liabilities and data are analyzed each year in order to identify any trends of experience deviation from the actuarial assumptions.

Discount Rate – The discount rate used to measure the total pension liability was 6.00% for each Plan. The projection of cash flows used to determine the discount rate assumed that contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 9 EMPLOYEE RETIREMENT PLANS (CONTINUED)

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. An explicit cost for Plan expenses was not included in the valuation. The 6.00 percent investment return used in this accounting valuation is assumed to be net of administrative expenses. An investment return excluding administrative expenses would have been higher than 6.00 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. STA believes the difference in calculation will not lead to a material difference.

Changes in the Net Pension Liability

The following table shows the changes in net pension liability over the measurement period:

	Increase(Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability / (Asset)
Balance at 12/31/2014	\$ 43,952,277	\$ 41,552,718	\$ 2,399,559
Changes recognized for the measurement period:			
Service cost	1,624,861	-	1,624,861
Interest on the total pension liability	2,699,494	-	2,699,494
Differences between expected and actual experiences	(417,462)	-	(417,462)
Changes of assumptions	(695,882)	-	(695,882)
Contributions from the employer	-	1,989,627	(1,989,627)
Contributions from the employee	-	124,295	(124,295)
Net Investment Income	-	(275,344)	275,344
Administrative expenses	-	(334,747)	334,747
Benefit payments, including refunds of employee contributions	(1,171,132)	(1,171,132)	-
Net changes during 2015	<u>2,039,879</u>	<u>332,699</u>	<u>1,707,180</u>
Balance at: 12/31/2015	<u>\$ 45,992,156</u>	<u>\$ 41,885,417</u>	<u>\$ 4,106,739</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate –

The following presents the net pension liability of STA for each Plan, calculated using the discount rate for each Plan, as well as what STA's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Bargaining	Non-Bargaining
1% Decrease	5.00%	5.00%
Net Pension Liability	\$5,310,864	\$5,470,309
Current Discount Rate	6.00%	6.00%
Net Pension Liability	\$2,108,619	\$1,998,120
1% Increase	7.00%	7.00%
Net Pension Liability	(\$545,660)	(\$856,331)

NOTE 9 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Pension Plan Fiduciary Net Position – Detailed information about each pension plan’s fiduciary net position is available in the separately issued audited financial reports.

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2016, STA recognized pension expense of \$2,935,173. At June 30, 2016, STA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected experience	\$ 64,654	\$ (640,824)
Changes in assumptions	1,266,454	(620,702)
Net differences between projected and actual earnings on plan investments	2,626,776	-
Total	\$ 3,957,884	\$ (1,261,526)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

December 31	Amount
2016	\$ 911,770
2017	911,771
2018	717,596
2019	585,135
2020	(136,686)
Therafter	(293,228)

Payable to the Pension Plan

At June 30, 2016, the Agency reported a payable of \$4,106,739 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2016.

NOTE 10 COMMITMENT AND CONTINGENCIES

Lawsuits

STA and SSG been named in certain legal actions pending at June 30, 2016. While the outcome of these lawsuits is not presently determinable, in the opinion of management of STA and SSG, based in part on the advice of counsel, the resolution of these matters is not expected to have a material adverse effect on the financial position or results of operations of STA and SSG, or is adequately covered by insurance.

Federal and State Grant Programs

STA participates in Federal and State grant programs. These programs were audited in accordance with the provisions of the Federal Single Audit Act of 1984, as amended in 1996 and applicable state requirements. No cost disallowance is expected as a result of these audits; however, these programs may be subject to further examination by the grantors. Awards which may be disallowed by the granting agencies, if any, cannot be determined at this time. Management expects such amounts, if any, to be immaterial.

Construction Commitments

There are no construction commitments at June 30, 2016.

NOTE 11 TRANSPORTATION DEVELOPMENT ACT COMPLIANCE

STA is subject to the provisions of the Public Utilities Code ("PUC") Section 99270.1 and must maintain a minimum fare ratio of 18.21% in 2016 of operating revenues to operating expenses.

After allocation of indirect costs to each type of service and taking into consideration certain cost exemption provisions of the TDA, STA's fare ratio for the year ended June 30, 2016 was 22.56%, as calculated below. STA is in compliance with the provisions of PUC Section 99270.1.

Operating revenues	\$	7,131,890
Interest		2,477
Total revenues		7,134,367
Operating expenses		38,749,985
Less depreciation		7,132,124
Net operating expenses	\$	31,617,861
Fare ratio		22.56%
Target ratio		18.21%

NOTE 12 PROPOSITION 1B

On November 7, 2006, the voters of the State of California approved the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, known as Proposition 1B. Proposition 1B included in a State program of funding in the amount of \$4 billion and \$1 billion to be deposited in the Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) and Transit System Safety, Security and Disaster Response Account (TSSSDRA), respectively. PTMISEA funds can be used for rehabilitation, safety or modernization improvements, or for rolling stock procurement, rehabilitation or replacement. TSSSDRA funds can be used for transportation related security and safety projects.

Proposition 1B activity during the year ended June 30, 2016 was as follows:

	PTMISEA	TSSSDRA	Total
Unspent Prop 1B funds at July 1, 2015	\$ 785,420	\$ 809,127	\$ 1,594,547
Prop 1 B funds received/returned	17,214	373,153	390,367
Prop 1 B funds spent	(260,416)	(91,561)	(351,977)
Interest revenue earned on unspent Prop 1B funds	98	168	266
Unspent Prop 1B funds at June 30, 2016	\$ 542,316	\$ 1,090,887	\$ 1,633,203

NOTE 13 SUBSEQUENT EVENTS

The Agency has evaluated events subsequent to June 30, 2016 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through September 28, 2016, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

DRAFT

Sunline Transit Agency
Schedule of Changes in the Net Pension Liability and Related Ratios
As of June 30, 2016
Last Ten Years*

	Reporting Period 2016	
	Bargaining	Non- Bargaining
Total Pension Liability		
Service cost	\$ 786,230	\$ 838,631
Interest on total pension liability	1,319,280	1,380,214
Differences between expected and actual experience	43,602	(461,064)
Changes of assumptions	(565,426)	(130,456)
Benefits payments, including refunds of employee contributions	(452,533)	(718,599)
Net change in total pension liability	1,131,153	908,726
Total pension liability - beginning	21,428,042	22,524,235
Total pension liability - ending (a)	<u>\$ 22,559,195</u>	<u>\$ 23,432,961</u>
Plan fiduciary net pension		
Contributions from the employer	\$ 1,017,569	\$ 972,058
Contributions from the employee	-	124,295
Net investment income	(134,851)	(140,493)
Benefits payments, including refunds of employee contributions	(452,533)	(718,599)
Administrative expenses	(162,245)	(172,502)
Net change in plan fiduciary net position	267,940	64,759
Plan fiduciary net position - beginning	20,182,636	21,370,082
Plan fiduciary net position - ending (b)	<u>20,450,576</u>	<u>21,434,841</u>
Net pension liability - ending (a) - (b)	<u>\$ 2,108,619</u>	<u>\$ 1,998,120</u>
Plan fiduciary net position as a percentage of the total pension liability	90.65%	91.47%
Covered - employee payroll	\$ 7,395,958	\$ 3,608,769
Net pension liability as a percentage of covered-employee payroll	28.51%	55.37%

Note to Schedule

* Fiscal year 2015 was the 1st year of implementation.

Sunline Transit Agency
Schedule of Changes in the Net Pension Liability and Related Ratios
As of June 30, 2016
Last Ten Years*

	Reporting Period 2015	
	Bargaining	Non- Bargaining
Total Pension Liability		
Service cost	\$ 722,633	\$ 832,999
Interest on total pension liability	1,168,813	1,248,085
Differences between expected and actual experience	38,118	(491,252)
Changes of assumptions	948,715	1,267,953
Benefits payments, including refunds of employee contributions	(415,646)	(603,943)
Net change in total pension liability	2,462,633	2,253,842
Total pension liability - beginning	18,965,409	20,270,393
Total pension liability - ending (a)	<u>\$ 21,428,042</u>	<u>\$ 22,524,235</u>
Plan fiduciary net pension		
Contributions from the employer	\$ 838,727	\$ 850,854
Contributions from the employee	-	119,857
Net investment income	827,017	878,786
Benefits payments, including refunds of employee contributions	(415,646)	(603,943)
Administrative expenses	(16,569)	(16,079)
Net change in plan fiduciary net position	1,233,529	1,229,475
Plan fiduciary net position - beginning	18,949,107	20,140,607
Plan fiduciary net position - ending (b)	<u>20,182,636</u>	<u>21,370,082</u>
Net pension liability - ending (a) - (b)	<u>\$ 1,245,406</u>	<u>\$ 1,154,153</u>
Plan fiduciary net position as a percentage of the total pension liability	94.19%	94.88%
Covered - employee payroll	\$ 7,171,287	\$ 3,626,818
Net pension liability as a percentage of covered-employee payroll	17.37%	31.82%

Note to Schedule

* Fiscal year 2015 was the 1st year of implementation.

**Sunline Transit Agency
Schedule of Contributions – Bargaining Plan
Last Ten Years**

Year Ended December 31	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contributions Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2006	\$ 781,884	\$ 773,097	\$ 8,787	\$ 5,531,108	14.0%
2007	727,512	785,347	(57,835)	5,746,597	13.7%
2008	820,368	890,759	(70,391)	6,415,771	13.9%
2009	1,118,112	1,095,054	23,058	6,688,432	16.4%
2010	1,021,656	1,118,615	(96,959)	6,514,916	17.2%
2011	959,580	1,028,823	(69,243)	6,593,082	15.6%
2012	1,011,840	1,045,458	(33,618)	6,862,649	15.2%
2013	916,788	999,727	(82,939)	7,171,287	13.9%
2014	693,586	838,727	(145,141)	7,395,958	11.3%
2015	891,288	1,017,569	(126,281)	9,306,674	10.9%

Notes to Schedule

Actuarially determined contributions are calculated annually, at the beginning of each Plan year in which contributions are reported. Methods and assumptions used to determine contributions are as follows:

Actuarial cost method	Aggregate Actuarial Cost Method
Amortization method	Level percentage of payroll
Remaining amortization period	Remaining working lifetime
Asset valuation method	Actuarial value of assets is the market value of funds held by custodian with accrued contributions and accrued interest and dividends.
Inflation	2.75%
Salary increases	3.00%
Investment rate of return	6.00% per annum, net of investment expenses, compounded annually.
Retirement age	Retirement age varies based on employees' age and year of service
Mortality	In accordance with RP-2006 Blue Collar Mortality Tables with generational improvements beginning in 2006 based on the Social Security Administration's assumption scale. After disablement, the RP-2006 Disabled Retiree Table with generational improvements beginning in 2006 based on the Social Security Administration's assumption scale.

**Sunline Transit Agency
Schedule of Contributions – Non-Bargaining Plan
Last Ten Years**

Year Ended December 31	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contributions Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2006	\$ 1,032,552	\$ 1,197,969	\$ (165,417)	\$ 3,007,499	39.8%
2007	935,508	1,072,325	(136,817)	3,429,409	31.3%
2008	951,600	1,062,471	(110,871)	3,525,248	30.1%
2009	1,265,400	1,222,443	42,957	3,725,878	32.8%
2010	1,162,812	1,192,577	(29,765)	3,512,416	34.0%
2011	1,013,700	1,072,780	(59,080)	3,295,632	32.6%
2012	1,063,500	1,120,580	(57,080)	3,288,878	34.1%
2013	960,708	1,168,010	(207,302)	3,626,818	32.2%
2014	709,392	970,711	(261,319)	3,608,769	26.9%
2015	838,188	972,058	(133,870)	4,429,828	21.9%

Notes to Schedule

Actuarially determined contributions are calculated annually, at the beginning of each Plan year in which contributions are reported. Methods and assumptions used to determine contributions are as follows:

Actuarial cost method	Aggregate Actuarial Cost Method
Amortization method	Level percentage of payroll
Remaining amortization period	Remaining working lifetime
Asset valuation method	Actuarial value of assets is the market value of funds held by custodian with accrued contributions and accrued interest and dividends.
Inflation	2.75%
Salary increases	4.00%
Investment rate of return	6.00% per annum, net of investment expenses, compounded annually.
Retirement age	Retirement age varies based on employees' age and year of service
Mortality	In accordance with RP-2006 Blue Collar Mortality Tables with generational improvements beginning in 2006 based on the Social Security Administration's assumption scale. After disablement, the RP-2006 Disabled Retiree Table with generational improvements beginning in 2006 based on the Social Security Administration's assumption scale.

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SUPPLEMENTARY INFORMATION

Sunline Transit Agency
Combining Statements of Net Position
June 30, 2016 and 2015

	2016			2015		
	STA	SSG	Total	STA	SSG	Total
ASSETS						
Current assets:						
Cash and investments	\$ 5,182,598	\$ 484,630	\$ 5,667,228	\$ 8,510,009	\$ 404,401	\$ 8,914,410
Accounts receivable, net	624,438	12,250	636,688	354,116	16,837	370,953
Due from other governmental agencies	3,222,656	-	3,222,656	4,606,850	-	4,606,850
Due from STA	47,402	-	47,402	-	11,760	11,760
Inventory	764,960	-	764,960	583,750	-	583,750
Prepaid expense	158,661	-	158,661	21,316	-	21,316
Total current assets	10,000,715	496,880	10,497,595	14,076,041	432,998	14,509,039
Noncurrent assets:						
Deposits	499,515	-	499,515	300,194	-	300,194
Capital assets, not depreciated	6,592,942	-	6,592,942	6,571,626	-	6,571,626
Capital assets, depreciated	44,554,338	23,130	44,577,468	46,753,289	29,852	46,783,141
Total noncurrent assets	51,646,795	23,130	51,669,925	53,625,109	29,852	53,654,961
Total assets	61,647,510	520,010	62,167,520	67,701,150	462,850	68,164,000
DEFERRED OUTFLOWS OF RESOURCES						
Deferred amounts from pension	3,957,884	-	3,957,884	3,314,887	-	3,314,887
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	797,664	13,400	811,064	909,078	3,936	913,014
Accrued payroll and related liabilities	616,287	4,121	620,408	690,817	10,655	701,472
Retention payable	-	-	-	672,718	-	672,718
Due to other governmental agencies						
Riverside County Transportation Commission	-	-	-	3,000,000	-	3,000,000
Due to SSG	-	-	-	11,760	-	11,760
Due to STA	-	47,402	47,402	-	-	-
Unearned revenue	2,589,008	-	2,589,008	6,171,735	700	6,172,435
Net pension liability - current portion	2,177,519	-	2,177,519	1,729,476	-	1,729,476
Compensated absences payable	1,397,975	13,173	1,411,148	846,213	23,099	869,312
Claims payable - current portion	939,812	-	939,812	767,970	-	767,970
Total current liabilities	8,518,265	78,096	8,596,361	14,799,767	38,390	14,838,157
Noncurrent liabilities:						
Net pension liability	1,929,220	-	1,929,220	670,083	-	670,083
Compensated absences	-	-	-	412,831	-	412,831
Claims payable	3,045,822	-	3,045,822	1,791,930	-	1,791,930
Total noncurrent liabilities	4,975,042	-	4,975,042	2,874,844	-	2,874,844
Total liabilities	13,493,307	78,096	13,571,403	17,674,611	38,390	17,713,001
DEFERRED INFLOWS OF RESOURCES						
Deferred amounts from pension	1,261,526	-	1,261,526	336,674	-	336,674
NET POSITION						
Net investment in capital assets	51,147,280	23,130	51,170,410	53,324,915	29,852	53,354,767
Unrestricted	(296,719)	418,784	122,065	(320,163)	394,608	74,445
Total net position	\$ 50,850,561	\$ 441,914	\$ 51,292,475	\$ 53,004,752	\$ 424,460	\$ 53,429,212

Sunline Transit Agency
Combining Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2016 and 2015

	2016			2015		
	STA	SSG	Total	STA	SSG	Total
OPERATING REVENUES						
Passenger fares	\$ 3,200,299	\$ -	\$ 3,200,299	\$ 3,315,354	\$ -	\$ 3,315,354
CNG and hydrogen fuel revenues	3,299,395	-	3,299,395	2,180,683	-	2,180,683
Taxi license fees	-	349,167	349,167	-	441,852	441,852
Other	632,196	-	632,196	542,607	-	542,607
Total operating revenues	7,131,890	349,167	7,481,057	6,038,644	441,852	6,480,496
Operating expenses						
Salaries and benefits	22,331,808	-	22,331,808	20,399,794	-	20,399,794
Depreciation	7,132,124	6,722	7,138,846	9,214,574	2,630	9,217,204
Casualty and liability costs	2,797,762	3,314	2,801,076	1,207,374	-	1,207,374
Services	2,252,216	29,377	2,281,593	2,091,177	62,654	2,153,831
Utilities	1,694,944	3,976	1,698,920	1,767,690	7,054	1,774,744
Materials and supplies	1,591,914	9,683	1,601,597	1,357,084	7,743	1,364,827
Administrative	-	275,591	275,591	-	351,306	351,306
Fuel and lubricants	212,112	-	212,112	141,569	-	141,569
Tires and tubes	198,948	-	198,948	237,211	-	237,211
Taxes	187,862	-	187,862	151,043	-	151,043
Miscellaneous	350,295	3,071	353,366	286,197	2,361	288,558
Total operating expenses	38,749,985	331,734	39,081,719	36,853,714	433,748	37,287,461
OPERATING LOSS	(31,618,095)	17,433	(31,600,662)	(30,815,070)	8,104	(30,806,965)
NONOPERATING REVENUES						
Operating grants:						
Local Transportation Fund	15,029,833	-	15,029,833	11,752,396	-	11,752,396
Measure A	6,492,099	-	6,492,099	3,058,867	-	3,058,867
Federal Transit Administration -Section 5307	2,197,912	-	2,197,912	-	-	-
Federal Transit Administration -Section 5310	17,564	-	17,564	429,687	-	429,687
Federal Transit Administration -Section 5311	359,891	-	359,891	200,564	-	200,564
Federal Transit Administration -Section 5316	74,850	-	74,850	115,068	-	115,068
Federal Transit Administration -Section 5317	64,541	-	64,541	181,435	-	181,435
Federal Transit Administration - CMAQ	90,898	-	90,898	14,716	-	14,716
Low-Carbon Transit Operations Program Grant	155,907	-	155,907	5,846,000	-	5,846,000
Total operating grants	24,483,495	-	24,483,495	21,598,733	-	21,598,733
Interest income	2,477	21	2,498	1,763	40	1,803
Gain on sale of capital assets	(34,165)	-	(34,165)	8,695	-	8,695
Total nonoperating revenues	24,451,807	21	24,451,828	21,609,191	40	21,609,231
LOSS BEFORE CAPITAL CONTRIBUTIONS	(7,166,288)	17,454	(7,148,834)	(9,205,879)	8,144	(9,197,734)
CAPITAL CONTRIBUTIONS						
Capital grants:						
Federal Transit Administration	1,870,783	-	1,870,783	3,151,187	-	3,151,187
State Transit Assistance	873,861	-	873,861	467,630	-	467,630
Prop 1 B	351,977	-	351,977	6,377,636	-	6,377,636
Local Transportation Fund	660,115	-	660,115	456,149	-	456,149
Other	1,255,361	-	1,255,361	39,039	-	39,039
Total capital contributions	5,012,097	-	5,012,097	10,491,641	-	10,491,641
CHANGE IN NET POSITION	(2,154,191)	17,454	(2,136,737)	1,285,762	8,144	1,293,907
NET POSITION						
Beginning of year	53,004,752	424,460	53,429,212	51,718,990	416,316	52,135,306
End of year	\$ 50,850,561	\$ 441,914	\$ 51,292,475	\$ 53,004,752	\$ 424,460	\$ 53,429,212

Sunline Transit Agency
Combining Statements of Cash Flows
Years Ended June 30, 2016 and 2015

	2016			2015		
	STA	SSG	Total	STA	SSG	TOTAL
Cash flows from operating activities						
Cash received from customers	\$ 6,861,568	\$ 353,054	\$ 7,214,622	\$ 5,933,432	\$ 442,205	\$ 6,375,637
Cash payments to suppliers for goods and services	(9,162,327)	(42,375)	(9,204,702)	(8,146,822)	(90,946)	(8,237,768)
Cash payments to employees for services	(20,278,372)	(289,633)	(20,568,005)	(21,095,357)	(339,320)	(21,434,677)
Net cash provided by (used in) operating activities	(22,579,131)	21,046	(22,558,085)	(23,308,747)	11,939	(23,296,808)
Cash flows from noncapital financing activities						
Cash received from operating grants	22,876,982	-	22,876,982	21,583,838	-	21,583,838
Loan proceeds from RCTC	-	-	-	3,000,000	-	3,000,000
Advances to/from SSG	(59,162)	59,162	-	4,276	(4,276)	-
Payment of loan to RCTC	(3,000,000)	-	(3,000,000)	-	-	-
Net cash provided by noncapital financing activities	19,817,820	59,162	19,876,982	24,588,114	(4,276)	24,583,838
Cash flows from capital and related financing activities						
Cash received from capital grants	4,420,077	-	4,420,077	4,996,686	-	4,996,686
Acquisition and construction of capital assets	(5,012,097)	-	(5,012,097)	(10,448,656)	-	(10,448,656)
Proceeds from sale of capital assets	23,443	-	23,443	8,695	-	8,695
Net cash used in capital and related financing activities	(568,577)	-	(568,577)	(5,443,275)	-	(5,443,275)
Cash flows from investing activities						
Cash received from interest income	2,477	21	2,498	1,765	40	1,805
Net cash provided by investing activities	2,477	21	2,498	1,765	40	1,805
Change in cash and cash equivalents	(3,327,411)	80,229	(3,247,182)	(4,162,143)	7,703	(4,154,440)
Cash and cash equivalents, beginning of year	8,510,009	404,401	8,914,410	12,672,152	396,698	13,068,850
Cash and cash equivalents, end of year	\$ 5,182,599	\$ 484,630	\$ 5,667,228	\$ 8,510,009	\$ 404,401	\$ 8,914,410
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ (31,618,095)	\$ 17,433	\$ (31,600,662)	\$ (30,815,070)	\$ 8,104	\$ (30,806,966)
Provision for doubtful accounts	829	-	829	-	-	-
Depreciation	7,132,124	6,722	7,138,846	9,214,574	2,630	9,217,204
Changes in operating assets and liabilities						
Accounts receivable	(271,151)	4,587	(266,564)	(105,212)	(347)	(105,559)
Inventory	(181,210)	-	(181,210)	(99,588)	-	(99,588)
Prepaid items	(137,345)	-	(137,345)	105,066	-	105,066
Deposits	(199,321)	-	(199,321)	(269,593)	-	(269,593)
Deferred outflows of resources	(642,997)	-	(642,997)	(3,314,887)	-	(3,314,887)
Accounts payable and accrued liabilities	(111,414)	9,464	(101,950)	(581,632)	(2,171)	(583,803)
Retention payable	(672,718)	-	(672,718)	-	-	-
Accrued payroll and related liabilities	(74,530)	(6,534)	(81,064)	90,149	(217)	89,932
Net pension liability	1,707,180	-	1,707,180	2,148,635	-	2,148,635
Compensated absences	138,931	(9,926)	129,005	43,859	3,240	47,099
Claims payable	1,425,734	-	1,425,734	(61,722)	-	(61,722)
Unearned revenue	-	(700)	(700)	-	700	700
Deferred inflows of resources	924,852	-	924,852	336,674	-	336,674
Net cash provided by (used in) operating activities	\$ (22,579,131)	\$ 21,046	\$ (22,558,085)	\$ (23,308,747)	\$ 11,939	\$ (23,296,808)

**Report of Independent Auditors on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards***

**Board of Directors
Sunline Transit Agency**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Sunline Transit Agency (STA), which comprise the statements of financial position as of June 30, 2016, and the related statements of revenues, expenses and change in net position, and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated September 28, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered STA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of STA's internal control. Accordingly, we do not express an opinion on the effectiveness of STA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether STA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, contained in the State of California Department of Transportation, Article 4 of the *Transportation Development Act*, the *Public Transportation Modernization, Improvement and Service Enhancement Account* (PTMISEA) described in California Government Code §8879.55, the *Transit System Safety, Security and Disaster Response Account* (TSSSDRA) described in California Government Code §8879.23, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of STA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**Los Angeles, California
September 28, 2016**

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SunLine Services Group
Audited Financial Statements
As of and for the Years Ended June 30, 2016 and 2015
with Report of Independent Auditors

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SunLine Services Group
Audited Financial Statements
As of and for the Years Ended June 30, 2016 and 2015
with Report of Independent Auditors

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REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	15

Report of Independent Auditors

Board of Directors
SunLine Services Group
Thousand Palms, California 92276

Report on the Financial Statements

We have audited the accompanying financial statements of the SunLine Services Group (SSG), a component unit of SunLine Transit Agency (STA), which comprise the statements of financial position as of June 30, 2016 and 2015 and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the SunLine Services Group as of June 30, 2016 and 2015, and the changes in its financial position, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2016 on our consideration of SSG's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SSG's internal control over financial reporting and compliance.

**Los Angeles, California
September 28, 2016**

The management of SunLine Services Group (SSG) offers readers of the SSG's financial statements narrative overview and analysis of the financial activities of SSG for the fiscal years (FY) ended June 30, 2016 and 2015. We encourage readers to consider the information presented here in conjunction with the audited financial statements including the notes to the financial statements.

FINANCIAL HIGHLIGHTS

- Total assets of SSG exceeded its liabilities at the close of the fiscal year by \$441,914 in 2016 and \$424,460 in 2015. At June 30, 2016, net position consisted of \$23,130 net investment in capital assets and \$418,784 of unrestricted net position. Accordingly, operating revenues decreased, however, operating expenses also decreased during the year.
- SSG's net position increased in FY 2016 by \$17,454. The change in net position in FY 2016 when compared to FY 2015 was due to the decrease in operating vehicle permits and passenger surcharge fees in FY 2016 because of competition from the Uber transport services.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to SSG's financial statements. SSG's financial statements consist of two components:

- Financial statements; and,
- Notes to financial statements.

Financial Statements

The financial statements are designed to provide readers with a broad overview of SSG's finances, in a manner similar to a private sector business.

The *Statement of Net Position* presents information on all of SSG's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether SSG's financial position is improving or deteriorating. The presentation of net position also distinguishes between those invested in capital assets, those that are restricted by external parties or legal requirements, or those that are unrestricted and can be used for any purpose.

The *Statement of Revenues, Expenses and Changes in Net Position* provide information regarding the revenues generated and earned and the expenses incurred related to those revenues. The difference between the revenues and expenses represents the change in net position, or profitability as reflected by the amount of change in net position generated for the fiscal year.

The *Statement of Cash Flows* presents information on SSG's sources and uses of cash and the overall change in cash and cash equivalents over the fiscal year. These activities are categorized by the different activities in which SSG engages: operating activities, noncapital financing activities, capital and related financing activities, and investing activities.

Notes to Financial Statements

The notes provide information on significant accounting policies, cash and investments, accounts receivable, capital assets, compensated absences, and other areas for a full understanding of the data in the financial statements.

FINANCIAL STATEMENT ANALYSIS

Net Position

As stated earlier, increases or decreases in net position over time may serve as a useful indicator of SSG's financial position. At June 30, 2016, SSG's assets exceeded liabilities by \$441,914, a \$17,454 increase from June 30, 2015. A condensed summary of the Statements of Net Position as of June 30, 2016 and 2015 is shown below:

	<u>2016</u>	▲	<u>2015</u>	<u>Changes</u>
Current and other assets	\$ 496,880	\$	432,998	\$ 63,882
Capital assets	<u>23,130</u>		<u>29,852</u>	<u>(6,722)</u>
Total assets	<u>520,010</u>		<u>462,850</u>	<u>57,160</u>
Current liabilities	<u>78,096</u>		<u>38,390</u>	<u>39,706</u>
Total liabilities	<u>78,096</u>		<u>38,390</u>	<u>39,706</u>
 Net Position:				
Net Investment in capital assets	<u>23,130</u>		<u>29,852</u>	<u>(6,722)</u>
Unrestricted	<u>418,784</u>		<u>394,608</u>	<u>24,176</u>
Total net position	<u>\$ 441,914</u>	\$	<u>\$ 424,460</u>	<u>\$ 17,454</u>

SSG's investment in capital assets represents acquisition of service vehicles, facilities/structures, and peripheral equipment for operations, and administrative support. SSG uses these capital assets to provide services to regulate, license, and franchise taxicabs and alternative transportation in the Coachella Valley. Because of this, these assets are not available for future spending. The decrease of \$6,722 in net investment in capital assets at June 30, 2016, resulted primarily from the depreciation of capital assets.

Unrestricted net position represents the portion of net position that can be used to finance day-to-day operations without constraints by debt covenants, enabling legislation, or other legal requirements. Unrestricted net position increased by \$24,176 due to revenues generated is higher than expenses incurred during FY 2016.

Changes in Net Position

For the fiscal years ended June 30, 2016 and 2015, SSG's revenues were \$349,188, and \$441,892, respectively, while the total expenses, excluding depreciation, were \$325,012 and \$431,118, respectively. The table below presents financial data related to the change in net position of \$17,454 and \$8,144 during the fiscal years ended June 30, 2016 and 2015, respectively. The change in net position in 2016 than 2015 was primarily due to lower revenues from operating vehicle permits and passenger surcharge fees because of competition from the Uber transport services.

SunLine Services Group
Management's Discussion and Analysis
June 30, 2016

	<u>2016</u>	<u>2015</u>	<u>Changes</u>
REVENUES			
Operating vehicle permit	\$ 90,941	\$ 98,016	\$ (7,075)
Passenger surcharge fees	217,071	282,426	(65,355)
Driving permits and inspection fees	38,615	49,360	(10,745)
Interest and other revenues	2,561	12,090	(9,529)
Total revenues	<u>349,188</u>	<u>441,892</u>	<u>(92,704)</u>
CONTROLLABLE OPERATING EXPENSES			
Administrative	275,591	351,306	(75,715)
Services	29,377	62,654	(33,277)
Materials and supplies	9,683	7,743	1,940
Utilities	3,976	7,054	(3,078)
Casualty & Liability	3,314	-	3,314
Miscellaneous	3,071	2,361	710
Total controllable operating expenses	<u>325,012</u>	<u>431,118</u>	<u>(106,105)</u>
Depreciation	6,722	2,630	4,092
Total expenses	<u>331,734</u>	<u>433,748</u>	<u>(102,013)</u>
CHANGES IN NET POSITION	17,454	8,144	9,310
NET POSITION			
Beginning of year	424,460	416,316	8,144
End of year	<u>\$ 441,914</u>	<u>\$ 424,460</u>	<u>\$ 17,454</u>

Revenues

Operating revenues decreased by \$92,704 from 2015 due to the decrease in operating vehicle permits and passenger surcharge fees as a result of the competition from the Uber transport services.

Expenses

Adopted SSG policies, procedures, and business processes are used as management tools to control expenses and attain goals and objectives. These controllable operating expenses consist of cost elements that exclude depreciation. For purposes of this analysis, operating expenses before depreciation will be discussed. These expenses totaled \$325,012 and \$431,118 during the fiscal years ended June 30, 2016 and 2015, respectively. Operating expenses before depreciation decreased by \$106,105 from 2015. The decrease is primarily due to decreases in administrative expenses such as decreases in salaries expenses allocated by STA during the year.

Capital assets

SSG's investment in capital assets amounted to \$23,130 and \$29,852 (net of accumulated depreciation), as of June 30, 2016 and 2015, respectively. This investment in capital assets includes service vehicles, facilities/structures, and peripheral equipment for operations, and administrative support. These capital assets were acquired using internally generated funds.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

These significant factors were considered as budget assumptions when preparing SSG's budget for FY 2017:

- Uber has continued to increase its market share and the effect has had a negative impact on Taxi revenues.
- As a result of a reduction in revenues, expenses were reduced by 30.03%.
- The inspection fees will be eliminated in FY 2017. Taxicabs will be allowed to conduct inspections at certified shops as opposed to SunLine conducting the inspections.
- Late fees shall be assessed at \$29.00 per day for a maximum of \$116 per occurrence.
- Initial projections allowed for a removal of vehicle permit fees for hybrids. Given the current state of the taxicab market, the reduction cannot continue to be supported for FY 2017 and has been increased to \$450.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of SSG's finances for all those with an interest in SSG's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, SunLine Services Group, 32-505 Harry Oliver Trail, Thousand Palms, CA 92276.

**SunLine Services Group
Statements of Net Position**

		June 30	
		2016	2015
ASSETS			
Current assets			
Cash and cash equivalents	\$	484,630	\$ 404,401
Accounts receivable		12,250	16,837
Advances to SunLine Transit Agency		-	11,760
Total current assets		496,880	432,998
Noncurrent assets			
Capital assets, net of accumulated depreciation		23,130	29,852
Total assets		520,010	462,850
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities		13,400	3,936
Advances from SunLine Transit Agency		47,402	-
Accrued payroll and related liabilities		4,121	10,655
Compensated absences		13,173	23,099
Unearned revenue		-	700
Total current liabilities		78,096	38,390
NET POSITION			
Net investment in capital assets		23,130	29,852
Unrestricted		418,784	394,608
Total net position	\$	441,914	\$ 424,460



See notes to financial statements.

SunLine Services Group
Statements of Revenues, Expenses, and Changes in Net Position

	Years ended June 30	
	2016	2015
OPERATING REVENUES		
Operating vehicle permit fees	\$ 90,941	\$ 98,016
Passenger surcharge fees	217,071	282,426
Driving permits and inspection fees	38,615	49,360
Other	2,540	12,050
Total operating revenues	349,167	441,852
OPERATING EXPENSES		
Administrative	275,591	351,306
Services	29,377	62,654
Materials and supplies	9,683	7,743
Utilities	3,976	7,054
Casualty and liability	3,314	-
Depreciation	6,722	2,630
Miscellaneous	3,071	2,361
Total operating expenses	331,734	433,748
OPERATING INCOME	17,433	8,104
NONOPERATING REVENUE		
Interest income	21	40
CHANGE IN NET POSITION	17,454	8,144
NET POSITION		
Beginning of year	424,460	416,316
End of year	\$ 441,914	\$ 424,460

See notes to financial statements.

**SunLine Services Group
Statements of Cash Flows**

	Years ended June 30	
	2016	2015
Cash flows from operating activities:		
Cash received from customers	\$ 353,054	\$ 442,205
Cash payments to suppliers for goods and services	(42,375)	(90,946)
Cash payments to employees for services	(289,633)	(339,320)
Net cash provided by operating activities	21,046	11,939
Cash flows from financing activity:		
Advances (to) / from SunLine Transit Agency	59,162	(4,276)
Cash provided by financing activity	59,162	(4,276)
Cash flows from investing activity:		
Interest received	21	40
Cash provided by investing activity	21	40
Change in cash and cash equivalents	80,229	7,703
Cash and cash equivalents, beginning of year	404,401	396,698
Cash and cash equivalents, end of year	\$ 484,630	\$ 404,401
Reconciliation of operating income to net cash provided by (used in) operating activities:		
Operating income	\$ 17,433	\$ 8,104
Depreciation	6,722	2,630
Change in operating assets and liabilities:		
Accounts receivable	4,587	(347)
Accounts payable and accrued liabilities	9,464	(2,171)
Accrued payroll and related liabilities	(6,534)	(217)
Compensated absences	(9,926)	3,240
Unearned revenue	(700)	700
Net cash provided by operating activities	\$ 21,046	\$ 11,939

See notes to financial statements.

NOTE 1 REPORTING ENTITY

SunLine Services Group (SSG) was formed in 1993 in order to enhance public/private partnerships in the Coachella Valley. SSG operations include regulating, licensing, and franchising of the taxicabs and alternative transportation in the Coachella Valley. Effective July 1, 1996, SSG adopted ordinances to give it the authority to regulate taxicabs.

SSG is accounted for as a blended component unit of SunLine Transit Agency (STA). STA was formed by the County of Riverside, California, and the cities in the Coachella Valley to provide transportation services in the Coachella Valley. The accompanying financial statements present only the SSG and are not intended to present fairly the financial position, change in financial position, or cash flows of STA as a whole, in conformity with accounting principles generally accepted in the United States of America.

NOTE 2 SUMMARY SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental agencies. Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

The financial statements (i.e., the statement of net position, the statement of revenues, expenses and changes in net position, and statement of cash flows) report information on all of the activities of SSG.

Basis of Accounting and Measurement Focus

The financial statements are reported using the "economic resources" measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue when all eligibility requirements have been met. Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenue of the current fiscal period.

Operating revenues are those revenues that are generated from the primary operations of SSG. The principal operating revenues of SSG are operating vehicle permit fees, passenger surcharge fees, and driving permit and inspection fees. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 2 SUMMARY SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred inflows and outflows of resources

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as revenue until that time.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with original maturities of 90 days or less and are carried at cost, which approximates fair value.

Investments

Investments are stated at fair value, which is based on quoted market price. Changes in fair value that occur during the fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

Accounts Receivable

Accounts receivable are shown net of allowances for doubtful accounts, if any. Federal and State grants are reported as revenue when all eligibility requirements have been met. Amount earned but outstanding at year-end are reported as accounts receivable.

Capital Assets

Capital assets which consist of service vehicles, facilities/structures, and peripheral equipment for operations and administrative support are stated at cost or, for donated assets, at fair value at the date of donation. SSG capitalizes all assets with acquisition cost of at least \$1,000 and useful life of at least one year. The cost of normal maintenance and repairs that do not add to the value of the assets and do not materially extend asset lives are charged to operations as incurred. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets ranging from three to seven years.

Compensated Absences

It is SSG's policy to permit employees to accumulate earned but unused vacation leave up to 500 hours and unlimited hours for unused sick leave. Management, non-exempt, and union employees begin to accrue vested vacation and sick hours upon being hired, except for part-time employees who begin to accrue such hours after the first year. Accumulated unpaid vacation and vested sick leave pay is recorded as an expense and a liability at the time the benefit is earned.

NOTE 2 SUMMARY SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net Position is classified as follows:

Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted - This component of net position is the amounts of the assets, deferred outflows of resources, reduced by liabilities, and deferred inflows of resources that are not included in the determination of net investments in capital assets or the restricted component of net position.

Use of Restricted/Unrestricted Resources

When both restricted and unrestricted resources are available for use, it is SSG's policy to use restricted resources first, then unrestricted resources as they are needed.

Regulatory Administration Fees

Regulatory administration fees consist of permit fees, inspection fees, and passenger surcharge fees. Inspection fees and passenger surcharge fees are recognized as revenue when such services are rendered. Permit fees are recognized when permits are issued.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of the contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 CASH AND CASH EQUIVALENTS

The carrying amounts of SSG's cash deposits were \$484,630 and \$404,401 at June 30, 2016 and 2015, respectively. Bank balances at June 30, 2016 and 2015 was \$473,193 and \$405,051, respectively, which were fully insured and/or collateralized with securities held by the pledging financial institution in SSG's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure SSG's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in SSG's name.

NOTE 3 CASH AND CASH EQUIVALENTS (CONTINUED)

The market value of pledged securities must equal at least 110% of SSG's cash deposits. California law also allows institutions to secure SSG's deposits by pledging first trust deed mortgage notes having a value of 150% of SSG's total cash deposits. SSG may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation ("FDIC"). SSG, however, has not waived the collateralization requirements.

NOTE 4 CAPITAL ASSETS

Summary of changes in capital assets for the years ended June 30 is as follows:

	<u>Balance at</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2016</u>
Depreciable assets:				
Structures	\$ 65,434	\$ -	\$ (65,434)	\$ -
Vehicles	296,694	-	-	296,694
Equipment	52,874	-	(2,787)	50,087
Total depreciable assets	415,002	-	(68,221)	346,781
Accumulated depreciation	(385,150)	(6,722)	68,221	(323,651)
Net capital assets	<u>\$ 29,852</u>	<u>\$ (6,722)</u>	<u>\$ -</u>	<u>\$ 23,130</u>
	<u>Balance at</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2015</u>
Depreciable assets:				
Structures	\$ 65,434	\$ -	\$ -	\$ 65,434
Vehicles	296,694	-	-	296,694
Equipment	52,874	-	-	52,874
Total depreciable assets	415,002	-	-	415,002
Accumulated depreciation	(382,520)	(2,630)	-	(385,150)
Net capital assets	<u>\$ 32,482</u>	<u>\$ (2,630)</u>	<u>\$ -</u>	<u>\$ 29,852</u>

Depreciation expense was \$6,722 and \$2,630 for the years ended June 30, 2016 and 2015, respectively.

NOTE 5 RELATED PARTY TRANSACTIONS

STA's staff and resources are used in the performance of its responsibilities relating to the activities of SSG. Accordingly, STA allocates salaries and benefits to SSG on the basis of actual hours spent by activity. Other indirect overhead is allocated based on management's estimates. The fees to reimburse STA are billed to SSG monthly. For the year ended June 30, 2016, STA charged SSG \$275,591 and \$351,306, respectively, for administrative services.

NOTE 6 COMPENSATED ABSENCES

Compensated absences at June 30, 2016 and 2015, amounted to \$13,173 and \$23,099, respectively. There is no fixed payment schedule for compensated absences.

NOTE 7 RISK MANAGEMENT

SSG is insured through STA for its general liability and worker's compensation insurance. Claims liabilities and the related claims expenses are not included in the accompanying financial statements because claims are not identifiable between STA and SSG. Claim liabilities at June 30, 2016 and 2015 are displayed in the financial statements of STA in the amount of \$3,985,634 and \$2,559,900, respectively. Refer to the audited financial statements of STA for additional information.

NOTE 8 COMMITMENT AND CONTINGENCIES

SSG may become involved in various legal actions, administrative proceedings, or claims in the ordinary course of operations. Although it is not possible to predict with certainty the outcome of these actions or the range of possible loss or recovery, it is the opinion of SSG's legal counsel and SSG's management that the resolution of these matters will not have a material adverse effect on the financial condition of SSG.

NOTE 9 SUBSEQUENT EVENTS

SSG has evaluated events subsequent to June 30, 2016 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through September 28, 2016, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

**Report of Independent Auditors on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards***

Board of Directors
SunLine Services Group
Thousand Palms, California 92276

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the SunLine Services Group (SSG), a component unit of SunLine Transit Agency (STA), which comprise the statement of financial position as of June 30, 2016, and the related statements of revenues, expenses and change in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 28, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered SSG's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SSG's internal control. Accordingly, we do not express an opinion on the effectiveness of SSG's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether SSG's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of SSG's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**Los Angeles, California
September 28, 2016**

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SunLine Transit Agency

DATE: September 28, 2016
TO: Finance/Audit Committee
Board of Directors
FROM: Chief Financial Officer
RE: Fiscal Year 2016 Audit

RECEIVE AND FILE

Recommendation

Recommend that the Board of Directors Receive and File the Fiscal Year 2016 Audit.

Background

The Joint Powers Agreement requires SunLine Transit Agency and SunLine Services Group have an independent audit of its finances conducted annually. In addition, State Law requires that recipients of Transportation Development Act (TDA) funds undergo an annual fiscal audit. TDA funds comprise the majority of SunLine's Operating revenues, which are dispersed by Riverside County Transportation Commission (RCTC), the planning agency for SunLine.

Finally, Federal law requires under the Single Audit Act that Agencies produce a single fiscal audit to meet the requirements set forth in OMB Circular A-133 and those of the funding Agency.

This year's audit was completed by Vasquez & Company, LLP. The audit was completed without the need to file for any extension and we were able to meet our goal of completing the audit in September.

Alton Hillis, Sr.

SunLine Transit Agency
Checks \$1,000 and Over
For the month of June 2016

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

Vendor Name	Description	Check #	Check	Amount
<i>BAE SYSTEMS CONTROLS, INC.</i>	<i>WIP-Battery Dominant</i>	<i>668729</i>	<i>6/29/2016</i>	<i>\$285,000.00</i>
CalPERS	Group Health Ins Prem	68529	6/9/2016	\$271,508.11
PERMA - Insurance	Gen Lib/WC	668584	6/9/2016	\$113,503.75
<u>U.S. BANK INSTITUTIONAL TRUST-</u>	<u>Pension Deposits</u>	<u>668681</u>	<u>6/17/2016</u>	<u>\$89,877.54</u>
<u>U.S. BANK INSTITUTIONAL TRUST-</u>	<u>Pension Deposits</u>	<u>668510</u>	<u>6/6/2016</u>	<u>\$88,452.18</u>
<i>DECALS BY DESIGN, INC.</i>	<i>WIP-Bus Rehab Decals/Logos</i>	<i>668749</i>	<i>6/30/2016</i>	<i>\$64,802.68</i>
<i>DECALS BY DESIGN, INC.</i>	<i>WIP-Bus Rehab Decals/Logos</i>	<i>668547</i>	<i>6/9/2016</i>	<i>\$59,402.46</i>
SO CAL GAS CO.	Utilities	668675	6/17/2016	\$57,748.41
BP ENERGY COMPANY	CNG	668620	6/17/2016	\$51,877.28
<i>RENOVA ENERGY CORP.</i>	<i>Solar Panel Project-T2</i>	<i>668797</i>	<i>6/30/2016</i>	<i>\$28,823.12</i>
BURKE, WILLIAMS & SORENSEN, LLP	Legal Services	668622	6/17/2016	\$27,634.48
<i>DECALS BY DESIGN, INC.</i>	<i>WIP-Bus Rehab Decals/Logos</i>	<i>668546</i>	<i>6/9/2016</i>	<i>\$27,001.12</i>
<i>SEMA</i>	<i>F/A Computer Equip</i>	<i>668716</i>	<i>6/23/2016</i>	<i>\$25,682.40</i>
<i>DEMO UNLIMITED, INC.</i>	<i>WIP-Demolition Project</i>	<i>668699</i>	<i>6/23/2016</i>	<i>\$24,736.50</i>
MICHELIN NORTH AMERICA, INC.	Tire Leasing	668657	6/17/2016	\$23,772.12
IMPERIAL IRRIGATION DIST	Utilities	668568	6/9/2016	\$19,624.63
<i>BYD COACH & BUS LLC</i>	<i>WIP-Electric Buses Lease</i>	<i>668623</i>	<i>6/17/2016</i>	<i>\$14,625.36</i>
<i>APOLLO VIDEO TECHNOLOGY</i>	<i>WIP Electric Buses</i>	<i>668522</i>	<i>6/9/2016</i>	<i>\$13,101.99</i>
FIESTA FORD, INC.	Repair Parts/Support	668555	6/9/2016	\$11,437.62
FIESTA FORD, INC.	Repair Parts/Support	668492	6/6/2016	\$10,411.83
<i>GLOBAL MED INDUSTRIES, LLC</i>	<i>F/A Misc. Equip</i>	<i>668701</i>	<i>6/23/2016</i>	<i>\$9,783.00</i>
NEW FLYER INDUSTRIES CANADA ULC	Bus Parts	668782	6/30/2016	\$9,376.01
<i>FUEL SOLUTIONS INC.</i>	<i>WIP- CNG Station Engineer</i>	<i>668762</i>	<i>6/30/2016</i>	<i>\$8,918.09</i>
CUMMINS PACIFIC, LLC	Bus Repair Parts	668545	6/9/2016	\$8,497.33
G & K SERVICES	Uniform service	668558	6/9/2016	\$8,437.35
VASQUEZ AND COMPANY LLP	Audit Services (SLT)	668685	6/17/2016	\$8,221.50
GENFARE	Farebox	668645	6/17/2016	\$8,149.68
IMPERIAL IRRIGATION DIST	Utilities	668706	6/23/2016	\$8,148.82
PALMSPRINGSCLEANING-COM, LLC	Janitorial Servs	668580	6/9/2016	\$8,100.00
<i>APEX COMPUTER SYSTEMS, INC.</i>	<i>WIP-IT Project</i>	<i>668734</i>	<i>6/30/2016</i>	<i>\$7,833.54</i>
CTE	Consulting	668630	6/17/2016	\$7,189.56
NORTON MEDICAL INDUSTRIES	Medical-Exams and Testing	668784	6/30/2016	\$6,574.20
<i>AMALGAMATED TRANSIT UNION</i>	<i>Union Dues</i>	<i>668479</i>	<i>6/6/2016</i>	<i>\$6,126.31</i>
TK SERVICES, INC.	Bus Repair Parts	668676	6/17/2016	\$6,121.27
<i>AMALGAMATED TRANSIT UNION</i>	<i>Union Dues</i>	<i>668616</i>	<i>6/17/2016</i>	<i>\$6,089.84</i>
GAS COMPANY, THE	Indio Facility Gas	668560	6/9/2016	\$5,833.13
ALLIEDBARTON SECURITY SERVICES	Security Services	668516	6/9/2016	\$5,612.77
PALM SPRINGS MOTORS, INC.	Non-Rev Repair Parts	668504	6/6/2016	\$5,508.21
NEW FLYER INDUSTRIES CANADA ULC	Bus Parts	668712	6/23/2016	\$5,417.50

SunLine Transit Agency
Checks \$1,000 and Over
For the month of June 2016

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Vendor Name	Description	Check #	Check	Amount
PVC CONSULTING, LLC	Project Management FC3-6	668590	6/9/2016	\$5,100.00
CALSTART, INC.	F/A Motor Bus/Coaches	668740	6/30/2016	\$5,005.00
BIG TEX TRAILERS WORLD, INC.	WIP- Maints Equipment	668618	6/17/2016	\$4,757.65
AMERICAN CAB	Taxi Voucher Program	668733	6/30/2016	\$4,412.83
AMERICAN CAB	Taxi Voucher Program	668517	6/9/2016	\$4,402.55
CNTY OF RIVERSIDE DEPARTMENT OF	Hazardous Mat. Permit	668483	6/6/2016	\$4,356.00
SCENE CREATIVE, LLC	Advertisement	668670	6/17/2016	\$4,300.00
APOLLO VIDEO TECHNOLOGY	Security Camera Equipment	668735	6/30/2016	\$4,131.12
DESERT PUBLICATIONS INC.	Advertisement	668754	6/30/2016	\$4,100.00
PROPER SOLUTIONS	Temp. Emp Serv	668665	6/17/2016	\$4,036.55
ATLAS COPCO COMPRESSORS LLC	CNG/NGV/HYDRO Parts	668736	6/30/2016	\$3,999.27
YELLOW CAB OF THE DESERT	Taxi Voucher Program	668815	6/30/2016	\$3,835.25
SHRED-IT US JV LLC	Record Management	668507	6/6/2016	\$3,755.95
<u>RELIANCE STANDARD</u>	<u>PPO DENTAL</u>	<u>668666</u>	<u>6/17/2016</u>	<u>\$3,730.98</u>
HARBOR DIESEL & EQUIPMENT INC.	Bus Repair parts	668566	6/9/2016	\$3,632.97
TRANSPORTATION MANAGEMENT &	Bus Route Planning	668679	6/17/2016	\$3,604.84
GRAPHTEK INTERACTIVE	Custom Web Site Design	668703	6/23/2016	\$3,600.00
OFFICE DEPOT	Office Supplies	668788	6/30/2016	\$3,556.36
TK SERVICES, INC.	Bus Repair Parts	668724	6/23/2016	\$3,505.90
VERIZON WIRELESS	Wireless Cell Service	668512	6/6/2016	\$3,498.20
YELLOW CAB OF THE DESERT	Taxi Voucher Program	668614	6/9/2016	\$3,486.28
ANDREA CARTER & ASSOCIATES	Marketing Consulting & PR	668519	6/9/2016	\$3,400.00
NEW FLYER INDUSTRIES CANADA ULC	Bus Parts	668500	6/6/2016	\$3,360.21
ANDREA CARTER & ASSOCIATES	Marketing Consulting & PR	668693	6/23/2016	\$3,350.00
CAPITAL ONE COMMERCIAL (COSTCO)	Boardroom Supplies	668531	6/9/2016	\$3,290.64
CARQUEST AUTO PARTS	Repair Parts	668535	6/9/2016	\$3,248.68
TIME WARNER CABLE	Utilities	668508	6/6/2016	\$3,196.75
PROPER SOLUTIONS	Temp. Emp Serv	668588	6/9/2016	\$3,193.05
BP ENERGY COMPANY	CNG	668737	6/30/2016	\$3,151.99
ALLIEDBARTON SECURITY SERVICES	Security Services	668732	6/30/2016	\$3,135.42
HARBOR DIESEL & EQUIPMENT INC.	Bus Repair parts	668704	6/23/2016	\$3,102.35
<u>EYE MED</u>	<u>Employee Benefits</u>	<u>668554</u>	<u>6/9/2016</u>	<u>\$3,057.60</u>
<u>RELIANCE STANDARD</u>	<u>LTD/STD/LIFE Ins Prem</u>	<u>668593</u>	<u>6/9/2016</u>	<u>\$3,037.57</u>
GAS COMPANY, THE	Indio Facility Gas	668644	6/17/2016	\$2,844.96
CUMMINS PACIFIC, LLC	Bus Repair Parts	668747	6/30/2016	\$2,827.60
RUTAN & TUCKER, LLP	Legal fees	668668	6/17/2016	\$2,819.75
STRICKLAND KENNY INC.	Lubricants & Oils	668602	6/9/2016	\$2,789.92
L & T TRANSMISSION	Outside DAR Repairs	668575	6/9/2016	\$2,712.00

SunLine Transit Agency
Checks \$1,000 and Over
For the month of June 2016

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Vendor Name	Description	Check #	Check	Amount
PATRICK M. BRASSIL	Hydrogen Maintenance	668583	6/9/2016	\$2,640.00
CALIFORNIA STATE DISBURSEMENT	Employee Garnishment	668481	6/6/2016	\$2,603.81
CALIFORNIA STATE DISBURSEMENT	Employee Garnishment	668625	6/17/2016	\$2,580.81
FIESTA FORD, INC.	Repair Parts/Support	668638	6/17/2016	\$2,574.61
TK SERVICES, INC.	Bus Repair Parts	668509	6/6/2016	\$2,462.05
AVAIL TECHNOLOGIES	ITS Implementation	668524	6/9/2016	\$2,428.43
DS AIR	Agency Supplies	668700	6/23/2016	\$2,413.26
VALLEY OFFICE EQUIPMENT, INC.	Fax/Copier Supplies	668684	6/17/2016	\$2,350.03
BURRTEC WASTE & RECYCLING	Facility Trash Removal	668528	6/9/2016	\$2,333.45
GRAINGER	Facility Maintenance	668563	6/9/2016	\$2,318.10
GRAINGER	F/A Misc. Equip	668702	6/23/2016	\$2,288.98
AIRGAS REFRIGERANTS, INC.	Freon Refrigerant	668731	6/30/2016	\$2,264.15
TRANSIT PRODUCTS & SERVICES	Repair Parts	668678	6/17/2016	\$2,210.00
NEW FLYER INDUSTRIES CANADA ULC	Bus Parts	668660	6/17/2016	\$2,199.83
PROPER SOLUTIONS	Temp. Emp Serv	668795	6/30/2016	\$2,185.75
OFFICE DEPOT	Office Supplies	668714	6/23/2016	\$2,155.28
FLEET-NET CORPORATION	Software & Licenses	668640	6/17/2016	\$2,130.00
CYNTHIA L. HENSON	Staff Development	668633	6/17/2016	\$2,100.00
STRICKLAND KENNY INC.	Lubricants & Oils	668721	6/23/2016	\$2,092.44
TELEPACIFIC COMMUNICATIONS	Telephone Service	668806	6/30/2016	\$2,085.66
OFFICE DEPOT	Office Supplies	668503	6/6/2016	\$2,068.58
PETERSON HYDRAULICS, INC.	Security Equipment	668664	6/17/2016	\$1,998.48
ACCOUNTEMPS	WIP-ERP Project	668615	6/17/2016	\$1,993.00
KAMBRIAN CORPORATION	F/A Computer Equip	668496	6/6/2016	\$1,890.22
HOME DEPOT CRD SRVS	Facility Maintenance	668652	6/17/2016	\$1,860.36
LUMINATOR MASS TRANSIT, LLC	Signage	668655	6/17/2016	\$1,781.59
PAUL ASSOCIATES	Printing	668715	6/23/2016	\$1,771.20
CUMMINS PACIFIC, LLC	Bus Repair Parts	668698	6/23/2016	\$1,719.79
CREATIVE BUS SALES, INC.	Bus Repair Parts	668543	6/9/2016	\$1,704.70
AIRGAS REFRIGERANTS, INC.	Freon Refrigerant	668689	6/23/2016	\$1,664.15
FRANKLIN TRUCK PARTS, INC	Bus Repair Parts	668556	6/9/2016	\$1,634.16
SHI INTERNATIONAL CORP.	WIP-IT Projects	668717	6/23/2016	\$1,620.00
RECARO NORTH AMERICA, INC.	Bus Seats	668592	6/9/2016	\$1,619.97
CLAIREMONT EQUIPMENT	Bus Stop Improvement	668742	6/30/2016	\$1,575.16
GLOBAL EQUIPMENT CO. INC.	Maintenance Equipment	668767	6/30/2016	\$1,454.79
ALLIEDBARTON SECURITY SERVICES	Security Services	668692	6/23/2016	\$1,434.63
SMARTDRIVE SYSTEMS, INC.	Security Equipment	668599	6/9/2016	\$1,320.00
INKHEAD, INC.	Safety Supplies	668772	6/30/2016	\$1,302.36
CREATIVE BUS SALES, INC.	Bus Repair Parts	668629	6/17/2016	\$1,287.78
BROADLUX, INC.	Contracted Services-General	668696	6/23/2016	\$1,273.32

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Vendor Name	Description	Check #	Check	Amount
TOPS N BARRICADES, INC.	Bus Stops & Zones Supplies	668810	6/30/2016	\$1,265.00
CUMMINS-ALLISON CORP.	Annual Contracted Service	668632	6/17/2016	\$1,251.90
INSPECTORATE AMERICA	Oil Sample Jars	668773	6/30/2016	\$1,195.21
SIGNS BY TOMORROW	Repair Parts	668804	6/30/2016	\$1,133.08
DESERT ALARM, INC.	Security Services	668549	6/9/2016	\$1,120.00
<i>SHI INTERNATIONAL CORP.</i>	<i>WIP-IT Project</i>	<i>668802</i>	<i>6/30/2016</i>	<i>\$1,108.08</i>
TK SERVICES, INC.	Bus Repair Parts	668606	6/9/2016	\$1,101.34
CARNICERIA ATOYAC	Employee Event	668532	6/9/2016	\$1,065.38
<i>TYLER TECHNOLOGIES, INC.</i>	<i>WIP-ERP Project</i>	<i>668680</i>	<i>6/17/2016</i>	<i>\$1,062.50</i>
CREATIVE BUS SALES, INC.	Bus Repair Parts	668746	6/30/2016	\$1,038.90
TOTALFUNDS BY HASLER	Postage Supplies	668677	6/17/2016	\$1,000.00

Total of Checks Over \$1,000	\$1,678,020.15
Total of Checks Under \$1,000	\$62,472.50
Total of All Checks for the Month	\$1,740,492.65
Total Amount of Checks Prior Years Same Month	

SunLine Transit Agency
Checks \$1,000 and Over
For the month of July 2016

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Vendor Name	Description	Check #	Check	Amount
PERMA - Insurance	Gen Lib/WC	668954	7/21/2016	\$319,036.35
CalPERS	Group Health Ins Prem	668833	7/8/2016	\$272,836.50
<u>U.S. BANK INSTITUTIONAL TRUST-</u>	<u>Pension Deposits</u>	<u>669034</u>	<u>7/29/2016</u>	<u>\$90,373.87</u>
<u>U.S. BANK INSTITUTIONAL TRUST-</u>	<u>Pension Deposits</u>	<u>668909</u>	<u>7/18/2016</u>	<u>\$89,600.16</u>
<u>U.S. BANK INSTITUTIONAL TRUST-</u>	<u>Pension Deposits</u>	<u>668824</u>	<u>7/6/2016</u>	<u>\$89,569.05</u>
APOLLO VIDEO TECHNOLOGY	WIP-Wireless Video Link Buses	668918	7/21/2016	\$89,253.12
TRAPEZE SOFTWAREGROUP, INC.	Software	668908	7/18/2016	\$59,864.00
ANDREA CARTER & ASSOCIATES	Marketing Consulting & PR	668830	7/8/2016	\$59,250.00
BURKE, WILLIAMS & SORENSEN, LLP	Legal Services	668920	7/21/2016	\$58,542.72
SO CAL GAS CO.	Utilities	668964	7/21/2016	\$58,128.34
TRAPEZE SOFTWAREGROUP, INC.	Software	668879	7/8/2016	\$47,162.00
AVAIL TECHNOLOGIES	WIP-BYD ITS System	668984	7/29/2016	\$42,119.46
PRAXAIR, INC.	Hydrogen	669025	7/29/2016	\$27,777.04
APTA	Annual Membership Dues	668983	7/29/2016	\$27,685.00
SHI INTERNATIONAL CORP.	WIP- IT Project	668869	7/8/2016	\$23,688.24
<u>RELIANCE STANDARD</u>	<u>LTD/STD/LIFE Ins Prem</u>	<u>668904</u>	<u>7/18/2016</u>	<u>\$23,662.97</u>
MICHELIN NORTH AMERICA, INC.	Tire Leasing	669016	7/29/2016	\$23,267.98
IMPERIAL IRRIGATION DIST	Utilities	668947	7/21/2016	\$19,685.21
TRAPEZE SOFTWAREGROUP, INC.	Software	668973	7/21/2016	\$17,402.00
BYD COACH & BUS LLC	WIP- Electric Buses	668922	7/21/2016	\$16,050.27
SOUTHWEST NETWORKS, INC.	Network Consultants	668965	7/21/2016	\$15,881.25
AIRGAS REFRIGERANTS, INC.	Freon Refrigerant	668827	7/8/2016	\$11,179.20
COACHELLA VALLEY ECONOMIC	Membership & Subscriptions	668887	7/18/2016	\$10,000.00
PALMSPRINGSCLEANING-COM, LLC	Janitorial Servs	668861	7/8/2016	\$8,100.00
G & K SERVICES	Uniform service	668896	7/18/2016	\$7,109.27
ANDREA CARTER & ASSOCIATES	Marketing Consulting & PR	668982	7/29/2016	\$7,050.00
TK SERVICES, INC.	Bus Repair Parts	668876	7/8/2016	\$7,036.10
NEW FLYER INDUSTRIES CANADA ULC	Bus Parts	668859	7/8/2016	\$6,985.48
SHI INTERNATIONAL CORP.	WIP-IT Project	668962	7/21/2016	\$6,823.44
AMALGAMATED TRANSIT UNION	Union Dues	668816	7/6/2016	\$6,422.89
AMALGAMATED TRANSIT UNION	Union Dues	668883	7/18/2016	\$6,181.84
TK SERVICES, INC.	Bus Repair Parts	668968	7/21/2016	\$5,353.24
TRANSIT PRODUCTS & SERVICES	Repair Parts	668970	7/21/2016	\$5,284.00
NAPA AUTO PARTS	Vehicle Repair Parts	669021	7/29/2016	\$5,134.30
PATRICK M. BRASSIL	Hydrogen Maintenance	669024	7/29/2016	\$5,030.80
COMPLETE COACH WORKS	Repair/Paint Buses	668928	7/21/2016	\$5,010.00
YELLOW CAB OF THE DESERT	Taxi Voucher Program	669037	7/29/2016	\$4,975.70
PROPER SOLUTIONS	Temp. Emp Serv	668957	7/21/2016	\$4,829.30
VERIZON WIRELESS	Wireless Cell Service	668977	7/21/2016	\$4,801.73

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Vendor Name	Description	Check #	Check	Amount
STRICKLAND KENNY INC.	Lubricants & Oils	668871	7/8/2016	\$4,589.84
MICHAEL BAKER INTERNATIONAL	Solar Panel Project	668903	7/18/2016	\$4,417.74
DOUG WALL CONSTRUCTION, INC.	F/A Facility Improvements	668933	7/21/2016	\$4,348.69
GENFARE	Farebox	668848	7/8/2016	\$4,160.38
CALIFORNIA DENTAL NETWORK, INC.	Dental Insurance	668885	7/18/2016	\$4,042.20
CYNTHIA L. HENSON	Staff Development	668992	7/29/2016	\$3,937.50
CREATIVE BUS SALES, INC.	Bus Repair Parts	668838	7/8/2016	\$3,875.81
FRANKLIN TRUCK PARTS, INC	Bus Repair Parts	668943	7/21/2016	\$3,810.97
NORTON MEDICAL INDUSTRIES	Medical-Exams and Testing	669022	7/29/2016	\$3,769.25
<u>RELIANCE STANDARD</u>	<u>PPO DENTAL</u>	<u>668905</u>	<u>7/18/2016</u>	<u>\$3,673.18</u>
PATRICK M. BRASSIL	Hydrogen Maintenance	668864	7/8/2016	\$3,600.00
AMERICAN CAB	Taxi Voucher Program	668884	7/18/2016	\$3,488.42
NEW FLYER INDUSTRIES CANADA ULC	Bus Parts	668951	7/21/2016	\$3,443.50
ST. BOARD OF EQUALIZATION	Use Tax 99-246185	669031	7/29/2016	\$3,438.00
PROPER SOLUTIONS	Temp. Emp Serv	668866	7/8/2016	\$3,417.75
HOME DEPOT U.S.A, INC.	WIP-Maints Breakroom	669007	7/29/2016	\$3,410.02
AMERICAN CAB	Taxi Voucher Program	668981	7/29/2016	\$3,382.56
BURRTEC WASTE & RECYCLING	Facility Trash Removal	668921	7/21/2016	\$3,284.89
VALLEY OFFICE EQUIPMENT, INC.	Fax/Copier Supplies	668976	7/21/2016	\$3,190.59
4IMPRINT, INC.	Advertisement	668913	7/21/2016	\$3,033.39
ALLIEDBARTON SECURITY SERVICES	Security Services	668916	7/21/2016	\$3,009.67
<u>EYE MED</u>	<u>Employee Benefits</u>	<u>668893</u>	<u>7/18/2016</u>	<u>\$3,004.60</u>
ALLIEDBARTON SECURITY SERVICES	Security Services	668979	7/29/2016	\$2,869.26
TIME WARNER CABLE	Utilities	668874	7/8/2016	\$2,805.00
YELLOW CAB OF THE DESERT	Taxi Voucher Program	668912	7/18/2016	\$2,765.40
L & T TRANSMISSION	Outside DAR Repairs	668948	7/21/2016	\$2,712.00
ALTON HILLIS	Recruiting Employees	668828	7/8/2016	\$2,710.53
MAGELLAN BEHAVIORAL HEALTH	Employee Assistance	668902	7/18/2016	\$2,565.42
CALIFORNIA STATE DISBURSEMENT	Employee Garnishment	668817	7/6/2016	\$2,553.81
VINCENT GIBBS AND HIS ATTORNEY	Insurance Losses	668882	7/8/2016	\$2,500.00
CALIFORNIA STATE DISBURSEMENT	Employee Garnishment	668886	7/18/2016	\$2,481.74
TRANSPORTATION MANAGEMENT & INKHEAD, INC.	Bus Route Planning	668972	7/21/2016	\$2,406.25
	Safety Supplies	668899	7/18/2016	\$2,340.72
GAS COMPANY, THE	Indio Facility Gas	668945	7/21/2016	\$2,307.44
G&M HIRE ENTERPRISES, LLC	Temp. Emp Serv	668847	7/8/2016	\$2,301.20
MURCHISON & CUMMING, LLP	Insurance Losses	669017	7/29/2016	\$2,281.26
FLEET-NET CORPORATION	Software & Licenses	668846	7/8/2016	\$2,130.00
VINCENT GIBBS AND HIS ATTORNEY	Insurance Losses	668881	7/8/2016	\$2,116.62
CALIFORNIA STATE DISBURSEMENT	Employee Garnishment	668988	7/29/2016	\$2,074.01
TREMBLAY IRON WORKS	Front Entrance Gate	668974	7/21/2016	\$1,970.00

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Vendor Name	Description	Check #	Check	Amount
CAPITAL ONE COMMERCIAL (COSTCO)	Boardroom Supplies	668925	7/21/2016	\$1,900.33
INSTITUTE FOR TRANSIT	Staff Development	669012	7/29/2016	\$1,900.00
<i>PVC CONSULTING, LLC</i>	<i>Project Management FC3-6</i>	<i>669026</i>	<i>7/29/2016</i>	<i>\$1,900.00</i>
HOME DEPOT CRD SRVS	Facility Maintenance	669006	7/29/2016	\$1,761.35
CUMMINS PACIFIC, LLC	Bus Repair Parts	668840	7/8/2016	\$1,757.38
ROMAINE ELECTRIC CORP.	Repair Parts	668958	7/21/2016	\$1,730.62
CASSEL & ASSOCIATES	Sun Fuel Parts	668834	7/8/2016	\$1,560.71
OFFICE DEPOT	Office Supplies	668860	7/8/2016	\$1,540.76
G&M HIRE ENTERPRISES, LLC	Temp. Emp Serv	669000	7/29/2016	\$1,501.30
FIESTA FORD, INC.	Repair Parts/Support	668845	7/8/2016	\$1,500.38
PLAZA TOWING, INC.	Towing Service	668865	7/8/2016	\$1,450.00
DESERT AIR CONDITIONING, INC.	A/C REPAIR AND SALES	668930	7/21/2016	\$1,396.40
STRICKLAND KENNY INC.	Lubricants & Oils	668966	7/21/2016	\$1,394.96
RUTAN & TUCKER, LLP	Legal fees	668959	7/21/2016	\$1,353.39
SMARTDRIVE SYSTEMS, INC.	Security Equipment	668870	7/8/2016	\$1,340.00
DESERT ALARM, INC.	Security Services	668931	7/21/2016	\$1,239.85
<i>DESERT CITY CAB</i>	<i>Taxi Voucher Program</i>	<i>668889</i>	<i>7/18/2016</i>	<i>\$1,198.93</i>
GRAINGER	Facility Maintenance	668850	7/8/2016	\$1,089.05
DESERT SUN PUBLISHING CO., THE	Public Notice	668932	7/21/2016	\$1,082.00
FAST UNDERCAR PALM DESERT	Repair Parts	668935	7/21/2016	\$1,072.01
<i>ACCOUNTEMPS</i>	<i>WIP-ERP Project</i>	<i>668826</i>	<i>7/8/2016</i>	<i>\$1,000.00</i>
CSUSB PHILANTHROPIC FOUNDATION	Sponsorship Opportunities	668839	7/8/2016	\$1,000.00
PLAZA TOWING, INC.	Towing Service	668955	7/21/2016	\$1,000.00
TOTALFUNDS BY HASLER	Postage Supplies	668969	7/21/2016	\$1,000.00

Total of Checks Over \$1,000	\$1,746,031.85
Total of Checks Under \$1,000	\$29,202.71
Total of All Checks for the Month	\$1,775,234.56
Total Amount of Checks Prior Years Same Month	

Wells Fargo
SunLine Transit Agency Visa Credit Card Statement
Closing Date: July 4, 2016

Lauren Skiver – Detail

06/02/16	Panera	Executive Leadership Team/Cindy Henson	\$ 31.09
06/02/16	Panera	Executive Leadership Team/Cindy Henson	\$ 99.91
06/14/16	Panera	Lunch Access Advisory Committee	\$ 182.46
06/16/16	Southwest Airlines	CARB/L. Skiver/CEO/General Manager	\$ 30.00
06/16/16	Southwest Airlines	CARB/L. Skiver/CEO/General Manager	\$ 449.97
06/20/16	Panera	Executive Leadership Team/Cindy Henson	\$ 130.93
06/22/16	Orange Cab Co Sacto	CARB/Lost receipt/L. Skiver/CEO/General Manager	\$ 39.60
06/22/16	Sherman's	Lunch June Board Meeting	\$ 442.68
06/23/16	Hyatt Hotel	CARB/L Skiver/CEO/GM	\$ 240.95
06/23/16	Ontario Airport	CARB/Parking L. Skiver/CEO/GM	\$ 36.00
06/24/16	Panera	Lunch Master Plan Project/R LeFlore/Chief Perf Consultant	\$ 174.00
06/28/16	Expedia	APTA Leadership/L Skiver/CEO/GM	\$ 1341.18

Total Amount \$3198.77

Total Amount **\$3198.77**

Credits:

Total Credits



Rate Information

Your rate may vary according to the terms of your agreement.

TYPE OF BALANCE	ANNUAL INTEREST RATE	DAILY FINANCE CHARGE RATE	AVERAGE DAILY BALANCE	PERIODIC FINANCE CHARGES	TRANSACTION FINANCE CHARGES	TOTAL FINANCE CHARGES
PURCHASES	11.490%	03147%	\$0.00	\$0.00	\$0.00	\$0.00
CASH ADVANCES	24.240%	06641%	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL				\$0.00	\$0.00	\$0.00

Important Information

\$0 - \$3,198.77 WILL BE DEDUCTED FROM YOUR ACCOUNT AND CREDITED AS YOUR AUTOMATIC PAYMENT ON 07/29/16. THE AUTOMATIC PAYMENT AMOUNT WILL BE REDUCED BY ALL PAYMENTS POSTED ON OR BEFORE THIS DATE.

Summary of Sub Account Usage

Name	Sub Account Number Ending In	Monthly Spending Cap	Spend This Period
LAURA SKIVER	5958	40,000	\$3,198.77

Transaction Details

The transactions detailed on this Consolidated Billing Control Account Statement contain transactions made directly to this Control Account plus all transactions made on Sub Accounts. If there were no transactions made by a Sub Account that Sub Account will not appear.

Trans	Post	Reference Number	Description	Credits	Charges
06/02	06/03	7528230HBEHMQBF4L	CASH BACK REDEMPTION ACCT NON-FUNDABLE	300.42	
06/27	06/27	F326800J300CHGDDA	AUTOMATIC PAYMENT - THANK YOU	6,786.41	
TOTAL 4484610004265941 \$7,086.83					

Transaction Summary For **LAURA SKIVER**
Sub Account Number Ending In **5958**

06/02	06/03	2423168HA2E61EPYD	PANERA BREAD #601771 PALM DESERT CA	31.09	✓
06/02	06/03	2423168HA2E623H9A	PANERA BREAD #601771 PALM DESERT CA	99.91	✓
06/14	06/14	2423168HN2DJHFAFL	PANERA BREAD #601771 314-984-3495 CA	182.45	✓
06/16	06/16	2469216HT00BA22KT	SOUTHWES 5280692129689800-435-9792 TX	30.00	✓
		06/16/16	SKIVER/LAURA LEE		
		1 WN A	DALLAS DALLAS		✓
06/16	06/16	2469216HT00BA22L1	SOUTHWES 5282420337065800-435-9792 TX	449.97	✓
		06/22/16	SKIVER/LAURA LEE		
		1 WN Y	ONTARIO SACRAMENTO		
		2 WN W	SACRAMENTO ONTARIO		
06/20	06/20	2423168HX2E61LB6W	PANERA BREAD #601771 PALM DESERT CA	130.93	✓
06/22	06/22	2416407HZ2LQRPZVL	SITOA LONG ISLAND NY	39.60	✓
06/22	06/22	2455930HZBLGYZJEL	SHERMANS DELI AND BAKERY PALM DESERT CA	442.68	✓
06/23	06/23	2461043J22321QNWK	HYATT HOTELS SACRAMENTO SACRAMENTO CA	240.95	✓
06/23	06/23	2475542J04NM03KDG	ONTARIO AIRPORT LOT 4 ONTARIO CA	36.00	✓
06/24	06/24	2423168J02DL4WFO7	PANERA BREAD #601771 314-984-3495 CA	174.00	✓
06/28	06/28	2469216J400B533Q8	EXPEDIA*1139084895408 EXPEDIA.COM WA	1,024.98	✓
06/28	06/28	2469216J500PRFV8T	UNITED 0167893340789800-932-2732 TX	316.20	✓
		07/12/16	SKIVER/LAURA LEE		
		1 UA L	LOS ANGELES CHICAGO		
		2 UA T	CHICAGO LOS ANGELES		
		11578626	EXPEDIA.COM		
TOTAL \$3,198.77					
LAURA SKIVER					

Wells Fargo News

Now there are no foreign transaction fees when you make international purchases or travel outside of the U.S. With your Wells Fargo Business Elite Card, you can take your business anywhere around the world and have the confidence you'll get:

- No foreign transaction fees on your purchases
 - Enhanced security with chip card technology
- "No foreign transaction fees" applies to business credit cards issued by Wells Fargo, and this account in particular. For information on other Wells Fargo credit and debit cards, please see your account agreement or visit wells Fargo.com.

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CONSOLIDATED BILLING CONTROL ACCOUNT STATEMENT

Prepared For	SUNLINE TRANSIT LUIS GARCIA
Account Number	[REDACTED]
Statement Closing Date	07/04/16
Days in Billing Cycle	32
Next Statement Date	08/02/16
Credit Line	\$40,000
Available Credit	\$36,801

For 24-Hour Customer Service Call:
800-231-5511

Inquiries or Questions:
WF Business Direct PO Box 29482
Phoenix, AZ 85038-8650

Payments:
Payment Remittance Center PO Box 6415
Carol Stream, IL 60197-6415

Payment Information

New Balance	\$3,198.77
Current Payment Due (Minimum Payment)	\$500.00
Current Payment Due Date	07/29/16

Thank you for using our Automatic Payment service. See the **Important Information** section below for your next scheduled payment.

If you wish to pay off your balance in full: The balance noted on your statement is not the payoff amount. Please call 800-231-5511 for payoff information.

Account Summary

Previous Balance		\$7,088.83
Credits	-	\$300.42
Payments	-	\$6,788.41
Purchases & Other Charges	+	\$3,198.77
Cash Advances	+	\$0.00
Finance Charges	+	\$0.00
New Balance	=	\$3,198.77

Wells Fargo Elite Cash Back Advantage

Previous Balance		\$0.00
Cash Earned this Month		\$31.99
Trades From Other Company Cards		\$0.00
Bonus/Adjustments		\$0.00
Cash Back Balance	=	\$31.99
Cash Awarded this Period		\$0.00
Year to Date Cash Back Awarded		\$363.22

Cash Back Notice

Your next cash back reward is scheduled for 09/2016.

See reverse side for important information.

5596 0015 YTG 1 7 2 160704 0 PAGE 1 of 4 10 3268 1000 ELA3 01DR5596 2010

DETACH HERE

Detach and mail with check payable to "Wells Fargo" to arrive by Current Payment Due Date.

Make checks payable to: Wells Fargo

Account Number	[REDACTED]
New Balance	\$3,198.77
Total Amount Due (Minimum Payment)	\$500.00
Current Payment Due Date	07/29/16

Print address or phone changes:

Work ()

Amount Enclosed




 PAYMENT REMITTANCE CENTER YTG
 PO BOX 6415 29
 CAROL STREAM IL 60197-6415

SUNLINE TRANSIT
 LUIS GARCIA
 32505 HARRY OLIVER TRL
 THOUSAND PALMS CA 92276-3501


Wells Fargo
SunLine Transit Agency Visa Credit Card Statement
Closing Date: August 2, 2016

Lauren Skiver – Detail

07/12/16	Taxi	APTA Leadership Chicago/L Skiver, CEO/GM	\$	68.54
07/12/16	United	APTA Leadership Chicago-Baggage/L Skiver, CEO/GM	\$	25.00
07/15/16	Chicago Elite	Fare Charge/APTA Leadership Chicago/L Skiver, CEO/GM	\$	55.40
07/15/16	United	APTA Leadership Chicago-Baggage/L Skiver, CEO/GM	\$	25.00
07/15/16	LAX Airport	APTA Leadership Chicago-Parking/L Skiver, CEO/GM	\$	120.00
07/18/16	Panera	Executive Leadership Team/Cindy Henson	\$	122.28
07/21/16	Panera	Lunch/Ridership PAT	\$	89.67
07/25/16	Expedia/United	APTA Leadership Chicago/L Skiver, CEO/GM	\$	627.06
07/28/16	Expedia/Air Canada	Ballard/L Skiver, CEO/GM	\$	953.86
07/27/16	Panera	Lunch July Board Meeting	\$	237.73
07/27/16	Panera	Lunch July Board Meeting	\$	44.99
07/28/16	United	Factory Visit U.S. Fuel Cell/T Edwards Chief Operating Officer	\$	609.20
07/29/16	APTA Housing	APTA Annual Conference/T Edwards, Chief Operating Officer	\$	297.01
07/29/16	APTA Housing	APTA Annual Conference/P Gregor, Chief Safety Officer	\$	297.01
07/29/16	APTA Housing	APTA Annual Conference/L Skiver, CEO/GM	\$	297.01
07/29/16	APTA	APTA Annual Conference Reg/T Edwards, Chief Operating Officer	\$	850.00
07/29/16	APTA	APTA Annual Conference Reg/L Skiver, CEO/GM	\$	850.00

Total Amount \$5569.76

Total Amount \$5569.76

Credits:

Total Credits



Rate Information

Your rate may vary according to the terms of your agreement.

TYPE OF BALANCE	ANNUAL INTEREST RATE	DAILY FINANCE CHARGE RATE	AVERAGE DAILY BALANCE	PERIODIC FINANCE CHARGES	TRANSACTION FINANCE CHARGES	TOTAL FINANCE CHARGES
PURCHASES	11.490%	.03147%	\$0.00	\$0.00	\$0.00	\$0.00
CASH ADVANCES	24.240%	.06641%	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL				\$0.00	\$0.00	\$0.00

Important Information

\$0 - \$5,569.76 WILL BE DEDUCTED FROM YOUR ACCOUNT AND CREDITED AS YOUR AUTOMATIC PAYMENT ON 08/29/16. THE AUTOMATIC PAYMENT AMOUNT WILL BE REDUCED BY ALL PAYMENTS POSTED ON OR BEFORE THIS DATE.

5-1-16

Summary of Sub Account Usage

Name	Sub Account Number Ending In	Monthly Spending Cap	Spend This Period
LAURA SKIVER	[REDACTED]	40,000	\$5,569.76

Transaction Details

The transactions detailed on this Consolidated Billing Control Account Statement contain transactions made directly to this Control Account plus all transactions made on Sub Accounts. If there were no transactions made by a Sub Account that Sub Account will not appear.

Trans	Post	Reference Number	Description	Credits	Charges
07/29	07/29	F326800K300CHGDDA	AUTOMATIC PAYMENT - THANK YOU TOTAL 4484610004265941 \$3,198.77-	3,198.77	

Transaction Summary For **LAURA SKIVER**
Sub Account Number Ending In **5958**

07/12	07/12	2449215JJH86R3L7	303 TAXI CHICAGO IL		68.54 ✓
07/12	07/12	2459216JK00GQ1SPX	UNITED 0162609709932800-932-2732 TX		25.00 ✓
07/15	07/15	2416407JM2LF5SWZE	CHICAGO ELITE 8 LONG ISLAND C NY		55.40 ✓
07/15	07/15	2469216JN00AMGHHL	UNITED 0162609882558800-932-2732 TX		25.00 ✓
07/15	07/15	2475542JM7KZDWL3B	LAX AIRPORT LOT P 7 LOS ANGELES CA		120.00 ✓
07/18	07/18	2423168JR2E63QFYW	PANERA BREAD #601771 PALM DESERT CA		122.28 ✓
07/21	07/21	2423168JV2DL6FSKT	PANERA BREAD #601422 314-984-3970 CA		89.67 ✓
07/25	07/25	2469216JZ00FXMYKB	EXPEDIA*1141487185282 EXPEDIA.COM WA		396.85 ✓
07/25	07/25	2469216K0001BQTKT	UNITED 0167896266036600-932-2732 TX		230.20 ✓
		08/01/16	SKIVER/LAURA LEE		
		1 UA L	LOS ANGELES CHICAGO		
		2 UA L	CHICAGO LOS ANGELES		
		11578626	EXPEDIA.COM		
07/26	07/26	2469216K0004M9AYT	EXPEDIA*1141600424823 EXPEDIA.COM WA		654.98 ✓
07/26	07/26	2471705K1TQ6BNGNA	AIR CANADA 0147896384851 BELLEVUE WA		296.90 ✓
		06/22/16	SKIVER/LAURA LE		
		1 AC L	LOS ANGELES VANCOUVER		
		2 AC A	VANCOUVER LOS ANGELES		
		11578626	EXPEDIA.COM		
07/27	07/27	2423168K12E04GNDB	PANERA BREAD #601771 314-984-3495 CA		237.73 ✓
07/27	07/27	2442733K1LYHXLXNZ	PANERA BREAD # 601771 PALM DESERT CA		44.99 ✓
07/28	07/28	2469216K300MWE0M5	UNITED 0167896669169800-932-2732 TX		609.20 ✓
		06/15/16	EDWARDS/TOMMY D		
		1 UA W	PALM SPRINGS DENVER		
		2 UA W	DENVER BOSTON		
		3 UA W	BOSTON DENVER		
		4 AU W	DENVER PALM SPRINGS		
		11817270	EXPEDIA INC		
07/29	07/29	2443106K30017W8Y8	APTA HOUSING OFFICE FALLS CHURCH VA		594.02 ✓
07/29	07/29	2443106K30017W6Z2	APTA HOUSING OFFICE FALLS CHURCH VA		297.01 ✓
07/29	07/29	2463923K5S66FJ6LY	APTA 202-4964800 DC		850.00 ✓
07/29	07/29	2463923K5S66FJ6M5	APTA 202-4964800 DC		850.00 ✓
			TOTAL \$5,569.76		
			LAURA SKIVER [REDACTED]		

Wells Fargo News

Now there are no foreign transaction fees when you make international purchases or travel outside of the U.S. With your Wells Fargo Business Elite Card, you can take your business **anywhere** around the world and have the confidence you'll get:

- No foreign transaction fees on your purchases
- Enhanced security with chip card technology

"No foreign transaction fees" applies to business credit cards issued by Wells Fargo, and this account in particular. For information on other Wells Fargo credit and debit cards, please see your account agreement or visit wells Fargo.com.





CONSOLIDATED BILLING CONTROL ACCOUNT STATEMENT

Prepared For	SUNLINE TRANSIT LUIS GARCIA
Account Number	██████████
Statement Closing Date	08/02/16
Days in Billing Cycle	29
Next Statement Date	09/02/16
Credit Line	\$40,000
Available Credit	\$32,704

For 24-Hour Customer Service Call:
800-231-5511

Inquiries or Questions:
WF Business Direct PO Box 29482
Phoenix, AZ 85038-8650

Payments:
Payment Remittance Center PO Box 6415
Carol Stream, IL 60197-6415

Payment Information

New Balance	\$5,569.76
Current Payment Due (Minimum Payment)	\$500.00
Current Payment Due Date	08/29/16

Thank you for using our Automatic Payment service. See the **Important Information** section below for your next scheduled payment.

If you wish to pay off your balance in full: The balance noted on your statement is not the payoff amount. Please call 800-231-5511 for payoff information.

Account Summary

Previous Balance		\$3,198.77
Credits	-	\$0.00
Payments	-	\$3,198.77
Purchases & Other Charges	+	\$5,569.76
Cash Advances	+	\$0.00
Finance Charges	+	\$0.00
New Balance	=	\$5,569.76

Wells Fargo Elite Cash Back Advantage

Previous Balance		\$31.99
Cash Earned this Month		\$55.70
Trades From Other Company Cards		\$0.00
Bonus/Adjustments		\$0.00
Cash Back Balance	=	\$87.69
Cash Awarded this Period		\$0.00
Year to Date Cash Back Awarded		\$363.22

Cash Back Notice

Your next cash back reward is scheduled for 09/2016.

See reverse side for important information.

5596 0007 YTG 1 7 2 160802 0 PAGE 1 of 4 10 3268 1000 ELAS 01DR5596 2031

DETACH HERE

Detach and mail with check payable to "Wells Fargo" to arrive by Current Payment Due Date.

Make checks payable to: Wells Fargo

Account Number	██████████
New Balance	\$5,569.76
Total Amount Due (Minimum Payment)	\$500.00
Current Payment Due Date	08/29/16

██████████

Print address or phone changes:

Work ()

Amount Enclosed:



PAYMENT REMITTANCE CENTER YTG
PO BOX 6415 29
CAROL STREAM IL 60197-6415

SUNLINE TRANSIT
LUIS GARCIA 2031
32505 HARRY OLIVER TRL 1108
THOUSAND PALMS CA 92276-3501

If your card is ever lost or stolen:

Please notify us immediately by calling: 1-800-231-6511, 24 hours a day, 7 days a week.

Questions about your statement:

If you have a question about your statement, please write to us within 30 days after the statement was mailed to you. Please use a separate letter and include your account number and the date of the statement in question. Please refer to the front of the statement for our inquiry mailing address.

**For all your personal or business financial service needs
Visit us at www.wellsfargo.com**

Important Payment Information:

Payments made at a Wells Fargo banking location. Payments can be made at a Wells Fargo location that provides teller services. When making a payment at a Wells Fargo store you must present a separate check for each account being paid. A single check cannot be used to pay multiple accounts.

Payments by mail. Mail your check and the payment coupon to the Payment Remittance Center address printed on this statement. For fastest delivery, please use the enclosed window envelope. If using a single check to pay multiple accounts, we must receive a completed payment coupon for each account being paid or a list showing the full account number and amount to be credited to each account. If you are paying multiple accounts with a single check, the total of the check must equal the sum of the payments to be applied to each individual account, with at least the total minimum payment due for all accounts.

Payments by phone. If you are authorized to transact on the account, you may be able to initiate a payment by calling the Customer Service number listed on the front of this statement.

Payments made using Wells Fargo Online Banking or Wells Fargo Mobile. If you have access to the account via Wells Fargo Online Banking or Mobile you may be able to make a payment depending on your level of access.

Automatic Payments. You can establish automatic payments to this credit account from a Wells Fargo deposit account or any other financial institution. For enrollment information, please contact our Customer Service number listed on the front of this statement.

Timing of payments by mail or payments made at a Wells Fargo store. Payments that are received by mail or in a Wells Fargo store as of 5 p.m. on any business day will be credited as of the date of receipt. Payments we receive after 5 p.m. or on non-business days will be credited as of the next business day. Payments made at other Wells Fargo locations may not be credited for up to five business days.

When a payment is considered late. If your payment is received or initiated any time after the Due Date, it is considered late and your account will be subject to a late fee.

SunLine Transit Agency
Budget Variance Report
June 2016

Description	FY 16 Total Budget	Current Month			Year to Date		
		Actual	Budget	Favorable (Unfavorable)	YTD Actual	FY 16 YTD Budget	Favorable (Unfavorable)
Operating Revenues:							
Passenger Revenue	3,537,602	237,905	294,800	(56,895)	3,193,266	3,537,602	(344,336)
Other Revenue	1,636,829	483,201	136,402	346,798	3,850,559	1,636,829	2,213,730
Total Operating Revenue	<u>5,174,431</u>	<u>721,106</u>	<u>431,203</u>	<u>289,903</u>	<u>7,043,825</u>	<u>5,174,431</u>	<u>1,869,394</u>
Operating Expenses:							
Operator & Mechanic Salaries & Wages	8,170,608	638,984	680,884	41,900	7,954,167	8,170,608	216,441
Operator & Mechanic Overtime	958,000	113,957	79,833	(34,124)	1,068,953	958,000	(110,953)
Administration Salaries & Wages	4,599,232	313,568	383,269	69,701	4,141,236	4,599,232	457,996
Administration Overtime	7,200	382	600	218	8,335	7,200	(1,135)
Fringe Benefits	8,519,093	1,859,603	709,924	(1,149,679)	9,031,960	8,519,093	(512,867)
Communications	141,620	8,377	11,802	3,425	135,998	141,620	5,622
Legal Services - General	150,000	11,189	12,500	1,311	100,399	150,000	49,601
Computer/Network Software Agreement	315,593	43,106	26,299	(16,807)	315,970	315,593	(377)
Uniforms	85,400	6,577	7,117	539	96,204	85,400	(10,804)
Contracted Services	477,520	95,875	39,793	(56,082)	461,408	477,520	16,112
Equipment Repairs	4,000	4,103	333	(3,769)	7,620	4,000	(3,620)
Security Services	67,440	6,519	5,620	(899)	70,726	67,440	(3,286)
Fuel - CNG	1,373,972	138,216	114,498	(23,718)	1,314,643	1,373,972	59,329
Fuel - Hydrogen	180,554	20,749	15,046	(5,703)	208,164	180,554	(27,610)
Tires	301,501	17,160	25,125	7,965	198,948	301,501	102,553
Office Supplies	62,466	6,955	5,206	(1,750)	65,570	62,466	(3,104)
Travel/Training	141,140	11,424	11,762	338	85,772	141,140	55,368
Repair Parts	919,963	135,108	76,664	(58,444)	1,144,340	919,963	(224,377)
Facility Maintenance	33,000	6,627	2,750	(3,877)	42,556	33,000	(9,556)
Electricity - CNG & Hydrogen	170,030	19,683	14,169	(5,514)	167,895	170,030	2,135
Natural Gas	1,263,484	124,549	105,290	(19,259)	1,268,492	1,263,484	(5,008)
Water	6,000	457	500	43	5,596	6,000	404
Insurance Losses	1,389,250	139,556	115,771	(23,785)	899,573	1,389,250	489,677
Insurance Premium - Property	60,000	1,195	5,000	3,805	16,596	60,000	43,404
Repair Claims	50,000	0	4,167	4,167	43,796	50,000	6,204
Fuel Taxes	145,450	16,286	12,121	(4,165)	187,862	145,450	(42,412)
Other Expenses	3,538,550	280,873	294,879	14,007	2,501,032	3,538,550	1,037,518
Self Consumed Fuel	(1,508,641)	(151,468)	(125,720)	(25,748)	(1,478,840)	(1,508,641)	29,801
Total Operating Expenses (Before Depreciation)	<u>31,622,425</u>	<u>3,869,610</u>	<u>2,635,202</u>	<u>(1,234,408)</u>	<u>30,064,972</u>	<u>31,622,425</u>	<u>1,557,453</u>
Operating Expenses in Excess of Operating Revenue		\$ (3,148,504)			\$ (23,021,147)		
Subsidies:							
Local - Measure A, RTA Funds	6,558,720	780,784	546,560	(234,224)	5,708,911	6,558,720	849,809
State - LTF, LCTOP	15,185,740	1,807,788	1,265,478	(542,310)	13,218,135	15,185,740	1,967,605
Federal - 5307, 5311, 5316, 5317 & CMAQ	4,703,534	559,933	391,961	(167,972)	4,094,101	4,703,534	609,433
Total Subsidies	<u>26,447,994</u>	<u>3,148,504</u>	<u>2,204,000</u>	<u>(944,505)</u>	<u>23,021,147</u>	<u>26,447,994</u>	<u>3,426,847</u>
Net Operating Gain (Loss) After Subsidies	\$ -	\$ -			\$ -		

SunLine Transit Agency
Budget Variance Report
June 2016

Description	FY 16 Total Budget	Current Month			Year to Date		
		Actual	Budget	Favorable (Unfavorable)	YTD Actual	FY 16 YTD Budget	Favorable (Unfavorable)
Operating Expenses:							
Wages & Benefits	22,254,133	2,926,494	1,854,511	(1,071,983)	22,204,652	22,254,133	49,481
Services	3,189,005	322,079	265,750	(56,329)	2,385,071	3,189,005	803,934
Fuels & Lubricants	1,693,861	184,986	141,155	(43,831)	1,690,952	1,693,861	2,909
Tires	301,501	17,160	25,125	7,965	198,948	301,501	102,553
Materials and Supplies	1,186,279	167,241	98,857	(68,384)	1,445,218	1,186,279	(258,939)
Utilities	1,712,400	169,958	142,700	(27,258)	1,694,944	1,712,400	17,456
Casualty & Liability	2,115,064	179,457	176,255	(3,202)	1,372,029	2,115,064	743,035
Taxes and Fees	145,450	16,286	12,121	(4,165)	187,862	145,450	(42,412)
Miscellaneous Expenses	533,373	37,416	44,448	7,032	364,136	533,373	169,237
Self Consumed Fuel	(1,508,641)	(151,468)	(125,720)	(25,748)	(1,478,840)	(1,508,641)	29,801
Total Operating Expenses (Before Depreciation)	<u>31,622,425</u>	<u>3,869,610</u>	<u>2,635,202</u>	<u>(1,234,408)</u>	<u>30,064,972</u>	<u>31,622,425</u>	<u>1,557,453</u>
Revenues:							
Passenger Revenue	3,537,602	237,905	294,800	(56,895)	3,193,266	3,537,602	(344,336)
Other Revenue	1,636,829	483,201	136,402	346,798	3,850,559	1,636,829	2,213,730
Total Operating Revenue	<u>5,174,431</u>	<u>721,106</u>	<u>431,203</u>	<u>289,903</u>	<u>7,043,825</u>	<u>5,174,431</u>	<u>1,869,394</u>
Net Operating Gain (Loss)		<u>\$ (3,148,504)</u>			<u>\$ (23,021,147)</u>		
Subsidies:							
Local - Measure A, RTA Funds	6,558,720	780,784	546,560	(234,224)	5,708,911	6,558,720	849,809
State - LTF, LCTOP	15,185,740	1,807,788	1,265,478	(542,310)	13,218,135	15,185,740	1,967,605
Federal - 5307, 5311, 5316, 5317 & CMAQ	4,703,534	559,933	391,961	(167,972)	4,094,101	4,703,534	609,433
Total Subsidies	<u>26,447,994</u>	<u>3,148,504</u>	<u>2,204,000</u>	<u>(944,505)</u>	<u>23,021,147</u>	<u>26,447,994</u>	<u>3,426,847</u>
Net Operating Gain (Loss) After Subsidies	<u>\$ -</u>	<u>\$ -</u>			<u>\$ -</u>		

Budget Variance Analysis - SunLine Transit

Passenger Revenue - Unfavorable

- System wide ridership was down 6.3% for FY16, with fixed route ridership down 6.8% and SunDial up 7.2%.

Other Revenue - Favorable

- Outside fuel sales above the budgeted amount due to an increase in the quantity of publicly consumed CNG.
- Emissions credit's selling price is higher than expected.
- Bus stop advertising revenue is currently above FYTD16 budgeted amount.

Operator & Mechanic Salaries & Wages - Favorable

- Operators not up to full budgeted FTEs.

Operator & Mechanic Overtime - Unfavorable

- Operators on extended leave for long term disability or workers compensation and full compliment of staff not reached.

Administration Salaries & Wages - Favorable

- Vacancies account for the majority of the favorable balance.

Administration Overtime - Unfavorable

- During April Administrative Overtime was approved to assist with Music Festival related activities.

Fringe Benefits - Favorable

- Open positions account for the favorable balance in fringe benefits.
- FY16 budget created with a projected increase in medical expenses which did not occur since the move to CalPers has saved the Agency money.

Communications - Favorable

- Expenses are within an acceptable range of the budgeted amount.

Legal Services - General - Favorable

- Legal expenses have been lower than anticipated for the fiscal year so far.

Computer/Network Software Agreement - Favorable

- Software agreements are re-newed at different points throughout the year and the account will experience highs and lows accordingly.

Uniforms - Unfavorable

- Uniform expenditures are over budget in the operations department due to an increased number of uniform alterations.

Contracted Services - Favorable

- Savings primarily attributed to not implementing the website hosting improvements or publishing the annual report to date.

Equipment Repairs - Favorable

- Equipment repair expenses are within an acceptable range of the budgeted amount.

Security Services - Unfavorable

- Security service expenses are within an acceptable range of the budgeted amount.

Fuel - CNG - Favorable

- CNG usage reduced during winter months as lower temperatures cause more efficient fuel usage. Temperatures have been lower than normal.

Fuel - Hydrogen - Unfavorable

- Increased use of Hydrogen and technical difficulties with the hydrogen station in the second quarter of FY16 have caused an unfavorable variance.

Tires - Favorable

- Tire expenses lower than expected due to less wear on tires attributed to fewer miles than projected.

Office Supplies - Unfavorable

- Office supply expenses are within an acceptable range of the budgeted amount.

Travel/Training - Favorable

- Travel & training savings can be attributed to varying times at which training sessions are attended.

Budget Variance Analysis - SunLine Transit

Repair Parts - Unfavorable

- CNG Repair Parts for Thousand Palms increased due to an issue with one of the compressors. Number of Collisions where damage is below deductible are up compared for FY15.
- Fixed Route repair parts for engine repair contributed to increased expenses in January.

Facility Maintenance - Unfavorable

- Facility maintenance expenses increased due to including Division 3 (Coachella) with Division 2 (Indio).

Electricity - CNG & Hydrogen - Favorable

- Electricity expenses are within an acceptable range of the budgeted amount.

Natural Gas - Favorable

- Natural Gas expenses are within an acceptable range of the budgeted amount.

Water - Favorable

- Water expenses are within an acceptable range of the budgeted amount.

Insurance Losses - Favorable

- Insurance losses can vary greatly from month to month and there was not been much activity year to date.

Insurance Premium - Property - Favorable

- Insurance coverage change has resulted in lower expenses than projected.

Repair Claims - Favorable

- Repair claims are within an acceptable range of the budgeted amount.

Fuel Taxes - Unfavorable

- An increase in taxes per unit and increase in outside fuel sales over the budgeted amount has lead to an unfavorable variance in fuel taxes. The increase in expenses are outweighed by the generated revenue.

Other Expenses - Favorable

- Insurance coverage is currently being re-evaluated and was therefore budgeted with a possible increase in expenses after expanding coverage. The budgeted impact was minimal as the brunt of the impact was made to the Agency's deductibles and not premiums.

Self Consumed Fuel - Favorable

- Self Consumed Fuel expense is within an acceptable range of the budgeted amount.

SunLine Transit Agency
Budget Variance Report
July 2016

Description	FY 17 Total Budget	Current Month			Year to Date		
		Actual	Budget	Favorable (Unfavorable)	YTD Actual	FY 17 YTD Budget	Favorable (Unfavorable)
Operating Revenues:							
Passenger Revenue	3,339,121	209,546	278,260	(68,714)	209,546	278,260	(68,714)
Other Revenue	2,767,887	248,208	230,657	17,551	248,208	230,657	17,551
Total Operating Revenue	<u>6,107,008</u>	<u>457,754</u>	<u>508,917</u>	<u>(51,164)</u>	<u>457,754</u>	<u>508,917</u>	<u>(51,164)</u>
Operating Expenses:							
Operator & Mechanic Salaries & Wages	9,284,128	796,218	773,677	(22,540)	796,218	773,677	(22,540)
Operator & Mechanic Overtime	983,000	131,281	81,917	(49,364)	131,281	81,917	(49,364)
Administration Salaries & Wages	5,451,610	406,673	454,301	47,628	406,673	454,301	47,628
Administration Overtime	5,000	2,038	417	(1,621)	2,038	417	(1,621)
Fringe Benefits	8,915,841	800,244	742,987	(57,257)	800,244	742,987	(57,257)
Communications	203,000	11,479	16,917	5,437	11,479	16,917	5,437
Legal Services - General	150,000	4,531	12,500	7,969	4,531	12,500	7,969
Computer/Network Software Agreement	350,050	39,752	29,171	(10,581)	39,752	29,171	(10,581)
Uniforms	149,320	6,550	12,443	5,894	6,550	12,443	5,894
Contracted Services	588,450	41,872	49,038	7,166	41,872	49,038	7,166
Equipment Repairs	7,500	0	625	625	0	625	625
Security Services	74,600	6,438	6,217	(221)	6,438	6,217	(221)
Fuel - CNG	1,326,852	129,340	110,571	(18,769)	129,340	110,571	(18,769)
Fuel - Hydrogen	231,000	38,204	19,250	(18,954)	38,204	19,250	(18,954)
Tires	211,500	17,486	17,625	139	17,486	17,625	139
Office Supplies	79,002	3,540	6,584	3,043	3,540	6,584	3,043
Travel/Training	158,395	5,336	13,200	7,864	5,336	13,200	7,864
Repair Parts	978,500	105,881	81,542	(24,340)	105,881	81,542	(24,340)
Facility Maintenance	43,000	4,958	3,583	(1,374)	4,958	3,583	(1,374)
Electricity - CNG & Hydrogen	190,000	6,435	15,833	9,398	6,435	15,833	9,398
Natural Gas	1,268,112	124,062	105,676	(18,386)	124,062	105,676	(18,386)
Water	6,000	131	500	369	131	500	369
Insurance Losses	818,827	107,955	68,236	(39,719)	107,955	68,236	(39,719)
Insurance Premium - Property	12,000	1,049	1,000	(49)	1,049	1,000	(49)
Repair Claims	60,000	0	5,000	5,000	0	5,000	5,000
Fuel Taxes	167,700	14,917	13,975	(942)	14,917	13,975	(942)
Other Expenses	3,281,894	277,279	273,491	(3,788)	277,279	273,491	(3,788)
Self Consumed Fuel	(1,521,170)	(147,332)	(126,764)	(20,568)	(147,332)	(126,764)	(20,568)
Total Operating Expenses (Before Depreciation)	<u>33,474,111</u>	<u>2,936,316</u>	<u>2,789,509</u>	<u>(146,807)</u>	<u>2,936,316</u>	<u>2,789,509</u>	<u>(146,807)</u>
Operating Expenses in Excess of Operating Revenue		\$ (2,478,562)			\$ (2,478,562)		
Subsidies:							
Local - Measure A	5,835,696	528,523	486,308	(42,215)	528,523	486,308	(42,215)
State - LTF, LCTOP	19,185,848	1,737,609	1,598,821	(138,788)	1,737,609	1,598,821	(138,788)
Federal - 5307, 5310, 5311, 5316, 5317 & CMAQ	2,345,559	212,431	195,463	(16,967)	212,431	195,463	(16,967)
Total Subsidies	<u>27,367,103</u>	<u>2,478,562</u>	<u>2,280,592</u>	<u>(197,970)</u>	<u>2,478,562</u>	<u>2,280,592</u>	<u>(197,970)</u>
Net Operating Gain (Loss) After Subsidies	\$ -	\$ -			\$ -		

SunLine Transit Agency
Budget Variance Report
July 2016

Description	FY 17 Total Budget	Current Month			Year to Date		
		Actual	Budget	Favorable (Unfavorable)	YTD Actual	FY 17 YTD Budget	Favorable (Unfavorable)
Operating Expenses:							
Wages & Benefits	24,639,579	2,136,453	2,053,298	(83,155)	2,136,453	2,053,298	(83,155)
Services	2,683,902	265,464	223,659	(41,805)	265,464	223,659	(41,805)
Fuels & Lubricants	1,720,552	180,932	143,379	(37,552)	180,932	143,379	(37,552)
Tires	211,500	17,486	17,625	139	17,486	17,625	139
Materials and Supplies	1,302,512	126,104	108,543	(17,561)	126,104	108,543	(17,561)
Utilities	1,779,112	149,271	148,259	(1,012)	149,271	148,259	(1,012)
Casualty & Liability	1,439,707	153,817	119,976	(33,842)	153,817	119,976	(33,842)
Taxes and Fees	167,700	14,917	13,975	(942)	14,917	13,975	(942)
Miscellaneous Expenses	1,050,717	39,204	87,560	48,356	39,204	87,560	48,356
Self Consumed Fuel	(1,521,170)	(147,332)	(126,764)	(20,568)	(147,332)	(126,764)	(20,568)
Total Operating Expenses (Before Depreciation)	33,474,111	2,936,316	2,789,509	(146,807)	2,936,316	2,789,509	(146,807)
Revenues:							
Passenger Revenue	3,339,121	209,546	278,260	(68,714)	209,546	278,260	(68,714)
Other Revenue	2,767,887	248,208	230,657	17,551	248,208	230,657	17,551
Total Operating Revenue	6,107,008	457,754	508,917	(51,164)	457,754	508,917	(51,164)
 Net Operating Gain (Loss)		 \$ (2,478,562)			 \$ (2,478,562)		
Subsidies:							
Local - Measure A	5,835,696	528,523	486,308	(42,215)	528,523	486,308	(42,215)
State - LTF, LCTOP	18,646,475	1,688,759	1,553,873	(134,886)	1,688,759	1,553,873	(134,886)
Federal - 5307, 5310, 5311, 5316, 5317 & CMAA	2,884,932	261,280	240,411	(20,869)	261,280	240,411	(20,869)
Total Subsidies	27,367,103	2,478,562	2,280,592	(197,970)	2,478,562	2,280,592	(197,970)
 Net Operating Gain (Loss) After Subsidies	 \$ -	 \$ -			 \$ -		

Budget Variance Analysis - SunLine Transit

Passenger Revenue - Unfavorable

- Passenger revenue affected by seasonal low during the summer months.

Other Revenue - Unfavorable

- Unfavorable balance due to CNG rebate being recognized on a quarterly basis.

Operator & Mechanic Salaries & Wages - Unfavorable

- Unfavorable balance primarily attributed to the fourth of July holiday

Operator & Mechanic Overtime - Unfavorable

- Unfavorable balance primarily attributed to the fourth of July holiday

Administration Salaries & Wages - Favorable

- Multiple positions were posted after the budget was approved by the Board of Directors in June but were not filled as of July.

Administration Overtime - Unfavorable

- Vacancies across the Agency, along with increased workload due to the year end audit account for the unfavorable balance in overtime.

Fringe Benefits - Unfavorable

- Unfavorable balance in fringe benefits is due to increased leave liability.

Communications - Favorable

- Communication expenses will increase once Wi-Fi is fully integrated on fixed route buses.

Legal Services - General - Favorable

- General legal counsel expenses for July were lower than projected.

Computer/Network Software Agreement - Unfavorable

- Multiple software agreements were re-newed for FY17 and paid in full in July.

Uniforms - Favorable

- Uniform budget includes transitional fees associated with the change in uniform providers. Transition to new uniform company to take place in September 2016.

Contracted Services - Favorable

- Savings primarily attributed to transition of custodial services in July and August.

Equipment Repairs - Favorable

- Equipment repair expenses are within an acceptable range of the budgeted amount.

Security Services - Unfavorable

- Security service expenses are within an acceptable range of the budgeted amount.

Fuel - CNG - Unfavorable

- Additional CNG consumption was required during issues with Hydrogen reformer.

Fuel - Hydrogen - Unfavorable

- Unfavorable balance primarily attributed to mechanical issues with the Hydrogen reformer & the need to purchase Hydrogen.

Tires - Favorable

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

Office Supplies - Favorable

- Office supply purchases currently lower than projected. Expenses vary throughout the year as required.

Travel/Training - Favorable

- Travel & training savings can be attributed to varying times at which training sessions are attended.

Repair Parts - Unfavorable

- Heat related repairs such as AC units increase during the summer time.

Facility Maintenance - Unfavorable

- Facility maintenance expenses are within an acceptable range of the budgeted amount.

Electricity - CNG & Hydrogen - Favorable

- Electricity expense savings primarily attributed to lower costs associated with lower Hydrogen production due to mechanical issues.

Natural Gas - Unfavorable

- Additional CNG consumption was required during issues with Hydrogen reformer.

Water - Favorable

- Water expenses are within an acceptable range of the budgeted amount.

Insurance Losses - Unfavorable

- Insurance losses can vary greatly from month to month and there was larger-than-normal loss in July.

Insurance Premium - Property - Unfavorable

- Insurance premiums for property are within an acceptable range of the budgeted amount.

Repair Claims - Favorable

- Repair claims can vary greatly from month to month and there was not much activity for the month of July. The increase in tourism in the Coachella Valley during the peak months increases the likelihood of collisions.

Fuel Taxes - Unfavorable

- Fuel taxes are within an acceptable range of the budgeted amount.

Other Expenses - Unfavorable

- Other expenses are within an acceptable range of the budgeted amount.

Self Consumed Fuel - Unfavorable

- Unfavorable balance attributed to additional CNG consumption along with increased repair costs required during issues with Hydrogen reformer.

Contracts Signed in Excess of \$25,000

June 2016

Vendor	Product/Service	Need	Budgeted	Budgeted Amount	Cost	Type
Norton Medical Industries	Physician Services and Drug & Alcohol Testing	Physician Services consists of all pre-employment physicals and D&A testing. Meets all Drug & Alcohol testing requirements under FTA regulations.	FY17-FY19 Operating Budget	\$150,000.00 (\$50,000.00 a year)	\$150,000.00 (\$50,000.00 a year)	Executed Agreement
Shi	HPE Equipment	Disaster Recovery Equipment	FY16 SRTP	\$ 300,000.00	\$ 33,239.76	Executed Agreement
Creative Bus Sales	MV-1 Deluxe Vehicle	Insurance recovery of \$53,500 received for replacement of Vehicle #353 which was totaled on 12/17/2015	N/A	N/A	\$ 51,334.95	Purchase Order

July 2016

Vendor	Product/Service	Need	Budgeted	Budgeted Amount	Cost	Type
Complete Coachworks	Accident Repairs for Bus #564	Required repairs on Bus #564.	FY17 Operating Budget	\$ 60,000.00	\$ 33,899.54	Executed Agreement
Patrick Brassil	Repair and Support of H2 Reformer	This is for service, repair and online support of an existing HyRadix reformer that is installed at SunLine.	FY17 Operating Budget	\$ 65,000.00	\$ 46,800.00	Executed Agreement



SunLine Transit Agency Monthly Ridership Report June 2016

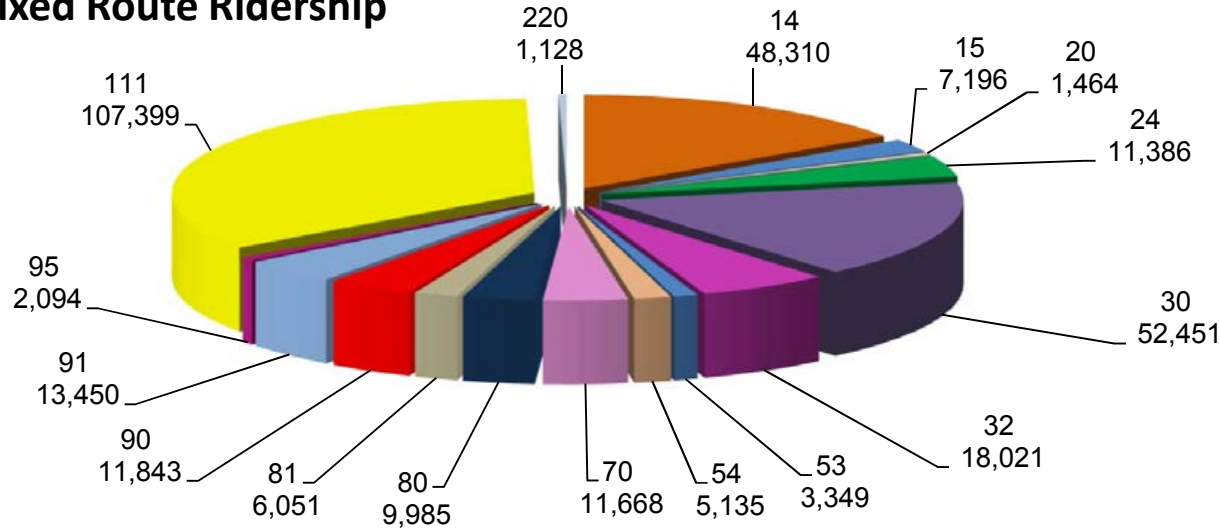
Fixed Route Line Description	FY 2015 & 2016			Month Var.	%	FY 2016 YTD	FY 2015 YTD	YTD Var.	%	Bikes		Wheelchairs	
	Jun 2016	Jun 2015	May 2016							Monthly	YTD	Monthly	YTD
14 DHS/PS	48,310	50,952	55,661	(2,642)	-5.2%	649,594	674,732	(25,138)	-3.7%	1,906	20,901	497	5,316
15 DHS	7,196	7,980	9,203	(784)	-9.8%	105,161	115,342	(10,181)	-8.8%	190	3,173	52	511
20 DHS/PD	1,464	-	1644	1,464	-	9,844	-	9,844	-	62	346	2	16
24 PS	11,386	12,509	14,002	(1,123)	-9.0%	163,163	185,154	(21,991)	-11.9%	367	4,288	159	2,026
30 CC/PS	52,451	60,018	61,216	(7,567)	-12.6%	723,066	795,656	(72,590)	-9.1%	1,675	23,054	448	4,758
32 PD/RM/TP/CC/PS	18,021	21,814	22,029	(3,793)	-17.4%	270,723	294,486	(23,763)	-8.1%	758	10,720	91	1,519
53 PD/IW	3,349	3,880	4,222	(531)	-13.7%	55,249	57,341	(2,092)	-3.6%	100	1,796	18	231
54 Indio/LQ/IW/PD	5,135	6,134	7,434	(999)	-16.3%	89,248	95,338	(6,090)	-6.4%	209	2,965	14	470
70 LQ/BD	11,668	13,931	16,602	(2,263)	-16.2%	187,962	217,074	(29,112)	-13.4%	445	5,442	66	745
80 Indio	9,985	11,050	13,808	(1,065)	-9.6%	149,255	135,461	13,794	10.2%	238	2,679	79	982
81 Indio	6,051	6,482	7,935	(431)	-6.6%	86,760	88,846	(2,086)	-2.3%	108	1,220	134	1,294
90 Coachella/Indio	11,843	16,867	14,358	(5,024)	-29.8%	189,798	225,582	(35,784)	-15.9%	290	4,555	163	1,389
91 I/Cch/Th/Mec/Oas	13,450	16,287	17,555	(2,837)	-17.4%	198,391	229,432	(31,041)	-13.5%	324	5,030	43	492
95 I/Cch/Th/Mec/NS	2,094	2,539	3,500	(445)	-17.5%	36,295	32,499	3,796	11.7%	72	739	4	36
111 PS to Indio	107,399	111,963	121,664	(4,564)	-4.1%	1,430,780	1,514,790	(84,010)	-5.5%	4,477	52,028	943	10,557
220 PD to Riverside	1,128	1,031	1,312	97	9.4%	13,677	12,921	756	5.9%	28	330	13	127
Fixed route total	310,930	343,437	372,145	(32,507)	-9.5%	4,358,966	4,674,654	(315,688)	-6.8%	11,249	139,266	2,726	30,469
Demand Response													
SunDial	14,422	11,412	14,654	3,010	26.4%	164,025	152,973	11,052	7.2%				
System total	325,352	354,849	386,799	(29,497)	-8.3%	4,522,991	4,827,627	(304,636)	-6.3%				
	Jun-16	Jun-15	May-16										
Weekdays:	22	22	* 21										
Saturdays:	4	4	4										
Sundays:	4	4	* 6										
Total Days:	30	30	31										

Please note:

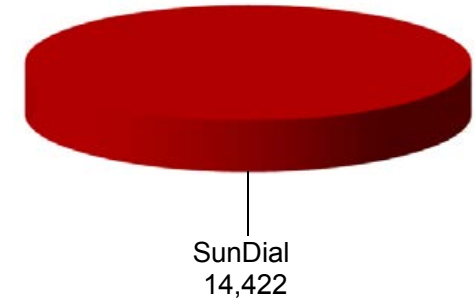
*Running the Saturday/Sunday service on May 25, 2015 and May 30, 2016, Memorial Day Holiday. Weekday and Sunday total days reflect the change.

SunLine Transit Agency Monthly Ridership Report June - 2016

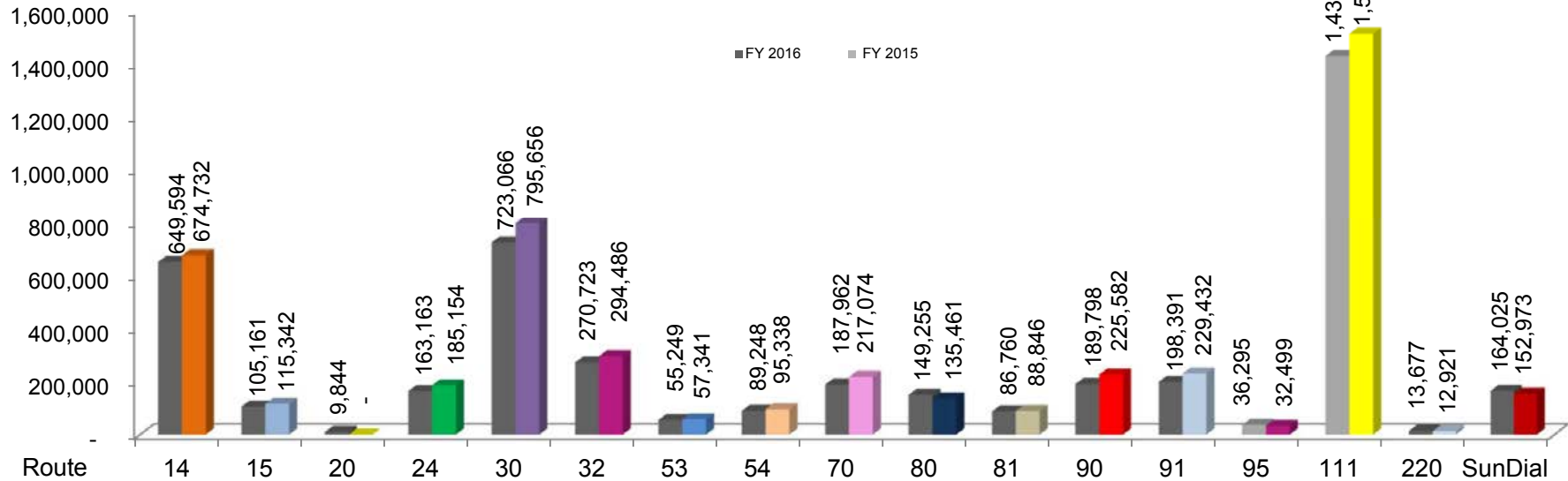
Fixed Route Ridership



Demand Response Ridership



Year-to-Date System Ridership





SunLine Transit Agency Monthly Ridership Report July 2016

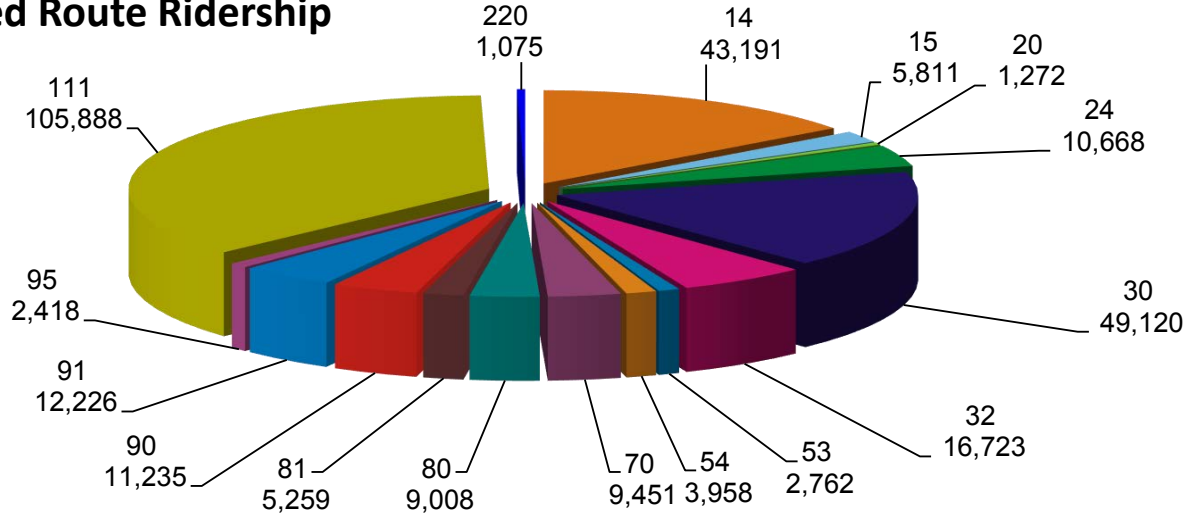
Fixed Route Line	Description	FY 2015 & 2016			Month Var.	% Var.	FY 2016 YTD	FY 2015 YTD	YTD Var.	% Var.	Bikes		Wheelchairs	
		Jul 2016	Jul 2015	Jun 2016							Monthly	YTD	Monthly	YTD
14	DHS/PS	43,191	48,896	48,310	(5,705)	-11.7%	43,191	48,896	(5,705)	-11.7%	1,840	1,840	544	544
15	DHS	5,811	7,001	7,196	(1,190)	-17.0%	5,811	7,001	(1,190)	-17.0%	173	173	31	31
20	DHS/PD	1,272		1,464	1,272	-	1,272	-	1,272	-	57	57	-	-
24	PS	10,668	11,093	11,386	(425)	-3.8%	10,668	11,093	(425)	-3.8%	375	375	169	169
30	CC/PS	49,120	55,804	52,451	(6,684)	-12.0%	49,120	55,804	(6,684)	-12.0%	1,765	1,765	510	510
32	PD/RM/TP/CC/PS	16,723	20,249	18,021	(3,526)	-17.4%	16,723	20,249	(3,526)	-17.4%	798	798	147	147
53	PD/IW	2,762	3,396	3,349	(634)	-18.7%	2,762	3,396	(634)	-18.7%	114	114	9	9
54	Indio/LQ/IW/PD	3,958	5,314	5,135	(1,356)	-25.5%	3,958	5,314	(1,356)	-25.5%	142	142	8	8
70	LQ/BD	9,451	11,450	11,668	(1,999)	-17.5%	9,451	11,450	(1,999)	-17.5%	396	396	63	63
80	Indio	9,008	10,682	9,985	(1,674)	-15.7%	9,008	10,682	(1,674)	-15.7%	225	225	61	61
81	Indio	5,259	6,203	6,051	(944)	-15.2%	5,259	6,203	(944)	-15.2%	120	120	97	97
90	Coachella/Indio	11,235	15,963	11,843	(4,728)	-29.6%	11,235	15,963	(4,728)	-29.6%	346	346	141	141
91	I/Cch/Th/Mec/Oas	12,226	14,310	13,450	(2,084)	-14.6%	12,226	14,310	(2,084)	-14.6%	421	421	54	54
95	I/Cch/Th/Mec/NS	2,418	2,453	2,094	(35)	-1.4%	2,418	2,453	(35)	-1.4%	90	90	2	2
111	PS to Indio	105,888	110,656	107,399	(4,768)	-4.3%	105,888	110,656	(4,768)	-4.3%	4,767	4,767	1,001	1,001
220	PD to Riverside	1,075	1,072	1,128	3	0.3%	1,075	1,072	3	0.3%	34	34	13	13
Fixed route total		290,065	324,542	310,930	(34,477)	-10.6%	290,065	324,542	(34,477)	-10.6%	11,663	11,663	2,850	2,850
Demand Response														
SunDial		13,702	12,827	14,422	875	6.8%	13,702	12,827	875	6.8%				
System total		303,767	337,369	325,352	(33,602)	-10.0%	303,767	337,369	(33,602)	-10.0%				
		Jul-16	Jul-15	Jun-16										
	Weekdays:	20	23	22										
	Saturdays:	5	* 4	4										
	Sundays:	* 6	4	4										
	Total Days:	31	31	30										

Please note:

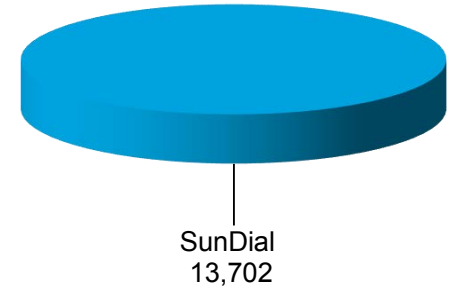
*Running the Sunday service on Saturday July 4, 2015 and on Monday July 4, 2016 for the Holiday. Weekday and Sunday total days reflect the change.

SunLine Transit Agency Monthly Ridership Report July - 2016

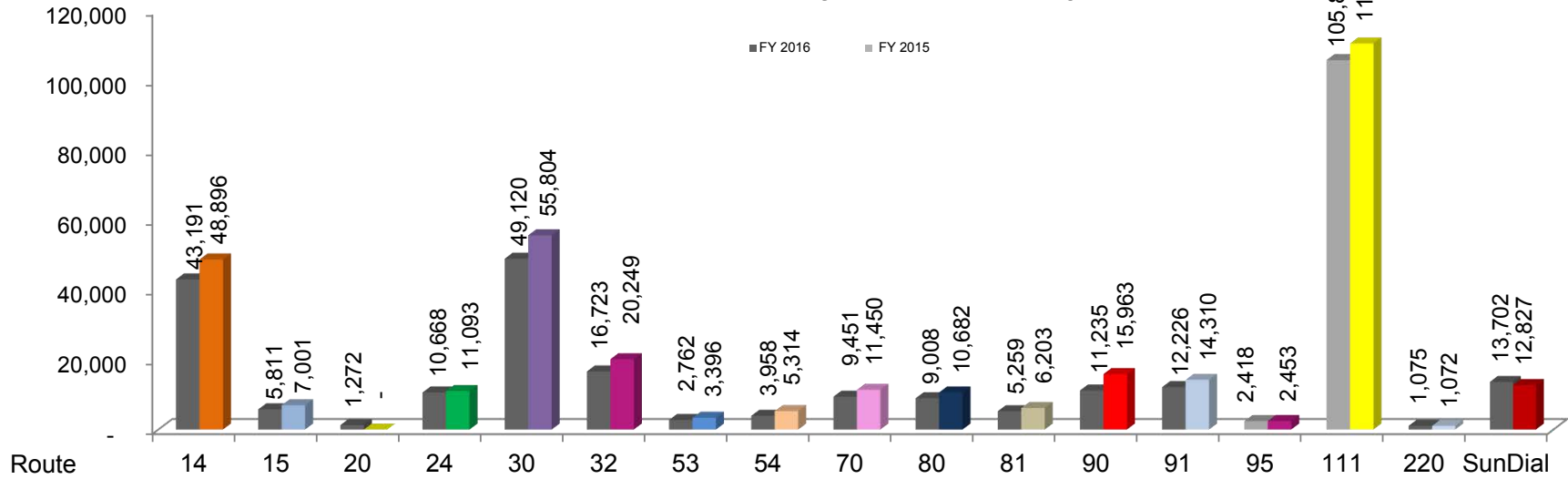
Fixed Route Ridership



Demand Response Ridership



Year-to-Date System Ridership





Complimentary Paratransit Service
Serving Persons with Disabilities Throughout the Coachella Valley

SunDial Operational Notes
June 2016

1. ON-TIME PERFORMANCE

<u>Last Year</u>	<u>This Year</u>	
89.9%	89.0%	Total trips carried in the on-time window
1,295	1,484	Total trips late during the month
12,943	12,968	Total trips

2. RIDERSHIP and MILEAGE

<u>Last Year</u>	<u>This Year</u>	
13,293	14,422	Total passengers for the month
103,280	111,001	Total miles traveled for the month

3. SAFETY

<u>Last Year</u>	<u>This Year</u>	
0	1	Total preventable accidents

4. RIDE-A-LONG & ONBOARD EVALUATIONS

<u>Last Year</u>	<u>This Year</u>	
0	0	Total Ride-a-Long Evaluations
0	2	Total Onboard Inspections
0	1	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>	
2,051	2,129	Total Mobility Device Boarding's

cc: Lauren Skiver, Tommy Edwards, Polo Del Toro, Diane Beebe



Complimentary Paratransit Service
Serving Persons with Disabilities Throughout the Coachella Valley

SunDial Operational Notes
July 2016

1. ON-TIME PERFORMANCE

<u>Last Year</u>	<u>This Year</u>	
91.2%	93.4%	Total trips carried in the on-time window
1,094	858	Total trips late during the month
11,510	12,415	Total trips

2. RIDERSHIP and MILEAGE

<u>Last Year</u>	<u>This Year</u>	
12,827	13,702	Total passengers for the month
99,892	107,501	Total miles traveled for the month

3. SAFETY

<u>Last Year</u>	<u>This Year</u>	
1	1	Total preventable accidents

4. RIDE-A-LONG & ONBOARD EVALUATIONS

<u>Last Year</u>	<u>This Year</u>	
0	0	Total Ride-a-Long Evaluations
11	4	Total Onboard Inspections
4	0	Total Safety Evaluations

5. DENIALS

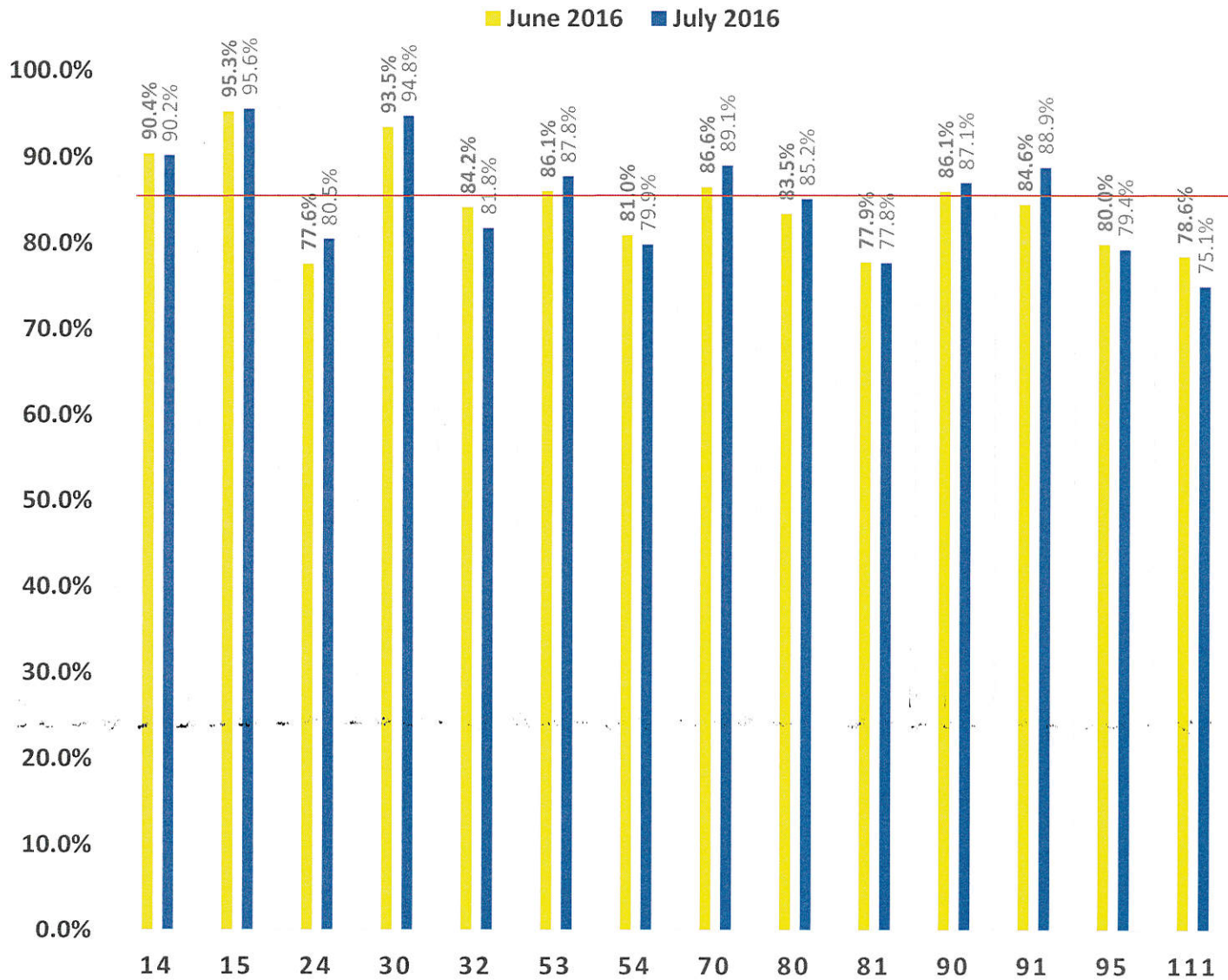
<u>Last Year</u>	<u>This Year</u>	
0	0	Total Denied Trips

6. WHEELCHAIR BOARDINGS

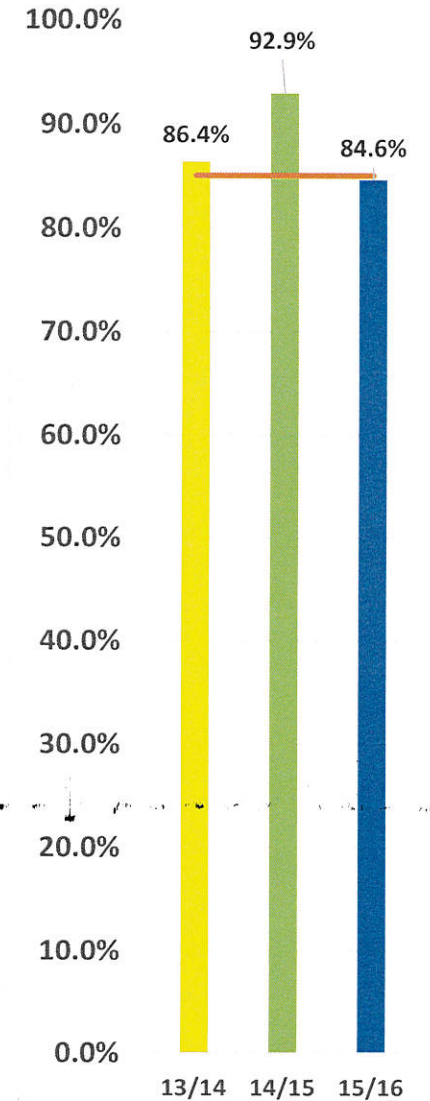
<u>Last Year</u>	<u>This Year</u>	
2,023	2,077	Total Mobility Device Boarding's

cc: Lauren Skiver, Tommy Edwards, Diane Beebe

ON TIME PERFORMANCE % BY LINE JULY 2016



On Time Performance System Wide



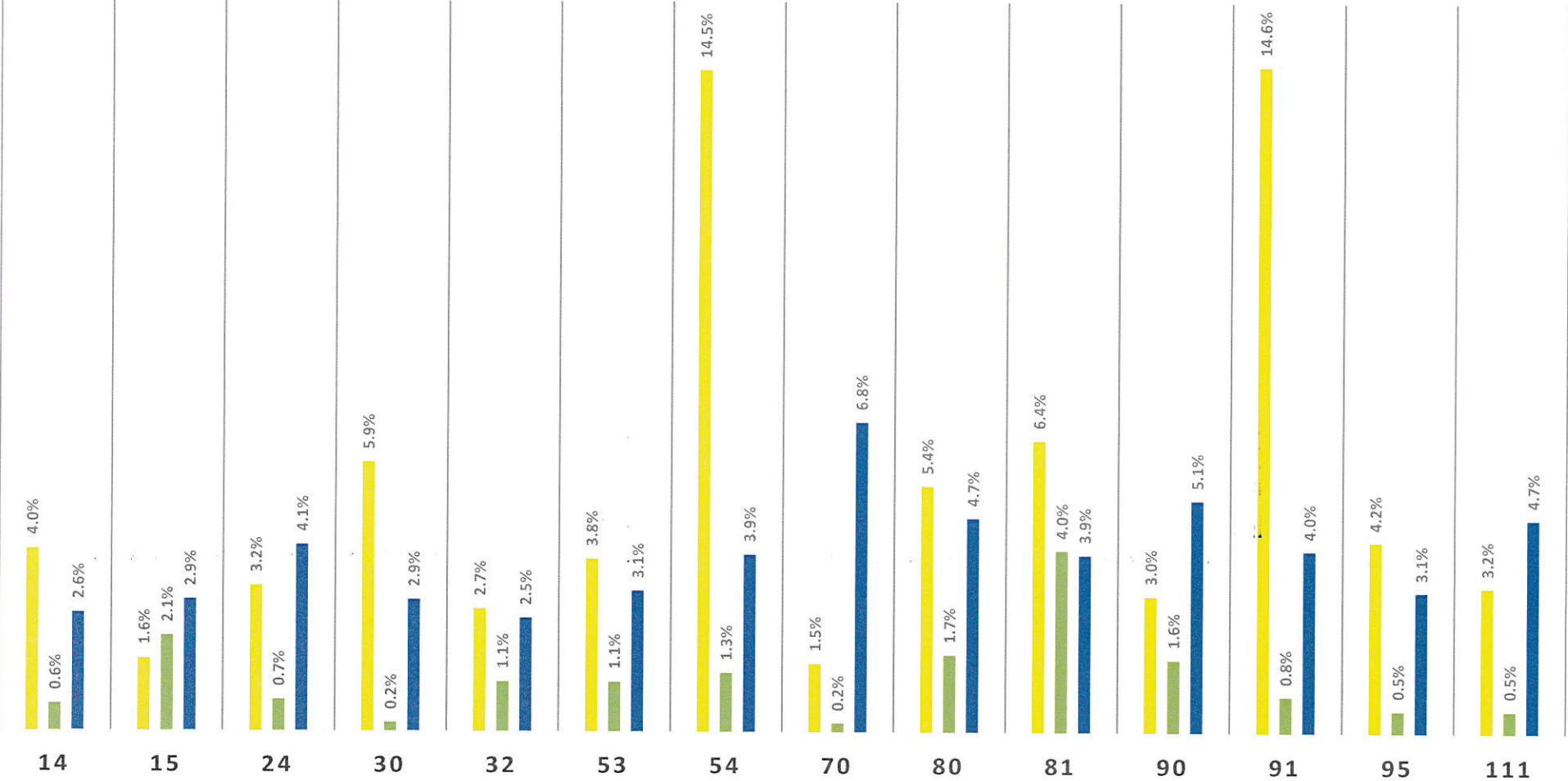
Definition: "On Time" - when a trip departs a timepoint within range of zero minutes early to five minutes late.

Goal: minimum target for On Time performance is 85%.

Exceptions: Detours, train stuck on tracks, passenger problems, Avail System Issues

EARLY DEPARTURES BY LINE - YEAR TOTALS

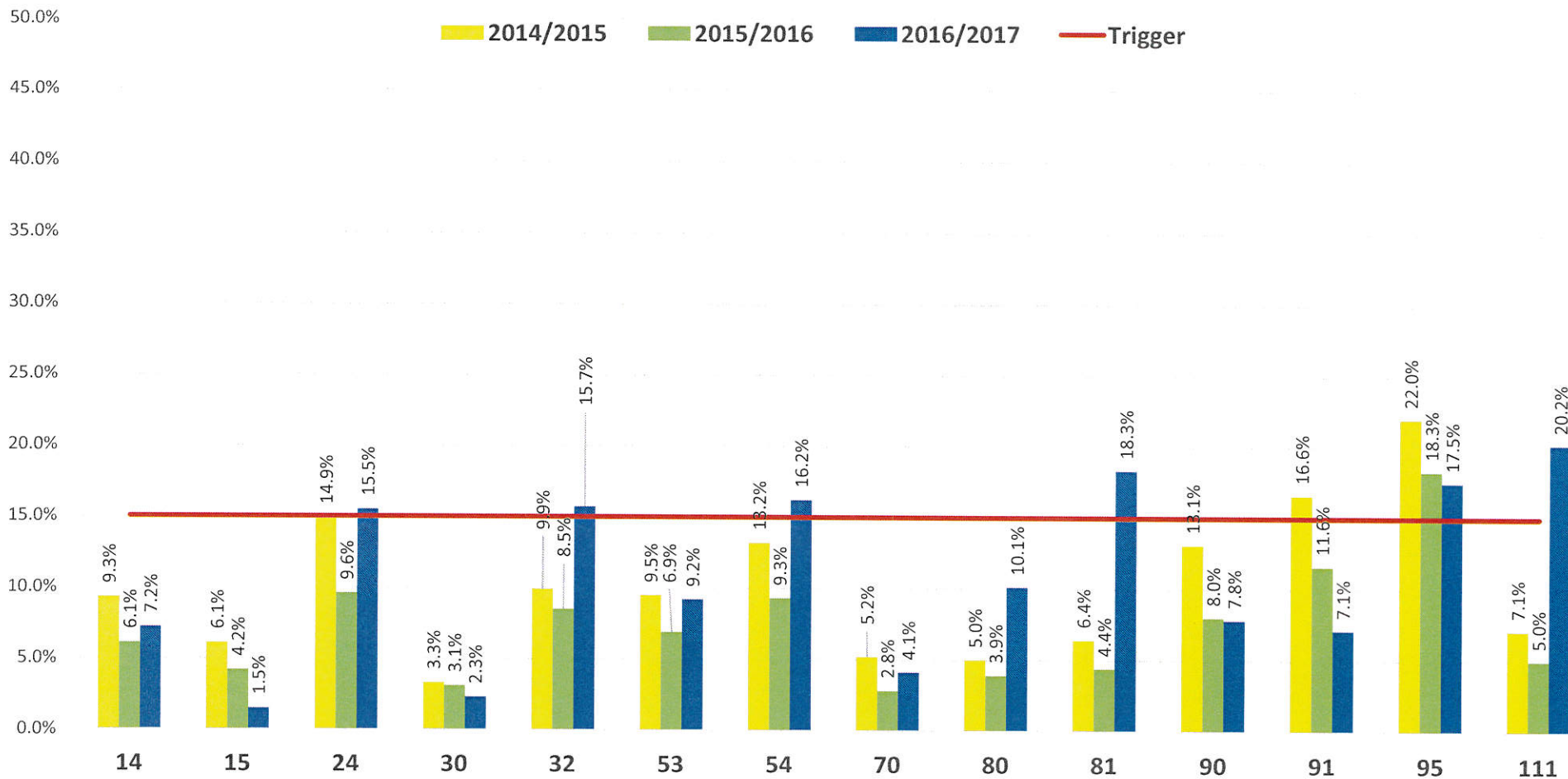
■ 2014/2015
 ■ 2015/2016
 ■ 2016/2017



Definition: When a bus leaves a time point, ahead of the scheduled departure time.

Goal: to reduce early departures to 0% for each line.

Late Departures By Line- Year Totals

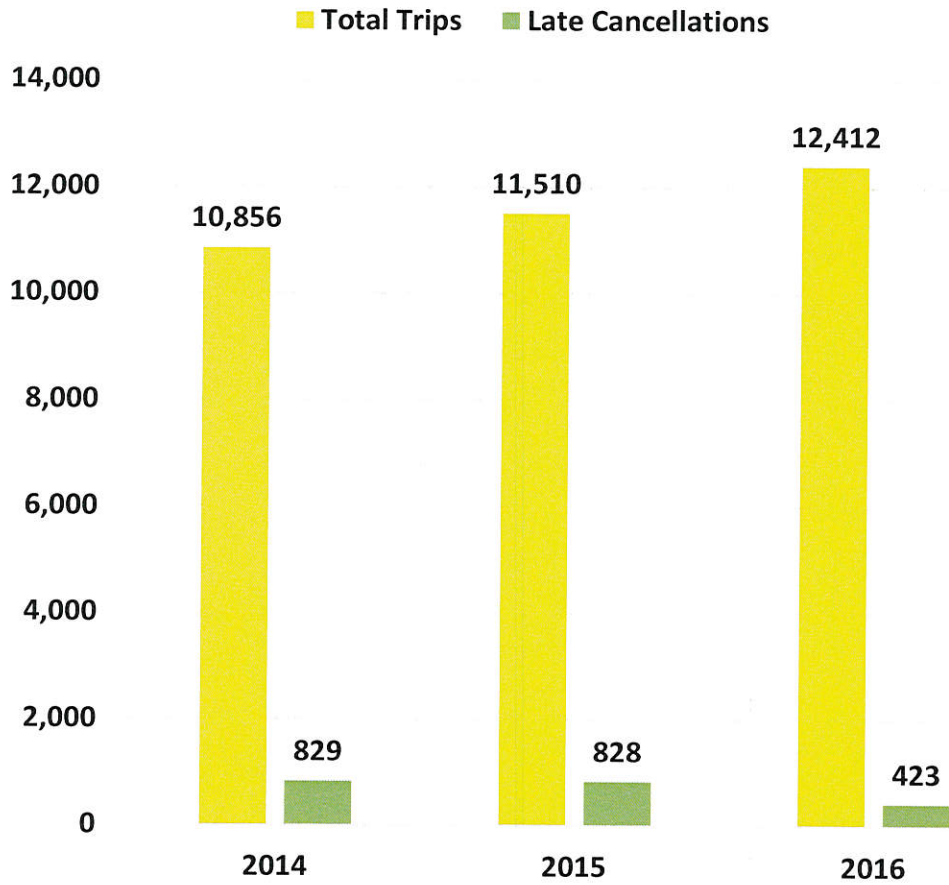


Definition: When a bus leaves a time point behind the scheduled departure time.

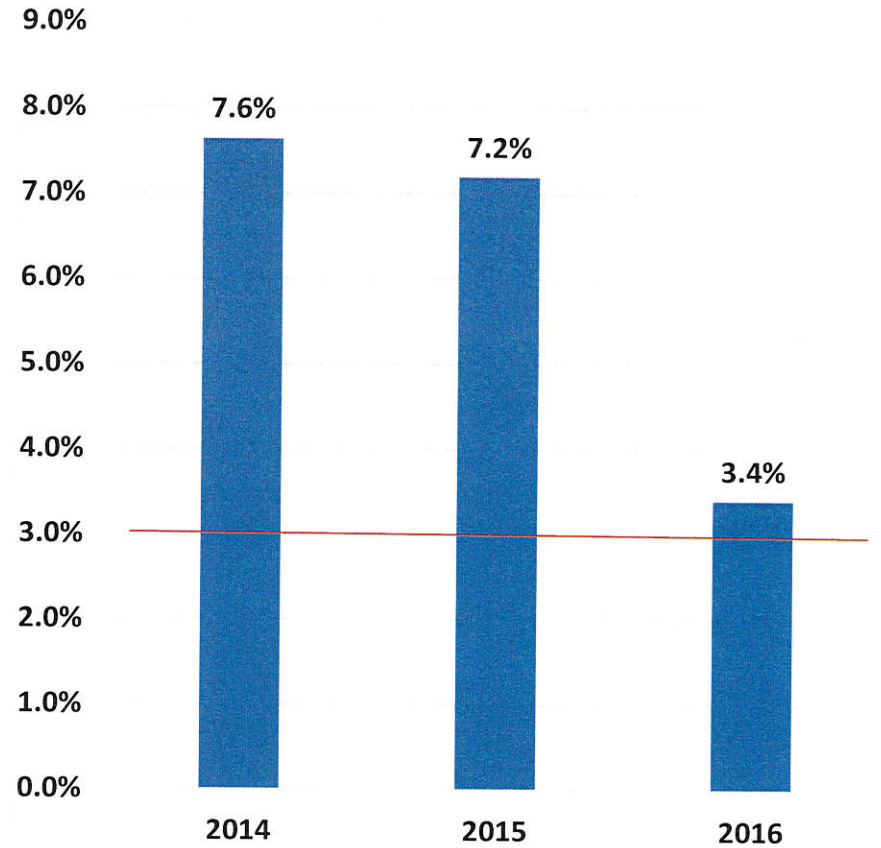
The line is running late with a departure greater than 5 minutes.

Goal: to reduce late departures to 15% for each line.

TOTAL TRIPS VS LATE CANCELLATIONS JULY



LATE CANCELLATION PERCENTAGE JULY

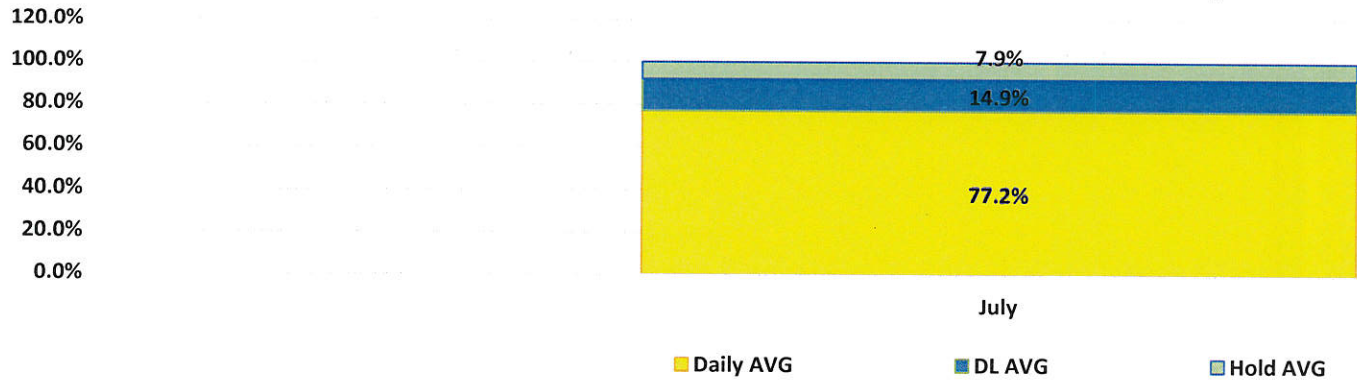


Trip: A one-way ride booked by the client. A round trip is counted as two trips.

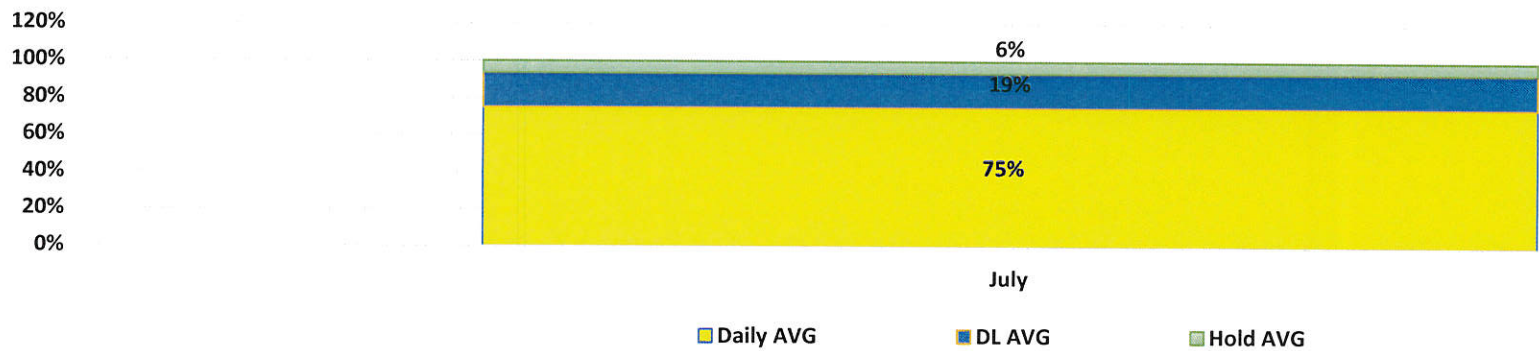
Late cancellation: A trip for which an ADA client does not cancel within 2 hours before the scheduled pick up time.

Goal for Late Cancellations: 5% or below.

FY 17 Fixed Route Fleet Availability



FY 17 Paratransit Fleet Availability



Fleet Availability: Total average percentage of the Fleet available to Operations

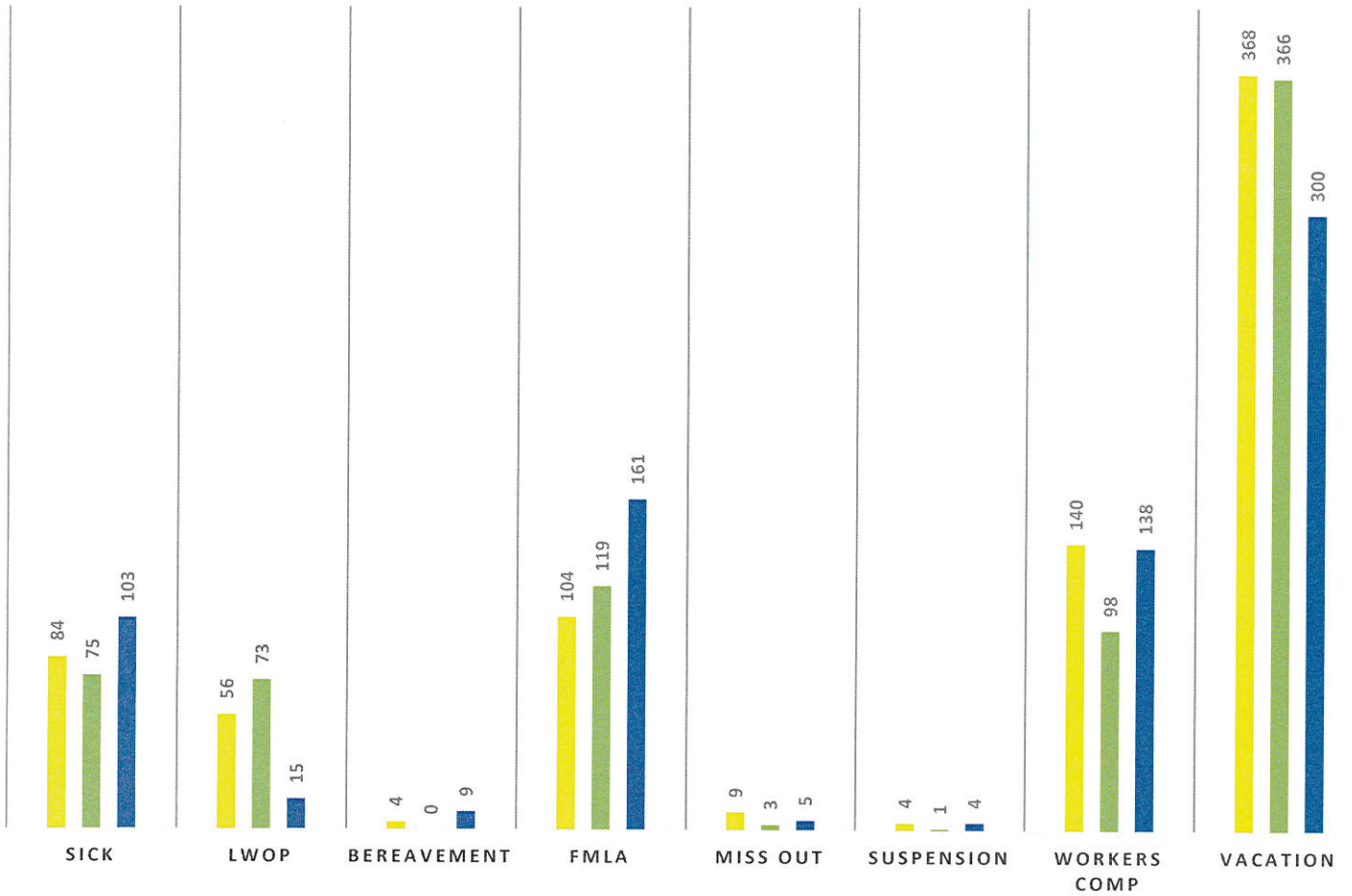
Hard Down = When a vehicle absolutely cannot go out on the road for the day. This is noted as DL.

Hold = Maintenance has held the vehicle for scheduled repairs, events, training, etc. If absolutely needed to make line, many times these vehicles can be used.

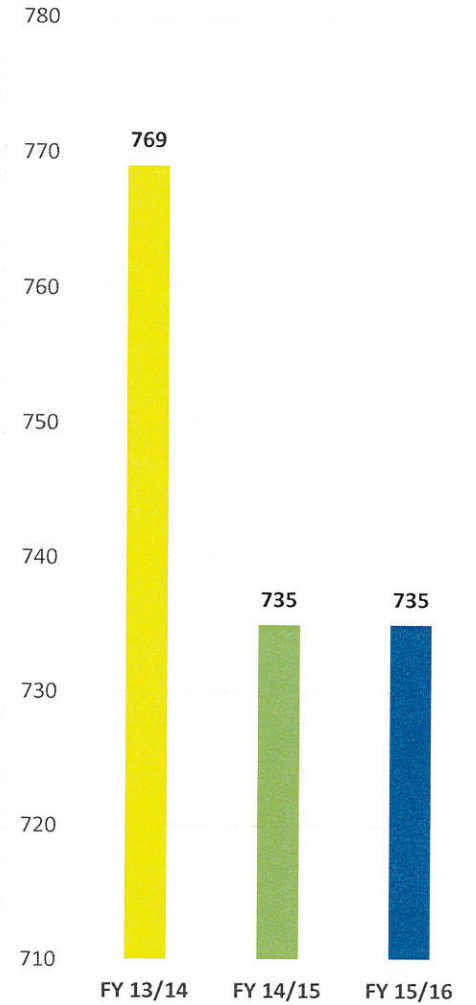
Goal: To have less than 20 percent of the fleet down for maintenance

DRIVER ABSENCE OCCURRENCES - YTD

July 2014 July 2015 July 2016

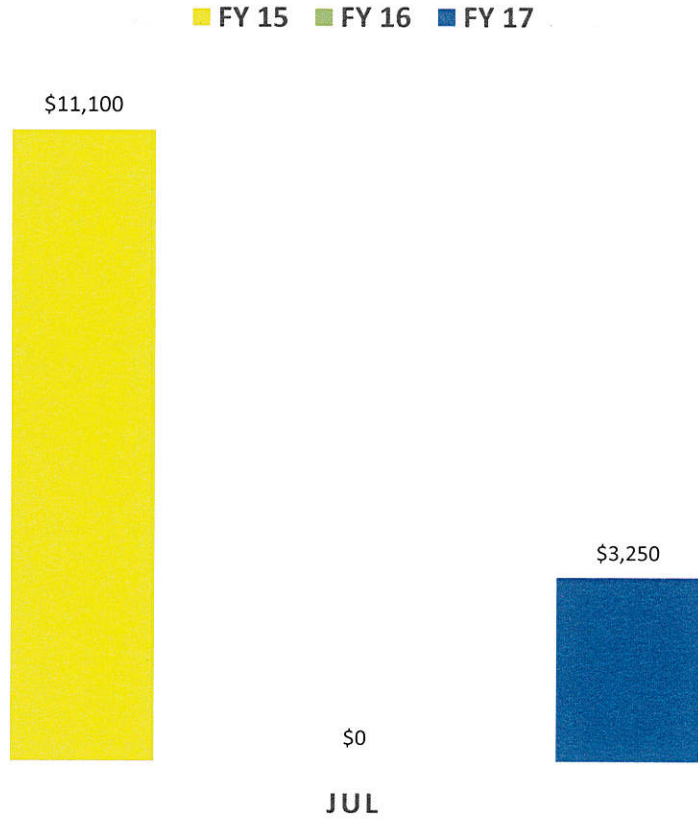


Occurrences - YTD

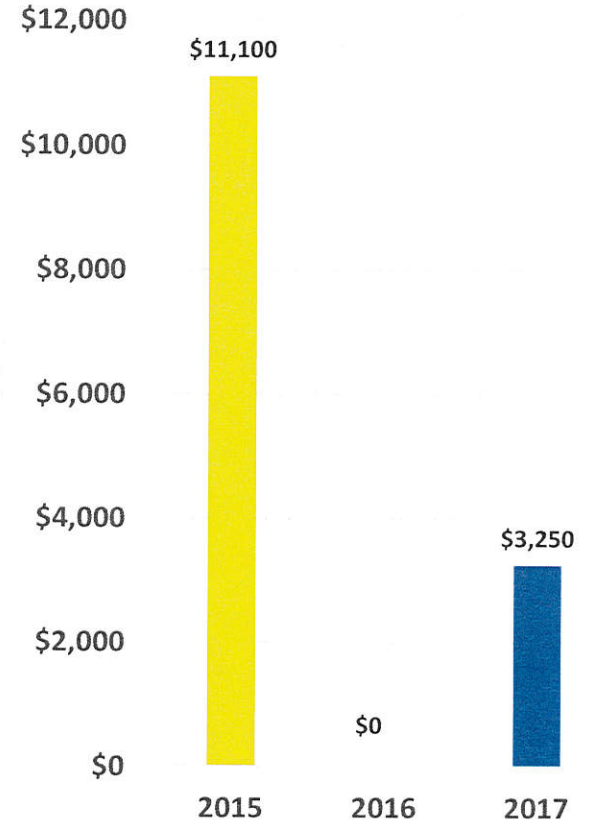


Goal: reduce by 2% - By enforcing attendance policy regularly and monitor trending -
 Absences include scheduled & unscheduled for both Paratransit and Fixed Route drivers.
 Vacation occurrences added as of September 2015 metric.

ADVERTISING REVENUE



YTD TOTALS

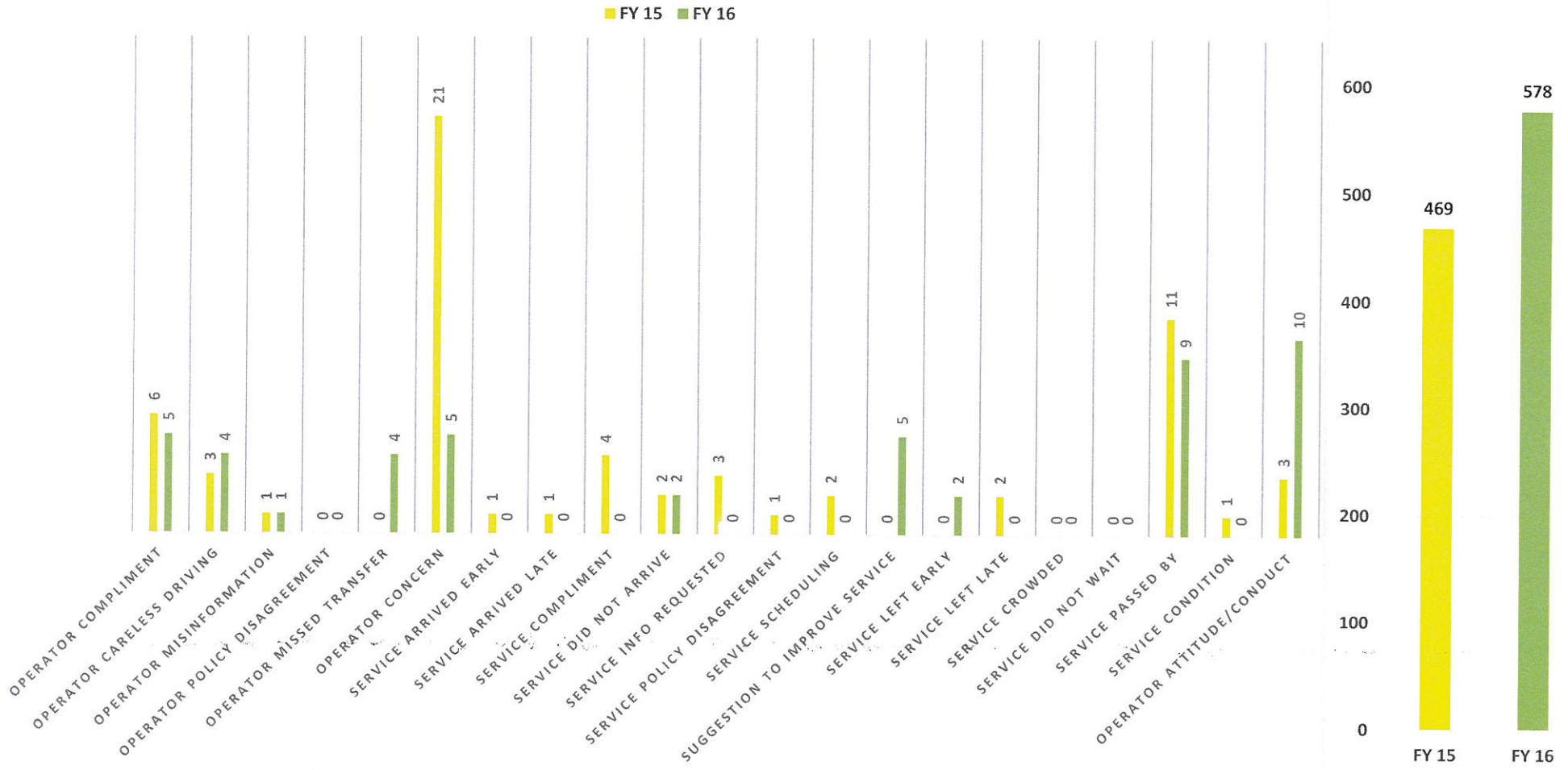


Tracks monthly advertising revenue earned (contracted) for bus shelters and exterior bus advertising. Does not include "Barter Contracts."
 SunLine Transit Agency budgeted \$173,202 in advertising revenue for FY 16/17.

The goal is \$173,202 for FY 17

FIXED ROUTE CUSTOMER COMMENTS BY TYPE

JULY 2016

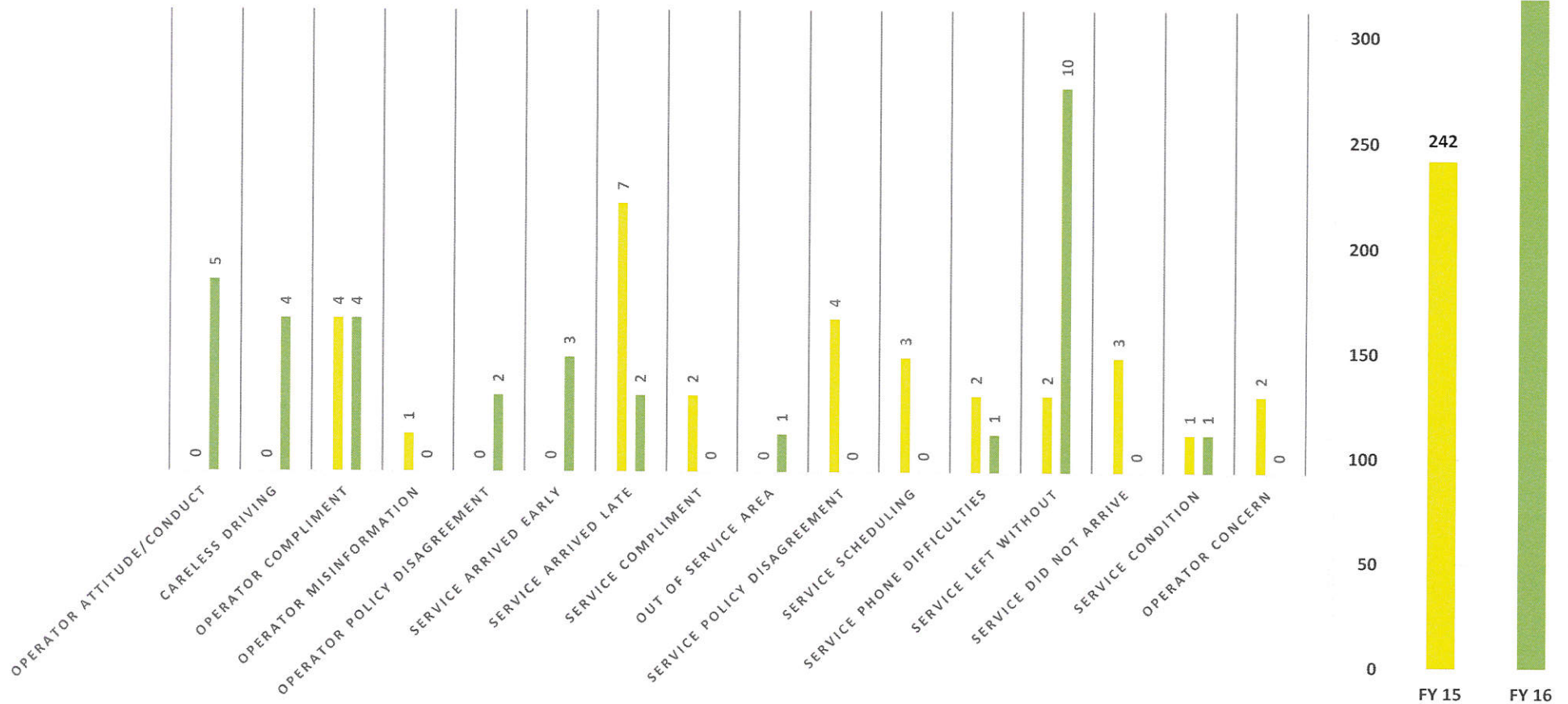


Compares monthly customer comments by type and yearly total comparison for fixed route.
 Goal is to make every attempt to resolve customer concerns during the initial telephone call to customer service staff.
 This will reduce the number of comments that need to move forward to other staff to address.
 This Metrics has Fleetnet for 2015 and COM15 data for June 2016. Service passby has increased as has Operator Attitude/Conduct.

PARATRANSIT CUSTOMER COMMENTS BY TYPE

JULY 2016

FY 15 FY 16



Compares monthly customer comments by type and yearly total comparison for paratransit.

Goal is to make every attempt to resolve customer concerns during the initial telephone call to customer service staff.

This will reduce the number of comments that need to move forward to other staff to address.

This Metrics has Fleetnet for 2015 and COM15 data for June 2016. Service Left w/o Passenger has increased as has Operator Conduct.

FY 16/17

Board Member Matrix Attendance

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total Meetings	Total Attended
Russell Betts	X												10	1
Bob Spiegel	X												10	1
Rick Hutcheson/G Foat	EX												10	0
Greg Pettis	X												10	1
Dana Hobart	EX												10	0
Ty Peabody	X												10	1
Kristy Franklin	X												10	1
Troy Strange													10	0
Steve Hernandez	X												10	1
John Benoit	X												10	1

ATTENDED
EX- EXCUSED
DARK –

SunLine Transit Agency

DATE: September 28, 2016 **ACTION**

TO: Board of Directors

FROM: Chief Executive Officer

RE: [International Zero Emission Bus/Fuel Cell Bus Workshop](#)

Recommendation

Recommend that the Board of Directors approve the travel of the Chief Executive Officer on a Technical Fact-finding trip to Europe and concurrent attendance at the International Zero Emission Bus Conference and Fuel Cell Bus Workshop in London, England.

Background

SunLine has received over \$24 million in grant awards over the past 3 years focused on upgrading its Hydrogen Infrastructure and expanding its Hydrogen Fuel Cell Bus program. A recent award of \$12.5 million to establish a new Hydrogen fueling system and five (5) Hydrogen Fuel Cell buses means that SunLine will be operating the largest Hydrogen Electrolyzer and Hydrogen Fuel Cell fleet in North America.

An investment in capital resources of this magnitude requires that SunLine staff conduct fact-finding to observe best practices in installation and operations of these hydrogen systems. The CEO will be responsible for the day to day implementation and integration of these projects into SunLine operations. Accompanying the CEO will be the Chief Operations Officer. This trip is tentatively scheduled for the week of November 28, 2016.

Since there are no other examples of a project of this magnitude in the U.S. or Canada, staff will have access to three different operating sites and their teams to gain insight and data on planning, deployment, maintenance and operation of a large scale Hydrogen fueling system and bus fleet.

Concurrently, SunLine's CEO has been asked to speak at the International Fuel Cell Bus Collaborative, on a panel of CEO's and staff from three (3) U.S. transit properties on the progress being made in the commercialization of Hydrogen technology in the North America. Attendance at the International Fuel Cell Bus Collaborative is free. As many of you may recall, SunLine once hosted this event for international partners in fuel cell technology.

Financial Impact

The fiscal impact of this trip is approximately \$6,000.00 to be paid out of capital grant funds SRTP - SL-17-08.

Lauren Skiver



PRELIMINARY AGENDA

November 30th - ZERO EMISSION BUS CONFERENCE

LONDON CITY HALL - THE CHAMBER

- | | | |
|--------------------|--|---|
| 08:00-09:00 | Coffee & Registration | |
| 09:00-09:05 | Welcome | Dan Raudebaugh, CTE |
| 09:05-09:15 | Opening Address | London Office of Mayor Representative |
| 09:15-09:45 | Statements from c40 Cities | TBD, C40 Senior Cities' Representatives |
| 09:45-10:05 | Mayor Address & Announcements | Sadiq Khan, Mayor of London |
| 10:05-10:15 | Break | |
| 10:15-10:30 | Why Invest in Zero Emission? | David Warren, New Flyer |
| 10:30-12:00 | Immediate Horizon | Moderator: Andy Eastlake, LowCVP |
| | Driving Programs for Zero Emission Transit | Umberto Guida, UITP |
| | US Zero Emission Transit Pioneers | Jack Kitowski, CARB |
| | EU Fuel Cell Electric Bus Expansion | Bart Biebuyck, EU FCH JU |
| | Fuel Cell Bus Development Status in Korea | Sae Hoon Kim, Hyundai |
| | Chinese Outlook | TBD, Chinese Ministry <i>(invited)</i> |
| | Moderated Discussion | |
| 12:00-13:30 | Lunch & Exhibition | |

November 30th - ZERO EMISSION BUS CONFERENCE

13:30-15:45 Technology Readiness: Where Will the Sector be by 2020?

The Future of Electric Drive

Gustav Tuschen, Daimler

Business Case for Zero Emission Buses

Paul Jenne, Van Hool *(invited)*

Investing Now for the Future

Dale Hill, Proterra

Electric Drive for Different Applications

Dariusz Michalak, Solaris

Global BEB Market

Isbrand Ho, BYD

Investing in Electric Drive

David Warren, New Flyer

Panel: Sharing the Operator Experience:

Moderator: Carlos Navas, EU FCH JU

David Philipps, First Group *(invited)*

Kevin McDonald, Foothill Transit

Salvador Llamas, AC Transit

Jens Conrad, RVK

Kenneth McDonald, Long Beach Transit *(invited)*

15:45-16:15 Coffee Break

16:15-17:30 Preparing for Large-Scale Deployments: Zero Emission Buses by 2030

Moderator: Ben Madden, Element Energy

Policies to Implement Zero Emission Solutions

Elliot Treharne, London Mayor Office

Incentivizing US Investment

Jack Kitowski, CARB

Scaling Up Hydrogen Infrastructure

Markus Bachmeier, Linde

Optimizing Electric Charging Infrastructure

Jason Harlin, CTE

European Industry Long Term Plans

Jorgo Chatzimarkakis, Hydrogen Europe

Moderated Discussion

DRINKS RECEPTION HOSTED by TOWER TRANSIT

The London Transport Museum

6:30 - 10:00

Shuttle service will be provided.

December 1st - 10th INTERNATIONAL FUEL CELL BUS WORKSHOP

LONDON CITY HALL - COMMITTEE ROOMS 4&5

08:00-09:00 Coffee & Registration

09:00-09:15 Keynote

Alan Lloyd, International Council on Clean Transportation

09:15-10:30 Exchange of Experience

Moderator: Klaus Bonhoff, NOW

CHIC Final Results

Kerstin K. Müller, CHIC Coordinator

US FCB Technical Achievements

Leslie Eudy, NREL

NewBusFuel Results

Michael Faltenbacher, thinkstep

Results from Europe's Largest FCB Fleet

TBD, Aberdeen City Council

10:30-12:00 Pioneers in the Industry

Moderator: Ben Madden, Element Energy

London, UK

David Yorke, Tower Transit

Thousand Palms, USA

Lauren Skiver, SunLine Transit

Akron, USA

Kirt Conrad, SARTA

Cologne, Germany

Jens Conrad, RVK

Oakland, USA

Salvador Llamas, AC Transit

Orange County, USA

Sue Zuhlke, OCTA

12:00-13:30 Lunch & Exhibition

13:30-15:30 **WORKSHOPS:** Three parallel working groups will investigate primary issues related to fuel cell bus commercialization

Workshop A: Bus Operation

Considerations for this Group:

- Technical readiness level for widespread rollout
- Status of reliability issues
- What is the target efficiency?
- On road total bus efficiency vs. expected component level efficiencies
- Where will cost improvements come from?
- Ways to improve maintenance
- Next steps to bring volume up and price down

Moderator: Heinrich Klingenberg, hySOLUTIONS

Paul Jenno, Van Hool

David Warron, New Flyer

David Yorke, Tower Transit

Marlene Rinnoer, STA

Sue Zuhlke, OCTA

Dariusz Michalak, Solaris

December 1st - 10th INTERNATIONAL FUEL CELL BUS WORKSHOP

13:30 – 15:30 WORKSHOPS CONTINUED

Workshop B: H2 Infrastructure Maturity

Considerations for this Group:

- Ensuring infrastructure reliability
- Can hydrogen equal cost of diesel?
- What are strategies for addressing cost?
- Mechanisms to ensure hydrogen decarbonisation
- Passenger vehicle and bus station rollout synergies

Moderator: Alastair Hope-Morley,
Element Energy

Markus Bachmeier, Linde
Stuart Graham, Air Products
Graham Cooley, ITM Power
Mark Kammerer, Hydrogenics
Bruno Forget, Air Liquide
Jacob Krogsgaard, H2Logic

Workshop C: Commercialisation Strategy

Considerations for this Group:

- Real cost trajectory for FCB ownership
- What is the interplay of bus volume, passenger car volume, and technology development?
- How should national and international policymakers affect commercialization?
- Use of local regulations in zero emissions
- How can politicians be convinced of the value of these regulations?

Moderator: Nicolas Brahy, Hydrogen Europe

Carlos Navas, EU FCH JU
Andy Eastlake, LowCVP
Thorsten Herbert, NOW
Nico Bouwkamp, CaFCP
Nicolas Pocard, Ballard
Rob Del Core, Hydrogenics

15:30-17:00 Workshops' Themes & Roadmap Planning

Moderator: Jaimie Levin, CTE

Bernard Frois, IPHE
Alan Lloyd, ICCP
Carlos Navas, EU FCH JU
Jack Kitowski, CARB
Sunita Satyapat, US Department of Energy (*invited*)

**Closing Reception Provided by Ballard and Anglo Platinum
London City Hall, 5-8pm**

CONTACTS:

Europe

Saorine.skiker@element-energy.co.uk

United States

Lauren@cte.tv

For additional details please visit: tiny.cc/ZeroEmissionTransit

SUPPORTED BY
MAYOR OF LONDON



elementenergy



by SOLUTIONS
Hydrogen Fuel Cell Technology

MINUTES
SunLine Transit Agency
Board of Directors Meeting
July 27, 2016

A regular meeting of the SunLine Transit Agency Board of Directors was held at 12:00 pm on Wednesday, July 27, 2016 in the Board Room at SunLine Transit Agency, 32-505 Harry Oliver Trail, Thousand Palms, CA 92276.

1. Call to Order

The meeting was called to order at 12:00 p.m. by Chairperson Kristy Franklin.

2. Flag Salute

SunLine Agency Board Member Benoit led all in a salute to our flag.

3. Roll Call

Completed.

Members Present

Russell Betts, SunLine Agency Board Member, City of Desert Hot Springs

Kristy Franklin, Chair, SunLine Agency Board Member, City of La Quinta

Ty Peabody, SunLine Agency Board Member, City of Indian Wells

Robert Spiegel SunLine Agency Board Member, City of Palm Desert

Greg Pettis, SunLine Agency Board Member, City of Cathedral City Board

Participating via teleconference from:

Sheraton University City

3549 Chestnut Street

Philadelphia, PA

Emmanuel Martinez, Vice Chair, SunLine Agency Board Member (alternate), City of Coachella

John J. Benoit, SunLine Agency Board Member, County of Riverside

Members Absent

Ginny Foat SunLine Agency Board Member, City of Palm Springs

Troy Strange, SunLine Agency Board Member, City of Indio

Dana Hobart, SunLine Agency Board Member, City of Rancho Mirage

4. Presentations

Strategic Execution at Sunline – Cindy Henson, Henson Consulting Group

Cindy spoke of her over thirty-year experience in working with leaders and organizations raising the bar of performance. No matter what the organization the number one prerequisite is a leader and an executive team that wants to raise the bar. She stated that when Lauren Skiver, CEO/General Manager invited her into this conversation she said, “we want to go from great to greater at SunLine.” Cindy explained that she has been at SunLine working over the last three months with the

Executive Team and today she wants to share what we have been doing, where we are at, what it means to you and answer any questions you might have.

Presentation summary:

- Agency is well managed
- Service delivery is great
- Delivering an important service and needed service to the Coachella Valley
- There isn't an opportunity to improve the level of performance
- Create a culture of strategic execution – focusing and solving problems and issues in a very methodical way
- Develop a deeper bench in the organization
- Create long term organizational sustainability beyond the day-to-day operations focusing on strategy and execution
 - Everyone focused on the shared goals
 - Specific framework at SunLine for accomplishment
 - Accountability every 90 days

Cindy explained how change happens describing a bell curve with 2 ½% of the population being innovators and the next group are early adopters which is usually about 10% who will prototype and try it with the next group being about 40% who, now convinced from the prototype, will be right in there implementing. The next group being the late majority who are a little more risk averse but once it is clear what the steps are they will jump right in too. The group of 10% at the tail end of the bell curve may or may not ever come along with whatever the change is. There are a couple of key points:

- You don't need everyone to do everything you need the innovators and the early adapters to get started
- Some people may self-select out
- Need to be consistent and persistent

SunLine's FY 16/17 goals are:

- Ridership
- Project Delivery
- Year of Learning

Tools:

- Team norms – similar methodologies across the agency
- Individual Development Plans (IDP's)
- Process Action Teams (PAT)

Cindy explained the method being used on ridership decline she is using the DMAIC Method which is define, measure, analyze, improve and control. They are in the analysis phase and there will be recommendations coming from this Process Action Team to the Executive Team in September.

Cindy stated that on Project Delivery this team has already made progress by setting priorities and defining roles and responsibilities and reporting at the metrics meeting.

Cindy stated that we have already made progress on Year of Learning by communicating to all employees the plan elements and timelines and generating Individual Development Plans. The Executive Team compiled all of the training and development needs and we have a draft SunLine University schedule of which we will finalize this afternoon in Executive Team.

Early Progress:

- Communication and engagement with staff is up
- Goals have been distributed to all
- IDP's & team building with the PACE Palette
- Plan for first quarter celebration in September
 - What has gone well – learn from & celebrate
 - What has gone wrong that we can change
 - Make plan for second quarter
- Big rocks by quarter – know where you are headed

What does this mean to you:

- By the end of the year you can expect continual focus on agency improvements
 - Hearing about them – ask about them
 - Executive Team providing clear choices to you on strategic direction
- With broadened view – after first of the year clear sense of the vision of SunLine that we want to engage with SunLine board on
 - Board setting policy correction but with Executive Team providing data and information and recommendations
 - Together create where we are going next as an organization

SunLine Board Member Benoit thanked Cindy for an outstanding presentation. He stated that he noticed in a couple of places that she talked about the expertise of the non-bargaining team. He is curious what that phrase means when you talk about a year of learning certainly the bargaining team can learn also and why are they not involved. Lauren Skiver, CEO/General Manager stated that was a good point and we absolutely see this rolling out into the entire organization. She stated that we have some gaps, and not because of the will of the employees, but just experience and being provided experience that we really need to tackle first as a priority. Meaning how to run the business, how to support our bargaining employees who are actually out on the road driving the buses and fixing them in our Maintenance Shop. What we are doing is building some expertise in overall transit management and understanding of transit principles and that will translate to a better working environment for our non-bargaining folks who are actually doing the work. It also gives us an opportunity to expand these classes for SunLine University into the bargaining unit in a way that's appropriate which will take a little bit different type of work to do. Based on their schedules and based on typically how they work we have to put some thought around

how do we provide these classes to them which is definitely in this plan to do. She stated that hopefully that answered his question. SunLine Board Member Benoit stated that she had answered his question, and he wants to make sure that they know they are part of the process and that you are getting input from those represented employees. He stated that sounded like the differentiation and that the represented employees are not part of this process at this point but will be and hopefully their input is being gathered while this is going on. He stated that when you draw lines it sometimes can create barriers and he doesn't want to do that and he doesn't think anybody does. Lauren Skiver, CEO/General Manager stated that we can take this as a suggestion that in describing it making those types of statements it does seem to be polarizing on whose part of this. This is a SunLine effort and we can take that back as the way we describe it, internally as well as externally, to make a change in that area. SunLine Board Member Benoit stated that he didn't want anybody to feel left out.

SunLine Board Member Peabody asked in relation to this what is the average term of our senior executives? How new is new and how old is old? Lauren Skiver, CEO/General Manager stated that typically in the past transit enjoyed long tenure in transit executive positions. She stated that SunLine is no different and we have a mix of folks who have been here many years and those who are new. She stated that what we are trying to anticipate is the new workforce and the way they work. Generations that are coming into the workforce now and the environments they look for. She stated that we can get a spreadsheet of the tenure as she didn't have it right in front of her. She stated that she does think it is important for transit or any corporation to really be looking forward on what the new workforce is looking for in opportunity in growth and in contribution. We are trying to create what you all have given us as good advice in working towards a succession plan that is creating a working environment where we have people applying to work here from all over because the culture the work environment we have created and the opportunity is sought after and it's not as much about paycheck. She expressed that she hoped she answered the questions and said we can get a schedule of the years of service because we track that. SunLine Board Member Peabody stated that the only reason he asked the question is that if everybody is fairly new the learning curve is much bigger. Lauren Skiver, CEO/General Manager stated that her opinion was that the learning curve is not just about the newness and would be indicative of a small transit property in a more rural place, there is less influence from other transit agencies and the business changes that have happened over years. If you are a small property connected to L.A. Metro, you are much more apt to get internal messaging about how things are changing in the world. SunLine sits up in this valley where we have lots of knowledge and some of that knowledge is based on the business running twenty years ago because that influence of new ideas and what's happening in the world of procurement is something we have to go out and get, it doesn't just come in the doors. We are trying to change that where we are going out and getting it versus waiting to get some new circular or some new way that we do the business. She stated that she thinks that is more what is going on here than just a bunch of new employees and that folks have not been invested in over time to get out and learn new things.

Service Warrants and Standards – TMD

Presentation Summary:

The following topics were presented to the board by Norm Silverman.

- Purpose of service standards
- Objectives
- Service standards
- Reporting
- Corrective actions
- Major service changes
- Next steps

SunLine Board Member Ty Peabody stated that they had set up a set of standards and he was curious if they measured where SunLine is in relationship to the standards they have set up and if they determined which standards need more work than other standards. Mr. Silverman stated that as he understood it when they looked at it the cost recovery is very close and is in the upper teens range and in terms of ridership and revenue hours there needs to be some work. He stated that the goal wasn't simply to memorialize what's being done right now, the purpose is to set a reasonable bar. He stated that some of the routes don't make it and some of the routes do make it. SunLine Board Member Ty Peabody asked, based on the standards they have set, can he identify where we fall below those standards. Mr. Silverman stated that in cost recovery we are above the standards. Lauren Skiver, CEO/General Manager stated that we can answer that because we track it in our metric review. She stated that we can put that forward as it is something that we have in our metrics so we will distribute that to the board in your packet at the next meeting. She pointed out that in the board packet there is a section with metrics and the data on the performing and non-performing routes will be added to that section. SunLine Board Member Peabody stated that it wasn't just the routes he was curious in developing these standards where are we deficient. Lauren Skiver, CEO/General Manager added that there has been a lot of discussion within the team about changing standards and there has been some hesitation by some of the team on changing the performance standard and upping it. She stated that TMD is encouraging us to do it and we will make sure they deliver on making sure we make it. SunLine Board Member Russell Betts commented on the 85% on time and stated that it didn't seem all that good. Mr. Silverman asked if he thought it should be higher. SunLine Board Member Betts stated that the first question he had was is that system wide so maybe some routes are below 85% and some are higher and that's the average? Mr. Silverman stated that should not be system wide that should be minimum. SunLine Board Member Betts stated that from his personal experience when the bus is late people end up making other decisions because their boss says get here on time and they don't care that the bus was late. He stated if the bus is on time 85% of the time and 15% of the time you are going to be late for work that's a problem. Mr. Silverman stated that one of the aspects, and Lauren should comment on this, is the accuracy of the running times on many of the routes. The staff is to work with them and update and develop more accurate running times and we will be

starting to do that later this year. SunLine Board Member Betts stated that might be part of the problem. Lauren Skiver, CEO/General Manager stated that the running time is off and the expectation that you can make that line and those stops in a certain amount of time you can't and you will be late every time. She stated that 85% is pretty standard across the industry and if you look at the airlines and their on time performance you would be shocked at what it is. SunLine Board Member Betts asked how common it is to do cost sharing on a route if a route is not performing. Mr. Silverman stated that does happen if a university or an employer has a particular need and wants the service to come to their school or business. He stated there are opportunities but they are very selective.

5. Finalization of Agenda

No changes to the agenda.

6. Public Comments

None

7. Board Member Comments

SunLine Board Member Franklin introduced Emmanuel Martinez from the City of Coachella who is the alternate.

8. Consent Calendar

- a) Checks over \$1,000 and backup report for May 2016
- b) Credit card statement for May 2016
- c) Monthly Variance Report May 2016
- d) Contracts signed in excess of \$25,000 May 2016
- e) Ridership Reports for May 2016
- f) SunDial Operational Notes for May 2016
- g) Metrics
- h) Board Member Attendance

SunLine Agency Board Member Spiegel moved to approve the consent calendar. The motion was seconded by SunLine Agency Board Member Peabody. The consent calendar was approved by a vote of 7 yes; 0 no;

9. Approval of Minutes

SunLine Agency Board Member Betts moved to approve the minutes of the June 22, 2016 Board meeting. The motion was seconded by SunLine Agency Board Member Spiegel. The motion was approved by a vote of 6 yes; 0 no; 1 abstain

**10. Service Standards Policy #B-190613
Amendment Approval (Staff: Joseph Friend)**

Joseph Friend, Interim Deputy Chief Administration addressed the board and stated that staff recommends that the board of directors approve the attached amended Service Standards Policy #B-190613. He stated that in 2013 the board approved the Service Standards Policy providing agency staff a clear direction for planning operation and management of transit services in the Coachella Valley.

SunLine Agency Board Member Peabody moved to approve the new Service Standards Policy #B-190613 amendment. The motion was seconded by SunLine Agency Board Member Benoit. The Service Standards Policy #B-190613 was approved unanimously by a vote of 7 yes; 0 no

11. Approval of Revised Records Management/Retention Schedule Policy #B-180615

**(Greg Pettis, Chair Board Operations Committee;
Staff: Diane Beebe)**

SunLine Agency Board Member Peabody stated that the Board Operations Committee reviewed this item and unanimously approved it and he moved to approve the Revised Management/Retention Schedule Policy #B-180615. The motion was seconded by SunLine Agency Board Member Spiegel. The Revised Management/Retention Policy #B-180615 was approved unanimously by a vote of 7 yes; 0 no

**12. SunLine Center of Excellence
(Robert Spiegel, Chair of Finance/Audit Committee;
Staff: Rudy LeFlore)**

Lauren Skiver, CEO/General Manager stated that many are aware that we have been pursuing the Center of Excellence which is an idea that came from this team to create a learning center for zero emissions technology. Not just in transit application but heavy duty and light duty vehicles. We have received an award of \$270,000 towards that goal and we are pleased to announce that we need your approval to accept that award into our budget and to spend it. She stated that she also wanted to let them know that we have just received word yesterday that we have also won an initial \$1.5 million from the FTA Low No Program to construct the training site with a small bay and a small training area. We hope to help Coachella Valley become the environmental center of the world where people come to learn about how to preserve our planet and to work in zero emission technology and to help create a work force that comes here, learns here and stays here.

SunLine Agency Board Member Spiegel stated that the Finance/Audit Committee reviewed this item and unanimously approved it and he moved to approve. The motion was seconded by SunLine Agency Board Member Peabody. The motion carried by a unanimous vote of 7 yes; 0 no

**13. Administration Building Phase I and II
(Robert Spiegel, Chair of Finance/Audit Committee;
Staff: Rudy LeFlore)**

Rudy LeFlore, Chief Performance Consultant stated that we are asking for the board to approve the allocation of funds to build a carport and solar panels on that carport with funds that were left over from our management of this administration building and transit hub. We came in under budget so we want to include these funds as phase II. This project will lead to another project that the agency is working on with the electrolyzer of which 33% of the energy has to be from renewable sources so we are investing both in the parking but also in the solar panels. He stated that 30% of our

energy currently comes from solar panels so we are asking for your approval to allocate the remaining funds from this administration building and transit hub project to build the carport with the solar panels.

SunLine Board Member Spiegel stated that when these are completed 50% of the energy needed will be available. Mr. LeFlore stated that was correct. SunLine Board Member Benoit stated that he supports the motion he just wanted to point out that in his many years doing this kind of thing he has seldom been faced with the problem of how to spend the money that we didn't spend. He congratulated all for a great job done. SunLine Board Member Franklin stated she liked that we are taking those funds and putting them back into good use.

This item was brought to the Finance/Audit Committee and the committee unanimously approved the item and SunLine Agency Board Member Spiegel moves to approve and SunLine Agency Board Member Peabody seconded. The motion carried by a unanimous vote of 7 yes; 0 no.

**14. Checks Policy #B-030403 Revision Approval
(Greg Pettis, Chair Board Operations Committee;
Staff: Luis Garcia)**

This item was brought to the Board Operations Committee and the committee unanimously approved the item and SunLine Agency Board Member Peabody moves to approve and SunLine Agency Board Member Martinez seconded. The motion carried by a unanimous vote of 7 yes; 0 no.

**15. Transportation Demand Management
Vanpool Contract Approval
(Robert Spiegel, Chair of Finance/Audit Committee;
Staff: Vicky Castaneda)**

Vicky Castaneda, Project Manager addressed the board and stated that staff recommends that the board of director's delegate authority to the CEO/General Manager to negotiate and execute the agreement with Parsons Brinckerhoff for a period of three years not to exceed \$1,850,456. Ms. Castaneda gave the board a background of the project. The primary focus of the TDM Program is to launch a pilot effort of van pools for workers in both private and public sectors along with assisting transportation aid to the agricultural community and the east end of the valley. The program will begin with 35 vans and ramp up to 70 vans. She stated that the program is open to everybody in the Coachella Valley but we are working with the east end.

SunLine Board Member Benoit recused himself from voting as he received political contribution from Parsons Brinckerhoff.

SunLine Board Member Franklin stated that during the Finance Committee there was a very good definition for Transportation Demand Management. Rudy LeFlore, Chief Performance consultant explained that Transportation Demand Management is focused on trying to get people to where they are going based on many modes of transportation. It not only encompasses van pools but it's our Fixed Route System and

our Paratransit system and any other public transportation that's available. We are having someone manage that to try to direct people to where they can get a ride to where they are going.

SunLine Board Member Martinez asked what the start date for the program would be. Vicky Castaneda, Project Manager stated that they were looking to do the kickoff very soon. Marketing and the front end will be in the next six months. Eric Taylor, Procurement Manager stated that it should kickoff within the next year. Lauren Skiver, CEO/General Manager stated that our contractor has to go out and we have to collect employment sites as to where the vans may be best positioned and start to create communication for the community and for leaders and employers. She stated that the first six months is getting this together and then the deployments happen after that. We will keep you apprised in the board meetings about progress and you should start to see us out there and hear about it. That will be the true test that we are communicating well is that you are hearing from constituents and other groups about this vanpool and TDM Program.

This item was brought to the Finance/Audit Committee and the committee unanimously approved the item and SunLine Agency Board Member Spiegel moves to approve and SunLine Agency Board Member Peabody seconded. The motion carried by a unanimous vote of 6 yes; 0 no.

**16. Contracts with PVC Consulting
(Robert Spiegel, Chair of Finance/Audit Committee;
Staff: Rudy LeFlore)**

This item was brought to the Finance/Audit Committee and the committee unanimously approved the item and SunLine Agency Board Member Spiegel moves to approve and SunLine Agency Board Member Benoit seconded. The motion carried by a unanimous vote of 7 yes; 0 no.

**17. Purchase Replacement and Expansion
Fixed Route Buses
(Robert Spiegel, Chair of Finance/Audit Committee;
Staff: Tommy Edwards)**

This item was brought to the Finance/Audit Committee and the committee unanimously approved the item and SunLine Agency Board Member Spiegel moves to approve and SunLine Agency Board Member Peabody seconded. The motion carried by a unanimous vote of 7 yes; 0 no.

SunLine Board Member Benoit stated that he talked to the executive director earlier today about looking into the use of a company in Riverside that takes buses like the SunLine buses with 500,000 miles and strips them down to the bare minimum and replaces the axels and everything and builds whatever propulsion system that you want up to and including hydrogen fuel cell. They can provide that bus at about 60% of the cost of a new bus with a matching warranty. He wasn't sure if the funding that we receive would let us take advantage of that opportunity but it may allow us to

repower the old buses that we have in our fleet. He asked that we keep that option in mind.

18. Award of Contract for Uniform Purchase, Rental & Cleaning Services

**(Robert Spiegel, Chair of Finance/Audit Committee;
Staff: Tommy Edwards)**

This item was brought to the Finance/Audit Committee and the committee unanimously approved the item and SunLine Agency Board Member Spiegel moves to approve and SunLine Agency Board Member Peabody seconded. The motion carried by a unanimous vote of 7 yes; 0 no.

19. Approval of Janitorial Services Contract

**(Robert Spiegel, Chair of Finance/Audit Committee;
Staff: Tommy Edwards)**

This item was brought to the Finance/Audit Committee and the committee unanimously approved the item and SunLine Agency Board Member Spiegel moves to approve and SunLine Agency Board Member Peabody seconded. The motion carried by a unanimous vote of 7 yes; 0 no.

20. Approval of Lease for Postage Meter Machine

**(Robert Spiegel, Chair of Finance/Audit Committee;
Staff: Eric Taylor)**

This item was brought to the Finance/Audit Committee and the committee unanimously approved the item and SunLine Agency Board Member Spiegel moves to approve and SunLine Agency Board Member Betts seconded. The motion carried by a unanimous vote of 7 yes; 0 no.

**21. Election of Officers – Vice Chairman
(Chairperson Kristy Franklin)**

SunLine Board Member Franklin stated that at the June 22, 2016 Board Meeting board members voted to delay the election of SunLine's Vice Chairman of the Board until today's meeting to provide opportunity for absent board members to participate in the election. She opened the floor for nominations. SunLine Board Member Spiegel stated that unfortunately the Vice Chairman has not attended the last four meetings. He thanked SunLine Board Member Martinez for coming because SunLine Board Member Hernandez hasn't been here. He stated that we need someone who is going to be here and for that reason I nominate Ty Peabody as chairman for SunLine for the next year. SunLine Board Member Kristy stated the vote was for Vice Chairman. SunLine Board Member Spiegel nominated SunLine Board Member Betts as Vice Chairman. SunLine Board Member Benoit seconded the nomination and stated that SunLine Board Member Betts has been here a long time and as discussed last month has a legitimate history and interest that is demonstrated by regular attendance. SunLine Board Member Spiegel moved that the nominations cease and SunLine Board Member Benoit seconded.

SunLine Agency Board Member Spiegel nominated SunLine Agency Board Member Betts to serve as Vice Chairman of SunLine Transit Agency for the upcoming fiscal year. SunLine Transit Agency Board Member Benoit seconded the motion. The motion passed by a unanimous vote of 6 yes; 0 no.

22. CEO/General Manager's Report

CEO/General Manager, Lauren Skiver addressed the Board and stated that she had talked briefly about the Center of Excellence and that they are going to be hearing about this and we welcome your feedback. She stated that we are already working with C.O.D. and other universities to influence this project but we also have reached out to some of the economic partnerships here in the valley because they will be pivotal in workforce development project as it starts to take shape. She stated that she wanted to bring to the board that our hydrogen reformer is currently not operating. We experienced a power outage here and when I.I.D. brought the power back up it was brought up in the wrong phase and it did extensive damage to our reformer. She stated that it is going to be a long time before we have it back up, and we have an active claim with them regarding this issue and we have had active discussions with them. Her concern is that we did win a 12.5 million dollar AQIP Award part of which was for an electrolyzer because the reformer was getting old and in bad shape and she is concerned about how we are going to be able to bring it back. She is sure we will be able to but it may be a long process. She stated that Tommy and his team are working diligently on both getting it up and working with I.I.D. We believe we have a claim on the cost for trucking in hydrogen during this period when we haven't been able to use the reformer.

SunLine Board Member Benoit asked what the ballpark price range was for repairs. Tommy Edwards, Chief Operating Officer stated it was approximately \$15,000 for the repairs but the biggest cost is that we have to bring the hydrogen in now at approximately \$30 a kilogram compared to the \$5-7. SunLine Board Member Benoit asked if we were in the process of working on the repairs. Lauren Skiver, CEO/General Manager stated that we were but this reformer requires re-engineering of parts so we can't just go out and pick one up. We do have a contractor working on creating the needed parts necessary for repair but it has been a big hit for us because it was unexpected. She stated that I.I.D. is aware that we have had this issue and they acknowledged that the power was brought up in the wrong phase and now we have to work through the process on how we work through what our damages are

SunLine Board Member Franklin stated that she wanted to understand that we are repairing this piece of equipment and then we are going to go in after that's repaired when we have the electrolyzer and do something else? Lauren Skiver, CEO/General Manager stated that the plan with the reformer is that we would keep the reformer working as long as it possibly can work. It's the cheapest way for us to create hydrogen. The problem is we can't go and replace it and if we could go and get a new reformer like the one we had that was larger we could probably continue to do business that way with a new set up but it's not possible for the volume we need on the new buses coming in. We are moving to an electrolyzer platform which is a different way to create hydrogen instead of using our CNG energy to split the

molecules we are going to use electricity. The recommendations from our consultant, who is an expert in this field, is to continue the reformer working as a backup creating a redundancy and it is still the cheapest way for us to make hydrogen. When it dies, which we hope it doesn't, then we might have to go straight to electrolyzing but there is no need to just cut that off as long as we can keep it working because it is a redundancy in the system and if we were to have this problem with the electrolyzer we'd have another way of potentially creating hydrogen. This is to get the capacity we need to fuel all of these buses that we have won and also to create a more modern platform.

Lauren Skiver, CEO/General Manager wanted to thank her team for the work they have been putting in. Cindy Henson gave you an overview of what we have been working on and they have been energized on this new culture of excellence we are building. She stated that they are most excited about the year of learning in which we are going to give them opportunity to job shadow, work with other departments, get out and learn from other transit agencies and she thinks that a lot of the credit goes to them for their willingness to participate and to be excited about change. Change is not easy but this group has been very excited about it and they have really rallied around each other and around goals that we have set which is a testimony to them and the work that they do every day. Ms. Skiver stated that we will be having the auditors on board in August and Luis' group hopes to deliver the audit sooner than it has been done in a decade. As you know they have been constantly improving our financial transparencies and performance in finance and she is very proud of the fact that they are already getting the auditors on board to be finishing our fiscal audit.

SunLine Board Member Benoit stated that he felt the need to say that bringing in Cindy's consulting group is a great step and it's one, that as a manager, some managers might not do because it has a potential for showing weaknesses and highlighting problems but it also has a huge upside potential. He stated that some previous managers that we have had at this organization would never have thought to do that. He stated that further backs up why the soundest decision they made was in bringing her on board. SunLine Board Member Franklin wanted to add that she totally agrees with what SunLine Board Member Benoit said. She stated that Cindy's group has worked with the City of La Quinta for over a year and culture change takes time and patience but the results really start to happen quickly where people are learning to think for themselves and communicate across departments. She really appreciates him saying that and recognizing that there is change here and you can see it.

That concludes my report.

23. Next Regular Board Meeting Date

September 28, 2016
12:00 p.m., Board Room
32-505 Harry Oliver Trail
Thousand Palms, CA 92276

24. Adjourn

Meeting was adjourned at 12:29 p.m.

Respectfully Submitted,

Diane Beebe
Clerk of the Board

SunLine Transit Agency

DATE: September 28, 2016 **ACTION**

TO: Board Operations Committee
Board of Directors

FROM: Chief Safety Officer

RE: [Resolution No. 0757 Regulating Parking on Sunline Parking Lots](#)

Recommendation

Recommend the Board of Directors approve the attached Resolution regulating parking on Sunline Transit Agency parking lots, which allows for the installation of signage notifying persons of parking restrictions and provides for the removal of vehicles parked in violation of those restrictions.

Background

The Sunline Transit Agency currently has no policy regulating the use of its parking facilities. Unregulated parking facilities are often used by persons wishing to camp overnight, park vehicles for extended periods of time, avoid parking fees and perform maintenance on their vehicles. Additionally, stolen and striped vehicles are frequently left abandoned in parking lots. Criminals will sometimes use parking lots to store secondary vehicles used for escape and evasion after committing criminal acts. Abandoned vehicles and vehicles left unattended for long periods of time create blight and have an adverse impact on property values.

The attached Resolution allows Sunline Transit Agency to remedy this issue by towing unwanted vehicles from its parking lots in accordance with Vehicle Code section 21113.

Financial Impact

Cost of materials and labor associated with the production and placement of signage at the entrance to all Sunline Transit Agency parking lots. There is no cost associated with the removal of vehicles.

Peter Gregor

SUNLINE TRANSIT AGENCY

RESOLUTION NO.0757

**RESOLUTION REGULATING PARKING ON
SUNLINE PARKING LOTS**

WHEREAS, Vehicle Code section 21113 prohibits the parking of vehicles within the parking facilities and other property of a public transportation agency except with the permission of, and subject to any regulations imposed by, the legislative body of the public transportation agency; and

WHEREAS, Sunline Transit Agency ("Sunline") operates three facilities which contain parking lots; and

WHEREAS, Sunline desires to restrict parking in its lots at those facilities and any future parking facilities to customers of Sunline, customers of Greyhound Bus Lines, and Sunline employees, and to impose other related restrictions; and

WHEREAS, Vehicle Code section 22651(n) requires the legislative body of a local agency to specifically authorize the towing of vehicles in violation of adopted parking restrictions, and requires signs to be posted notifying persons of the parking restrictions.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors for Sunline hereby adopt the regulations and restrictions attached hereto as Exhibit "A" for its current and future parking facilities.

BE IT FURTHER RESOLVED that the Board of Directors for Sunline hereby directs staff to cause signs to be posted in the areas subject to the parking restrictions adopted herein advising motorists of the parking restrictions, and authorizes the towing of vehicles in violation of the regulations approved herein.

I HEREBY CERTIFY that the foregoing resolution was duly adopted by the Sunline Board of Directors, at their regular meeting held on the ___ day of _____, 2016, by the following vote:

AYES:

NOES:

ABSENT:

Kristy Franklin, Chairperson
Board of Directors

Diane Beebe, Clerk of the Board
SunLine Transit Agency

Approved as to form:

Eric S. Vail, General Counsel

ADOPTED THIS ____ DAY OF _____, 2016

ATTEST:

Diane Beebe
CLERK OF THE BOARD
SunLine Transit Agency

Kristy Franklin
CHAIRPERSON of the Board
SunLine Transit Agency

SunLine Transit Agency

DATE: September 28, 2016 **ACTION**
TO: Board Operations Committee
Board of Directors
FROM: Compliance Officer
RE: [1st Reading of New Conflict of Interest Code Ordinance](#)

Recommendation

Recommend that the Board of Directors approve the attached Ordinance for the 1st reading, which updates SunLine Transit Agency's Conflict of Interest Code.

Background

Every two-years local public agencies are required to review their Conflict of Interest Codes. The attached Ordinance has been updated to include titles that have changed due to the Agency reorganization. The list of covered positions has been updated to reflect those changes. There are no changes to any other aspect of the Conflict of Interest Code.

Financial Impact

None.

Vanessa Mora

ORDINANCE NO. 2016-01

AN ORDINANCE OF SUNLINE TRANSIT AGENCY
AMENDING ORDINANCE NO. 14-1 ESTABLISHING THE
SUNLINE TRANSIT AGENCY CONFLICT OF INTEREST
CODE

WHEREAS, the County of Riverside and the Coachella Valley cities comprising the joint powers agency known as SunLine Transit Agency (“SunLine”) is a local government agency required by Government Code Section 87300 to promulgate a Conflict of Interest Code; and

WHEREAS, the Political Reform Act, Government Code sections 81000, et seq., requires local agencies to review their conflict of interest codes in even numbered years and make any amendments that are necessary; and

WHEREAS, the Fair Political Practices Commission has adopted a provision at Title 2, section 18730 of the California Code of Regulations which sets forth the terms of a standard model conflict of interest code which may be incorporated by reference so as to constitute the adoption of a Conflict of Interest Code by SunLine; and

WHEREAS, the provisions of Title 2, section 18730 of the California Code of Regulations require local agencies to prepare a list of designated employees that are required to file a statement of economic interest and the formulation of disclosure categories for such employees; and

WHEREAS, the SunLine Board of Directors adopted the provisions of Title 2, section 18730 of the California Code of Regulations as SunLine’s Conflict of Interest Code through the adoption of Ordinance No. 14-1, which included a list of designated employees that must file statements of economic interests as Appendix A and disclosure categories in Appendix B; and

WHEREAS, SunLine has reviewed its Conflict of Interest Code and determined that amendments to the list of designated employees are necessary and that no other amendments are necessary.

NOW, THEREFORE, the Board of Directors of SunLine Transit Agency does hereby ordain as follows:

SECTION 1: That SunLine Transit Agency hereby amends Appendix A of the Conflict of Interest Code, by adding the text shown in underline (example) and deleting the text showing in ~~strikeout (example)~~, to read in its entirety as follows:

APPENDIX A

The following designated employees make or participate in the making of decisions, which may have a material effect on a financial interest:

Designated Positions

Disclosure Category

General Manager/CEO	I, II, III
Chief Financial Officer	I, II, III
Deputy Chief Financial Officer	I, II, III
Chief Performance Officer	I, II, III
Deputy Chief Performance Officer	I, II, III
Chief Administrative Officer	I, II, III
Deputy Chief Administrative Officer	I, II, III
Chief Operations Officer	I, II, III
Deputy Chief Operations Officer	I, II, III
Deputy Chief Operations Officer – Maintenance	I, II, III
<u>Chief Safety Officer</u>	<u>I, II, III</u>
<u>Deputy Chief Safety Officer</u>	<u>I, II, III</u>
<u>Taxi Administrator</u>	<u>I, II, III</u>
<u>Deputy Taxi Administrator</u>	<u>I, II, III</u>
<u>Superintendent of Transportation</u>	<u>I, II, III</u>
<u>Maintenance Superintendent</u>	<u>I, II, III</u>
<u>Facilities Maintenance Superintendent</u>	<u>I, II, III</u>
Clerk of the Board	I, II, III
EEO-Compliance Officer	I, II, III
Alternative Fuels Manager	I, II, III
<u>Procurement Manager</u>	<u>I, II, III</u>
Purchasing-Contracts Administrator	I, II, III
<u>Contracts Assistant</u>	<u>I, II, III</u>

Information Systems and Technology Specialist	I, II, III
Fuel Systems Specialist II	I, II, III
Materials & Inventory Manager	I, II, III
Materials Inventory Technician	I, II, III
<u>Project Manager</u>	<u>I, II, III</u>
<u>Project Manager Assistant</u>	<u>I, II, III</u>
<u>Public Outreach Specialist</u>	<u>I, II, III</u>
Consultants ¹	I, II, III
Any other employee at the discretion of the General Manager/CEO	I, II, III

¹ The General Manager may determine in writing that a particular consultant, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant’s duties and, based upon that description, a statement of the extent of disclosure requirements. The General Manager’s determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.

PART 2: SunLine shall certify to the passage and adoption of this ordinance and shall cause the same to be posted and published in the manner required by law.

PASSED, APPROVED AND ADOPTED by the Board of Directors of SunLine at a regular meeting held on the ____ day of _____, 2016

Date: _____

 Kristy Franklin
 Chairperson of the Board of
 Directors of SunLine Transit Agency

Date: _____

 Lauren Skiver
 General Manager/ CEO of SunLine Transit Agency

Date: _____

Diane Beebe
Clerk of the Board

APPROVED AS TO FORM:

Eric S. Vail, General Counsel

SunLine Transit Agency

DATE: September 28, 2016 **ACTION**

TO: Finance/Audit Committee
Board of Directors

FROM: Superintendent of Facility Maintenance

RE: Contract for Heavy Duty Vehicle Lifts Replacement

Recommendation

Recommend that the Board of Directors grant authority to the CEO/General Manager to execute a contract with Air & Lube Systems, Inc. in the amount of \$310,210 for new bus lifts and installation, upon approval as to form and legality by legal counsel.

Background

SunLine has been using bus lifts for fixed route buses since the maintenance building was originally built. Installed in 1996, these lifts have reached their useful life and need to be replaced. The in-ground heavy-duty telescoping piston style vehicle lifts offer ease of maintenance to fixed route bus engine and transmission work, suspension and brake work, and other undercarriage work.

SunLine requested bids from qualified vendors to furnish and install two (2) new in-ground heavy-duty vehicle lifts and remove the two (2) old lifts. Bids were to replace two lifts within a one-year period including construction drawings and all necessary permits to meet applicable local codes.

This item was brought to the Board and approved in April 2016. Before the contract could begin, the contractor informed SunLine that their existing company would no longer be doing business. The next lowest bidder was contacted to conduct the project. The second lowest bid was \$810 higher than the first.

Reason for Selection of the Procurement Process

The Invitation to Bid solicitation was selected as the procurement method in order to award the contract based on lowest price.

Reason for Selection of the Contract Type

A Firm Fixed Price contract was selected because it places upon the Contractor maximum risk and full responsibility for all cost and resulting profit or loss. It provides maximum incentive for the Contractor to control cost and perform effectively and imposes a minimum administrative burden upon SunLine Transit Agency.

Reason for Selection of Contractor

On January 22, 2016 [eight \(8\) potential vendors were solicited](#), in addition to being advertised on SunLine's website and the local newspaper, the Desert Sun. On February 22, 2016, three (3) individual bids were received from Air & Lube Systems, Inc., Autolift Services, Inc., and Peterson Hydraulics.

According to a price analysis, SunLine has elected to make an award to Air & Lube Systems, Inc. as the responsive and responsible Bidder representing the lowest cost to the Agency.

How Price was Determined Fair and Reasonable

Air & Lube Systems, Inc.'s price was determined to be fair and reasonable based on a [price analysis and adequate price competition](#). Therefore, Air & Lube Systems, Inc. is considered most advantageous to SunLine Transit Agency.

Fiscal Impact

This project will be paid for using capital funds budgeted in the FY15 SRTP.

Dean Holm

Bidders List

Air & Lube Systems

8353 Demetre Ave.
Sacramento, CA 95828
Michael Bewsey
mbewsey@airandlube.com
(916) 381-5588

Autolift Services, Inc.

10764 Los Vaqueros Circle
Los Alamitos, CA 90720
Robin Woodson
autoliftservices@sbcglobal.net
(714) 816-9890

Gray Manufacturing Company Inc.

3501 S. Leonard Rd
St. Joseph, MO 64503
Amy Cline-Shelton
Governmentsales@grayusa.com
(816) 233-6121

Interstate Lift & Equipment Co Inc.

1001 Ruth Ln
Niles, MI 49120
Todd Nichols
tnichols@interstatelift.com
(269) 684-8098

Mission Equipment and Lifts Inc.

3210 Production Ave #F
Oceanside, CA 92058
Jerry Giardullo
info@missioneq.com
(760) 721-7262

Peterson Hydraulics, Inc.

1653 W. El Segundo Blvd.
Gardena, CA 90249
Marcy Boulette
marcy@petersonhyd.com
letmontoya@gmail.com
(310) 323-3155

Southwest Lift & Equipment Inc.

PO Box 2319
Running Springs, CA 92382
Dean McDonald
dean@southwestlift.com
(909) 867-9820

Vehicle Service Group LLC.

2700 Lanier Dr.
Madison, IN 47250
Christine Bilz
bilz@rotarylif.com
(800) 445-5438

Western Pump

3235 F. Street
San Diego, CA 92101
Ryan Rethmeier
info@westernpump.com
(888) 239-9988

DBE

Cal-Dorado Inc.

14728 Biola Ave.
La Mirada, CA 90638
Robert Aguinaga
raguinaga@suecorp.com
(714) 482-5101



PRICE ANALYSIS

	Peterson Hydraulics	Air & Lube Systems, Inc.	AutoLift Services, Inc.
Lump Sum Amount	\$ 309,400.00	\$ 310,210.00	\$ 368,400.00

Difference between Air & Lube Systems and Peterson Hydraulics	\$ 810.00
Delta	0.26%

Difference between Air & Lube Systems and AutoLift Services	\$ (58,190.00)
Delta	15.80%

There was adequate price competition since three (3) bidders independently contended for the contract that is to be awarded and all were responsive to the requirements of the solicitation.

Peterson Hydraulics was originally awarded the contract for Heavy Duty Vehicle Lifts Replacement, but has gone out of business. Since this solicitation is an Invitation for Bid and price is the only determining factor, SunLine analyzed the price of Air & Lube Systems, Inc., the next lowest bidder.

Based on the findings, the price submitted by Air & Lube Systems, Inc., is .26% higher than Peterson Hydraulics, and 15.80% lower than the highest bidder AutoLift Services, Inc.

Therefore, it is reasonable to assume that Air & Lube Systems, Inc. understood the Scope of Work and/or level of effort to complete the required services. Therefore, it is determined that the Lump Sum by Air & Lube Systems, Inc. is considered fair and reasonable.

Prepared by:


Jennifer Tran, Contracts Administrator

SunLine Transit Agency

DATE: September 28, 2016 **ACTION**

TO: Finance/Audit Committee
Board of Directors

FROM: Superintendent of Facility Maintenance

RE: Contract for Upgrade Maintenance Breakroom

Recommendation

Recommend that the Board of Directors grant authority to the CEO/General Manager to execute a contract with Design Construction in the amount of \$43,848 for the Upgrade of the Maintenance Breakroom, upon approval as to form and legality by legal counsel.

Background

The Maintenance Breakroom has been in use since the building was originally built in 1985, last updated approximately 10 years ago. The floor is worn and the cabinets, walls and doors all require repair/replacement due to their age.

SunLine requested bids from qualified vendors for the Upgrade of the Maintenance Breakroom. Bids were to replace cabinets, counters, lighting, exterior door, flooring, and the repainting of the room including all necessary permits to meet applicable local codes.

Reason for Selection of the Procurement Process

The Invitation to Bid solicitation was selected as the procurement method in order to award the contract based on lowest price.

Reason for Selection of the Contract Type

A Firm Fixed Price contract was selected because it places upon the Contractor maximum risk and full responsibility for all cost and resulting profit or loss. It provides maximum incentive for the Contractor to control cost and perform effectively and imposes a minimum administrative burden upon SunLine Transit Agency.

Reason for Selection of Contractor

On July 22, 2016 [seventeen \(17\) potential vendors were solicited](#), in addition to being advertised on SunLine's website and the local newspaper, the Desert Sun. On August 12, 2016, two individual bids were received from Zeus Construction and Design Construction.

According to a price analysis, SunLine has elected to make an award to Design Construction as the responsive and responsible Bidder representing the lowest cost to the Agency.

How Price was Determined Fair and Reasonable

Design Construction's price was determined to be fair and reasonable based on a [price analysis and adequate price competition](#). Therefore, Design Construction is considered most advantageous to SunLine Transit Agency.

Fiscal Impact

Funds for this work were obtained from FTIP/Grant ZO36 and allocated in the current budget thru SRTP SL13-05.

Dean Holm

Bidders List

Alvarez Quality Construction Inc.

921 Delaware St.
Imperial Beach, CA 91932
(530)-870-1476
Awp11254@hotmail.com

Archuleta Concrete Construction Co.

79-607 Country Club Drive
Bermuda Dunes, CA 92203
Brien Jones
(760) 345-8722
Est.archuleta@yahoo.com

Dalke & Sons Construction, Inc.

4585 Allstate Drive
Riverside, CA 92501
Barry Dalke
(951) 274-9880
barry@dalkeandsons.com

Doug Wall Construction Inc.,

78450 Ave. 41
Bermuda Dunes, CA 92203
(760) 772-8446
info@dwallconst.com
doug@dwallconst.com

G&M Construction

211 W. Mesquite Avenue
Palm Springs, CA 92264
(760)322-6918
gmarantz@gnmconstruction.net

Granite Construction

38000 Monroe Street
Indio, CA 92203
(760) 775-7500
Carolyn.maness@gcinc.com
Yvonne.mcneil@gcinc.com

James A Shirley Construction Co.

59160 Mesa Drive
Yucca Valley, CA 92284
James A Shirley
(760) 228-0447
Csg4u2@aol.com

T Smith Construction

PO Box 13374
Palm Desert, CA 92255
(760) 404-2761
Todd0184@gmail.com

WDL Construction

71687 Highway 111, Suite 203
Rancho Mirage, CA 92270
Don Willcox
(760)674-9553
dwillcox@wdlconstruction.com

Design Construction

74821 Merle Dr.
Palm Desert, CA 92260
(760) 564-7902
Nachy@aol.com

Paint & Décor

PO Box 5926
Orange, CA 92863
(949) 888-2565
Painting.Decor@cox.net

Zeus Construction

44615 San Onofre
Palm Desert, CA 92260
(760) 902-7863
Dmargareti@aol.com

Regency Pacific

1400 Bmont Avenue #A2 300
Beaumont, CA 92223
(951) 797-6559
Bid@regencypacific.com

DBE

1 Stop Contractors

8979 Canis Lane
San Diego, CA 92126
Kevin Myeong Cho
(858) 464-2323
Kevinc@1stopcontractors.com

Duwright Construction, Inc.

2814 Greyling Drive

San Diego, CA 92123

Joseph Pereira

(858) 717-5282

Joseph.p@duwrightconstruction.com

Elysian Contractors Inc.

143 S. Cedros Ave., A-105

Solano Beach, CA 92075

Katherine Graber

(760) 632-8533

eci@elysianci.com

FM Diaz Construction

16050 W. Brian Avenue

Kerman, CA 93630

Frank Diaz

(559) 486-2558

diazconst@sbcglobal.net



PRICE ANALYSIS

	Design Construction	Zeus Construction
Firm Fixed Price	\$ 43,848.00	\$ 48,360.00
Total	\$ 43,848.00	\$ 48,360.00

Difference between Design Construction and Zeus Construction	\$ (4,512.00)
Delta	9.33%

There was adequate price competition since at least (2) proposers independently contended for the contract that is to be awarded and both were responsive to the requirements of the solicitation. Based on the findings, the prices submitted by the lowest responsive and responsible proposer, Design Construction, is 9.33% lower than the second proposer, Zeus Construction. Based on the results, it is reasonable to assume that Design Construction understood the Scope of Work and/ or the level of effort to complete the required services. Therefore, it is determined that the prices submitted by Design Construction are considered fair and reasonable.

Prepared by:


Jennifer Tran, Contracts Administrator

SunLine Transit Agency

DATE: September 28, 2016 **ACTION**

TO: Finance/Audit Committee
Board of Directors

FROM: Superintendent of Facility Maintenance

RE: Agreement Extension with Fenceworks

Recommendation

Recommend that the Board of Directors delegate authority to the CEO/General Manager to execute a one (1) year extension, with the option for an additional one (1) year term, of the current agreement with Fenceworks for the rental of construction fence in an amount not to exceed \$3,000.

Background

The original agreement with Fenceworks was for the installation and removal of temporary construction fencing during the Phase I Demolition of trailers and to protect area until the completion of Phase II. It has been determined that the fence should remain in place for a minimum of an additional one (1) year term.

The SunLine Purchasing Policies and Procedures manual establishes that an agreement that is greater than one (1) year requires approval by the Board of Directors. This extension with Fenceworks will push the duration of the agreement beyond the one (1) year term.

How Price was Determined Fair and Reasonable

SunLine procurement conducted a price analysis for the extension and determined the [prices fair and reasonable](#).

Financial Impact

The funding for this effort will be from budgeted FY17 operating funds.

Dean Holm



PRICE ANALYSIS

	Fence Works 2015		Fence Works 2016	
	Unit Price	Extended Price	Unit Price	Extended Price
Rental of chain link fencing	\$ 1.89	\$ 1,905.12	\$ 1.25	\$ 1,125.00
Total		\$ 1,905.12		\$ 1,125.00

Difference between 2015 & 2016	\$ 780.12
Delta	40.95%

Sine this was a single source procurement, Fenceworks prices were compared to rental pricing from the previous year. Based on the findings, the 2016 Fenceworks quote is 40.95% lower than the 2015 agreement. Based on the results, it is reasonable to assume that Fenceworks understood the Scope of Work and/ or the level of effort to complete the required services. Therefore, it is determined that the prices submitted by Fenceworks are considered fair and reasonable.

Prepared by:


Anthony Beal, Contracts Assistant

SunLine Transit Agency

DATE: September 28, 2016 **ACTION**

TO: Finance Committee
Board of Directors

FROM: Chief Performance Consultant

RE: Approve the Design-Build Product Delivery Method
Operations Facility - Notice of Exemption

Recommendation

Recommend that the Board of Directors:

- a) Approve the Design Build Product Delivery Method for the SunLine Operations Facility which will reduce the project delivery time by allowing design and construction work to occur concurrently
- b) Direct Staff to file a Notice of Exemption with the County of Riverside Clerks Office for the SunLine Operations Facility which will replace the existing Operations Facility that is at the end of its useful life

Background

Staff has successfully programmed funding for the replacement of the current SunLine Operations Facility with the FY 17 Budget. SunLine was asked by the Riverside County Building and Safety Department to plan the removal of the facilities currently inhabited by the Operations staff.

Staff has worked with the Riverside County Transportation Commission (RCTC) to program the funding for this new facility in the FY 17 Short Range Transit Plan.

The most expeditious way to replace the facility is to employ the Design-Build Project Delivery Method authorized by Public Contract Code 22160. This project delivery method allows for construction of the new facility to occur concurrently with the completion of the design. This reduces the overall time for the delivery of the project.

Staff has also concluded that this project is Categorically Exempt from the California Environmental Quality Act requirements because the project replaces an existing Operations facility used for the same purposes as the new facility. This replacement will be located on the same parcel as the units being replaced. This exemption falls under Title 4 Article 19 Section 15302 which exempts the "replacement or reconstruction of

existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced.

Financial Impact

There is negligible financial impact associated with the actions requested in this Staff Report. Staff has included over \$7Million in Capital Funding for this project in the SRTP and included appropriate budget amounts in the FY 17 Budget.

Rudy Le Flore

SunLine Transit Agency

DATE: September 28, 2016 **ACTION**

TO: Finance Committee
Board of Directors

FROM: Interim Deputy Chief Administration Officer

RE: Trapeze Services for Configuration and Training

Recommendation

Recommend that the Board of Directors delegate authority to the CEO/General Manager to enter into an agreement with the Trapeze Group for Workforce Management and Time Keeping as per a Trapeze SOW for an amount not to exceed \$30,000.

Background

This agreement is part of the Enterprise Resource Planning (ERP) Project. Currently Workforce Management and Time Keeping functions are conducted with Trapeze products and a legacy system, Fleet-Net. This configuration and training will migrate all of these functions into Trapeze products already in place at SunLine.

Once this SOW is complete we can move forward with the Payroll and HR functions of the Tyler accounting software implementation.

This agreement provides for configuration and quality control of workforce rules in Trapeze products in compliance with the MOU and Agency policies. The implementation also includes onsite training for SunLine staff who are responsible for the workforce management and time keeping functions of the Agency.

Reason for Selection of the Procurement Process

This is a single source procurement because this is for configuration and training on existing Trapeze Group products.

Reason for Selection of the Contract Type

A firm fixed price contract was selected because it places upon the contractor maximum risk and full responsibility for all costs and resulting profit or loss. It provides maximum incentive for the contractor to control costs and deliver the product effectively and imposes a minimum administrative burden upon SunLine.

How Price was Determined Fair and Reasonable

SunLine procurement conducted a price analysis and determined the prices fair and reasonable.

Financial Implications

This SOW is funded from the ERP project capital budget. The ERP Project budget is \$1,000,000 with an unallocated balance of \$311,892.46. This expense has been calculated to be within the scope of the ERP project.

Joseph Friend

SunLine Transit Agency

DATE: September 28, 2016 **ACTION**

TO: Finance Committee
Board of Directors

FROM: Interim Deputy Chief Administration Officer

RE: [Cooperative Agreement Amendment No. 4 - Riverside Commuter Link 220 Service](#)

Recommendation

Recommend that the Board of Directors delegate authority to the CEO/General Manager to enter into Amendment No. 4 for the extension of the Cooperative Agreement 12-027 between SunLine Transit Agency and Riverside Transit Agency (RTA).

Background

In June 2016, RTA advised SunLine that they will not continue to support the Riverside Commuter Link 220 beyond January 8, 2017.

This Agreement Amendment is for the continued operation of Riverside Commuter Link 220 service for the fourth option period (three months) from October 1, 2016 through January 8, 2017. The agreement includes an operating funding contribution from RTA for the Commuter Link 220 of up to a maximum of \$22,500.

The [Cooperative Agreement](#) would extend the period of performance and operation of the Commuter Link 220 for three months through December 2016. This will allow SunLine to operate and collect fare revenue within the RTA service area. At which time, SunLine will absorb the full operating cost for this service after January 8, 2017.

Financial Implications

This agreement extends the RTA share not to exceed \$22,500 for operating cost.

Joseph Friend

1 2. **ARTICLE 3. CONTRIBUTION AND DISBURSEMENT OF FUNDS:** Section C, of
2 Article 3, as last changed by Amendment 3, is hereby amended to read as follows: “RTA’s maximum
3 contribution for the extension starting October 1, 2016 and extending through January 8, 2017, is
4 fixed at an amount not to exceed \$22,500 (see Exhibit E, Cost Allocation for further detail). It is the
5 intent of RTA to provide a contribution so long as SunLine receives JARC and New Freedom funding
6 for this project.”

7
8 3. **ARTICLE 4. MAXIMUM OBLIGATION:** Article 4, as last changed by Amendment
9 3 is hereby amended to read as follows: “Notwithstanding any provisions of this Agreement to the
10 contrary, the PARTIES mutually agree that RTA’s maximum cumulative payment obligation
11 hereunder shall be Three Hundred Sixty-Seven Thousand Seven Hundred Forty Five Dollars
12 (\$367,745).”

Term	Contribution	Maximum Cumulative Payment Obligation
9/1/12 to 9/30/13	\$61,597	\$61,597
10/1/13 to 9/30/14	\$61,597	\$123,194
10/1/14 to 9/30/15	\$103,700	\$226,894
10/1/15 to 9/30/16	\$118,351	\$345,245
10/1/16 to 1/8/17	\$22,500	\$367,745

13
14 4. **EXHIBIT A – PROPOSED SCHEDULE – SUNLINE TRANSIT AGENCY**
15 **ROUTE 220 TRIPS:** As last changed by Amendment 3, is hereby amended in its entirety and in
16 lieu thereof insert form of Exhibit A – Proposed Schedule – SunLine Transit Agency Route 220
17 Trips attached hereto.

18
19 5. **EXHIBIT E – ROUTE 220 FY16 COST ALLOCATION:** As last changed by
20 Amendment 3, is hereby amended in its entirety and in lieu thereof insert form of Exhibit E –
21 Route 220 FY 17 Cost Allocation.

22 //

23 //

COOPERATIVE AGREEMENT No. 12-027

BETWEEN

SUNLINE TRANSIT AGENCY

AND

RIVERSIDE TRANSIT AGENCY

THIS AGREEMENT is effective this 10th-day of September, 2012, by and between the SunLine Transit Agency, 32-505 Harry Oliver Trail, Thousand Palms, California 92276, a joint powers agency in the state of California (hereinafter referred to as "SunLine"), and the Riverside Transit Agency, 1825 Third Street, Riverside, California 92507, a joint powers agency in the state of California (hereinafter referred to as "RTA"). Collectively SunLine and RTA may be referred to as "PARTIES", or sometimes individually referred to as "PARTY."

WITNESSETH:

WHEREAS, RTA provides transit services for the western portion of Riverside County; and

WHEREAS, SunLine provides transit services for the eastern portion of Riverside County; and

WHEREAS, SunLine is the recipient of Federal Transit Administration (FTA) Section 5316 Job Access and Reverse Commute (JARC) Program and Section 5317 New Freedom (NF) Program funds designated for this service; and

WHEREAS, SunLine and RTA agree to cooperate in the coordinated delivery of convenient, safe, and accessible transportation along a corridor including parts of their respective jurisdictions.

NOW, THEREFORE, the PARTIES hereby agree as follows:

1 **ARTICLE 1. DESCRIPTION OF SERVICE**

2 A. SunLine agrees to provide bus service between the Coachella Valley
3 (Palm Desert) and the City of Riverside (Downtown Bus Station) hereinafter referred to
4 as "Route 220").

5 B. SunLine agrees to operate two weekday morning peak trips from
6 Coachella Valley (Palm Desert) to the City of Riverside (Downtown Bus Station) and
7 two weekday evening peak return trips based on RTA's schedule, excluding holidays
8 (as set forth in Exhibit A).

9 C. RTA agrees to continue to operate service on this same transit line
10 between Banning and City of Riverside (Downtown Bus Station), hereinafter referred to
11 as Route 210.

12 D. The PARTIES agree to implement service changes for their own services,
13 if any, pursuant to the following RTA Service Change Dates: September 9, 2012;
14 September 8, 2013; September 14, 2014; September 13, 2015, September 10, 2016.

15 **ARTICLE 2. TERM OF AGREEMENT**

16 A. The Initial Term shall commence with RTA's September 1, 2012 Service
17 Change and continue in full force and effect through September 30, 2013 (hereinafter
18 referred to as the "Initial Term"), unless earlier terminated or extended as provided in
19 this Agreement.

20 B. The PARTIES may mutually elect to extend the term of this Agreement for
21 an additional twelve (12) months, October 1, 2013 through September 30, 2014,
22 (hereinafter referred to as the "First Option Term"). Such election shall be
23 accomplished by providing to each other a written notice of election not later than sixty
24 (60) days prior to the expiration of the Initial Term

25 C. The PARTIES may mutually elect to extend the term of this Agreement for
26 an additional twelve (12) months, October 1, 2014 through September 30, 2015,

1 (hereinafter referred to as the "Second Option Term"). Such election shall be
2 accomplished by providing to each other a written notice of election not later than sixty
3 (60) days prior to the expiration of the First Option Term.

4 D. The PARTIES may elect to extend the term of this Agreement for an
5 additional twelve (12) months, October 1, 2015 through September 30, 2016,
6 (hereinafter referred to as the "Third Option Term"). Such election shall be
7 accomplished by providing to each other a written notice of election not later than sixty
8 (60) days prior to the expiration of the Second Option Term.

9 E. An extension of the Agreement shall not diminish either PARTY's right to
10 terminate the Agreement for their convenience or the other PARTY's default as
11 provided elsewhere in this Agreement.

12 F. The "maximum term" of this Agreement shall be the period extending from
13 September 1, 2012, through September 30, 2016, which period encompasses the
14 Initial Term, First Option Term, Second Option Term and Third Option Term.

15 **ARTICLE 3. CONTRIBUTION AND DISBURSEMENT OF FUNDS**

16 A. The PARTIES agree on the fare matrix as set forth in Exhibit B for trips
17 between the Coachella Valley (Palm Desert) and the city of Riverside (Downtown Bus
18 Station)

19 B. RTA agrees to appropriate funds for the actual cost of providing services
20 under this Agreement. RTA's total contribution shall not exceed the net cost of
21 operations after the following are deducted:

- 22 1. Fare revenue generated by Route 220; and,
- 23 2. SunLine's apportionment of Federal Transit Administration (FTA)
24 Sections 5316 and 5317 funds; and,
- 25 3. SunLine's local match.

26 C. RTA's maximum contribution for the Initial Term, September 1, 2012

1 through September 30, 2013, is fixed at an amount not-to-exceed \$61,597. RTA
2 contributions beyond the Initial Term require approval of a contract
3 extension/renewal by RTA's Board of Directors. It is the intent of the RTA to provide
4 a contribution for the two-year period so long as SunLine receives JARC and New
5 Freedom funding for this project.

6 D. SunLine's contribution will vary due to its actual costs expended and fare
7 revenue generated by Route 220. However, RTA's contribution shall not exceed
8 SunLine's contribution if it is less than \$61,597.

9 E. Each party will retain revenue from passes sold or issued by their
10 respective agency and used on Route 220. A separate agreement with RCTC and
11 Metrolink will provide SunLine with reimbursement for each Metrolink pass or ticket
12 utilized to ride Route 220. Because of the existing low usage (Route 210) from GO
13 Pass for community colleges in western Riverside County, there will not be a revenue
14 transfer from RTA to SunLine for validations of these passes.

15 **ARTICLE 4. MAXIMUM OBLIGATION**

16 Notwithstanding any provisions of this Agreement to the contrary, the
17 PARTIES mutually agree that RTA's maximum cumulative payment obligation
18 hereunder, shall be Sixty-One Thousand Five-Hundred Ninety-Seven Dollars
19 (\$61,597) for the Initial Term, which shall include all amounts payable to SunLine as
20 a contribution to the cost of this service (four weekday trips) as described in Article
21 1. This amount shall be mutually agreed upon in subsequent renewals as agreed by
22 the PARTIES for the First Option Period, Second Option Period, and/or Third Option
23 Period sixty (60) days prior to the first day of each applicable Option Period.

24 **ARTICLE 5. COMPLETE AGREEMENT**

25 A. This Agreement, including all exhibits and documents incorporated
26 herein and made applicable by reference, as follows:

- 1 1. Exhibit A: Proposed Schedule for Route 220,
- 2 2. Exhibit B: Proposed Fare Matrix for SunLine Route 220,
- 3 3. Exhibit C: Proposed Line and Stops for Route 220, and
- 4 4. Exhibit D: Federal Transit Administration (FTA) Federal Clauses,

5 constitutes the complete and exclusive statement of the terms and conditions of this
6 Agreement between the PARTIES, and supersedes all prior representations,
7 agreements, understandings and communications with respect thereto.

8 B. Changes to any portion of this Agreement shall not be binding except
9 when specifically confirmed in writing by an authorized representative of the PARTIES
10 by way of a written amendment to this Agreement and issued in accordance with the
11 provisions contained in this Agreement.

12 **ARTICLE 6. SEVERABILITY**

13 If any provision, term or condition of this Agreement is held to be invalid, illegal
14 or unenforceable, in whole or in part, then such provision, term or condition shall not
15 affect the validity of any remaining provision, term or condition of this Agreement. All
16 remaining provisions, terms and conditions of this Agreement shall continue in full
17 force and effect.

18 **ARTICLE 7. AGENCY DESIGNEE**

19 The Chief Executive Officer of the RTA and the General Manager of SunLine,
20 or their respective designees, shall have the authority to act for and exercise any of
21 the rights of each PARTY as set forth in this Agreement, subsequent to and in
22 accordance with, the authorization granted by the Board of Directors of each
23 PARTY.

24 **ARTICLE 8. RESPONSIBILITIES OF SUNLINE**

25 A. SunLine shall provide the services necessary to operate Route 220 as
26 detailed in the attached Exhibits A and C. SunLine shall be wholly responsible for

1 the operation of Route 220.

2 B. SunLine shall comply with all applicable federal, state and local laws,
3 statutes and ordinances and all lawful orders, rules and regulations for Route 220
4 services operated, as they may be amended or promulgated from time to time during
5 this Cooperative Agreement.

6 C. SunLine shall comply with all contractual provisions required by the
7 Department of Transportation (DOT) and FTA regulations, policies, procedures,
8 directives and reporting requirements, including, but not limited to, the National
9 Transit Database (NTD) for Route 220 services, FTA and Transportation
10 Development Act triennial audits/reviews, and program evaluation reports relative to
11 FTA Sections 5316 and 5317 funds. SunLine shall not perform any act, fail to
12 perform any act, or refuse to comply with any requests that would cause SunLine or
13 the RTA to be in violation of DOT or FTA requirements.

14 D. SunLine shall submit a quarterly invoice to the RTA no later than the end
15 of the month following the end of each federal fiscal year (FFY) quarter (December
16 31, March 31, June 30, and September 30) to the RTA's Accounts Payable Office.

17 Each quarterly invoice shall include the following information:

- 18 1. Agreement No. 12-027;
- 19 2. Actual monthly revenue service hours;
- 20 3. Ridership data to include ridership by all tickets, tokens and
21 passes;
- 22 4. The fare revenue collected during the time period covered by the
23 invoice;
- 24 5. Amount of 5316/5317 funds that were deducted;
- 25 6. The RTA's share of operating subsidy in accordance with Article 3
26 above; and

1 7. Such other information as requested by the RTA.

2 E. SunLine shall be solely responsible for the provision of all buses required
3 and equipped with amenities similar to the RTA's CommuterLink service for its four
4 Route 220 trips. SunLine shall be responsible for all bus stops, signage, posted
5 schedules, and notices at stops within the Coachella Valley. This requires the
6 provision, upkeep, and/or replacement of such facilities.

7 F. SunLine shall be responsible for responding to customer comments
8 relating to its respective service, including but not limited to service levels, operators,
9 fleet, fares, bus stop facilities and trips. SunLine shall provide the RTA with copies of
10 correspondence relating to the service design of mutual interest, including but not
11 limited to ridership levels, bus capacity, on time performance, timed connections and
12 transfers, and route structure.

13 G. SunLine will respond to incidents (e.g., mechanical, passenger etc.) within
14 their service area. SunLine supervisors or mechanical staff may respond to incidents
15 within RTA's service area if they can be first on site and/or the significance of the
16 incident warrants their response.

17 **ARTICLE 9. RESPONSIBILITIES OF THE RTA**

18 A. The RTA shall be responsible for all bus stops, signage, posted schedules,
19 and notices at Route 210/220 stops between Cabazon and Riverside (inclusive),
20 including coordination with Pass Transit in their operating area. This requires the
21 provision, upkeep, and/or replacement of such facilities.

22 B. The RTA shall allow SunLine to park vehicles related to Route 220 service
23 at the RTA's Riverside facility as necessary at no charge to SunLine.

24 C. The RTA shall remit payment to SunLine for all properly documented
25 invoices no later than thirty (30) days of the receipt and approval of each invoice.

26 D. The RTA shall be responsible for responding to customer comments

1 relating to its respective service, including but not limited to service levels, operators,
2 fleet, fares, bus stop facilities and trips. The RTA will provide SunLine with copies of
3 correspondence relating to the service design of mutual interest, including but not
4 limited to ridership levels, bus capacity, on time performance, timed connections and
5 transfers, and route structure.

6 E. RTA will respond where possible to incidents (e.g., mechanical, passenger
7 etc.) within their service area to allow for the earliest possible response. Such efforts
8 will be coordinated with SunLine dispatchers. SunLine supervisors or mechanical staff
9 may respond to incidents within RTA's service area if they can be first on site and/or
10 the significance of the incident warrants their response.

11 **ARTICLE 10. INSURANCE**

12 A. Each party shall procure and maintain for the duration of this Agreement
13 insurance against claims for injuries to persons or damages to property that may arise
14 from or in connection with the performance of the work hereunder and the results of
15 that work by that party, its agents, representatives, employees or contractors.

16 B. Each party shall provide coverage at least as broad as:

- 17 1. Commercial General Liability (CGL): Insurance Services Office
18 (ISO) Form CG 00 01 covering CGL on an "occurrence" basis,
19 including products-completed operations, Independent Contractors',
20 Contractual Liability, personal and advertising injury, with limits no
21 less than \$5,000,000 per occurrence. If a general aggregate limit
22 applies, the general aggregate limit shall be twice the required
23 occurrence limit.
- 24 2. Automobile Liability: ISO Form Number CA 00 01 covering any
25 automobile (Code 1), or each party has no owned, hired (Code 8)
26 and non-owned automobiles (Code 9), with a limit no less than

1 \$5,000,000 per accident for bodily injury and property damage.

- 2 3. Workers' Compensation: As required by the State of California,
3 with Statutory Limits and Employer's Liability Insurance with a limit
4 of no less than \$1,000,000 per accident for bodily injury or disease.

5 C. If either party maintains higher limits than the minimums shown above, the
6 other party requires and shall be entitled to coverage for the higher limits maintained by
7 the other party. The insurance policies are to contain, or be endorsed to contain, the
8 following provisions:

- 9 1. Additional Insured Status: The other party, its officers, officials,
10 employees, and volunteers are to be covered as additional
11 insured's on the CGL policy with respect to liability arising out of
12 work or operations performed by or on behalf of the other party
13 including materials, parts or equipment furnished in connection with
14 such work or operations. General liability coverage can be
15 provided in the form of an endorsement to each party's insurance
16 (at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10
17 and CG 20 37 forms if later revisions are used).

- 18 2. Primary Coverage: For any claims related with respect to
19 performance to the extent of either party's contractual obligations
20 set forth under Article 16 "Indemnification", each party's insurance
21 coverage shall be primary insurance with respect to the other party,
22 its officers, officials, employees, and volunteers. Any insurance or
23 self-insurance maintained by each party, its officers, officials,
24 employees, or volunteers shall be in excess of the other party's
25 insurance and shall not contribute with it.

- 26 3. Notice of Cancellation: Each insurance policy required above shall

1 provide that coverage and shall not be cancelled, except by thirty
2 (30) days prior written notice of cancellation or material change in
3 coverage provided to the other party.

4 4. Waiver of Subrogation: Each party hereby grants to the other party
5 a waiver of any right to subrogation which any insurer of either party
6 may acquire against the other party by virtue of the payment of any
7 loss under such insurance. Each party agrees to obtain any
8 endorsement that may be necessary to affect this waiver of
9 subrogation, but this provision applies regardless of whether or not
10 the other party has received a waiver of subrogation endorsement
11 from the insurer.

12 5. Deductibles and Self-Insured Retentions: Any deductibles or self-
13 insured retentions of either party must be declared to and approved
14 by the other party. Each party may require the other party to
15 purchase coverage with a lower deductible or retention or provide
16 proof of ability to pay losses and related investigations, claim
17 administration, and defense expenses within the retention.

18 6. Acceptability of Insurers: Insurance is to be placed with insurers
19 with a current A.M. Best's rating of no less than A: VII, unless
20 otherwise acceptable to the other party.

21 7. Verification of Coverage: Each party shall furnish the other party
22 with original certificates and amendatory endorsements or copies of
23 the applicable policy language effecting coverage required by this
24 clause. All certificates and endorsements are to be received and
25 approved by the other party before the commencement of any
26 operations. However, failure to obtain the required documents prior

1 to commencing operations shall not waive either party from the
2 obligation to provide them. Each party reserves the right to require
3 complete, certified copies of all required insurance policies,
4 including endorsements required by these specifications, at any
5 time.

- 6 8. Special Risks or Circumstances: Each party reserves the right to
7 modify these requirements, including limits, based on the nature of
8 the risk, prior experience, insurer, coverage, or other special
9 circumstances.

10 **ARTICLE 11. NOTICES**

11 All notices hereunder and communications regarding the interpretation of the
12 terms of this Agreement, or changes thereto, shall be effected by delivery of said
13 notices in person, through electronic mail as a Portable Document Format (PDF) file
14 attachment, or by depositing said notices in the U.S. mail, registered or certified
15 mail, returned receipt requested, postage prepaid and addressed as follows:

16 **To RTA:**

17 Riverside Transit Agency
18 1825 Third Street
19 P.O. Box 59968
20 Riverside, CA 92507

21 **ATTENTION:**

22 Vince Rouzaud
23 Chief Procurement and Logistics Officer
24 (951) 565-5180
25 vrouzaud@riversidetransit.com
26

To SunLine:

SunLine Transit Agency
32-505 Harry Oliver Trail
Thousand Palms, CA 92276

ATTENTION:

Rick Barone
Procurement Officer
(760) 343-3456 Ext. 334
rbarone@sunline.org

1 **ARTICLE 12. INDEPENDENT AGENCY**

2 A. The relationship of the PARTIES in the performance of this Agreement is
3 that of independent agencies. Employees or Contractors performing services under
4 this Agreement shall at all times be under the exclusive direction and control of their
5 respective employers. Each PARTY shall pay all wages, salaries and other amounts
6 due to their respective employees in connection with this Agreement and shall be
7 responsible for all reports and obligations respecting them, such as social security,
8 income tax withholding, unemployment compensation, workers' compensation and
9 similar matters for their respective operations.

10 **ARTICLE 13. CHANGES**

11 By written notice or order, either PARTY may, in partnership with the other
12 PARTY, from time to time, make changes in the general scope of this Agreement,
13 limited to the services furnished by SunLine. Either PARTY may independently
14 make changes to its respective services for Routes 210 and 220, so long as there is
15 no change to the fare matrix for the four Route 220 trips to be operated by SunLine.
16 If any such scope change causes an increase or decrease in the price of this
17 Agreement, or in the time required for its performance, SunLine and the RTA shall
18 promptly work together to make an equitable adjustment to the Agreement in a
19 timely manner, based on a minimum of three months of notice. This change may
20 require approval of each PARTY's Board of Directors.

21 **ARTICLE 14. DISPUTES**

22 Should there be a dispute between the PARTIES in regard to any term, right or
23 obligation arising under this Agreement the PARTIES hereby agree that any such
24 dispute shall be resolved by a non-binding arbitration or other mutually agreed upon
25 forum.
26

1 **ARTICLE 15. TERMINATION**

2 A. Either PARTY may terminate this Agreement for its convenience at any
3 time, in whole or part, by giving the other PARTY sixty (60) calendar days written
4 notice thereof. Upon said notice, RTA shall pay SunLine its payment for actual bus
5 service incurred to date of termination based on the actual number of revenue service
6 hours provided, not to exceed the revenue obligations stated in Articles 3 and 4.
7 Thereafter, SunLine shall have no further claims against RTA under this Agreement.

8 B. SunLine may terminate this Agreement for RTA's default if RTA breaches
9 any material provision of this Agreement and fails to cure such breach within ten (10)
10 calendar days of receipt of written notice from SunLine. If SunLine so terminates for
11 default, then RTA shall pay SunLine its payment for actual bus service incurred to date
12 of termination based on the actual number of revenue service hour provided, not to
13 exceed the revenue obligations stated in Articles 3 and 4. That payment shall be
14 provided in full to SunLine within thirty (30) calendar days of receipt of the notice of
15 termination.

16 C. RTA may terminate this Agreement for SunLine's default if SunLine
17 breaches any material provision of this Agreement and fails to cure such breach within
18 ten (10) calendar days of receipt of written notice from RTA. If RTA so terminates for
19 default, then RTA shall pay SunLine its payment for actual bus service incurred to date
20 of termination based on the actual number of revenue service hours provided, not to
21 exceed the revenue obligations stated in Articles 3 and 4. That payment shall be
22 provided in full to SunLine within thirty (30) calendar days of termination.

23 **ARTICLE 16. INDEMNIFICATION**

24 A. Each party shall indemnify, defend and hold harmless the other party, its
25 officers, directors, employees, agents, contractors or suppliers from all liability,
26 losses, damages, or claims for personal injury or damages to real or personal

1 property arising out of or in connection with the performance of this Agreement
2 and/or the provision of Route 210/220 service due to the negligent or intentional
3 acts, omissions or willful misconduct by that party, its officers, directors, employees,
4 agents, contractors or suppliers. Each party agrees to indemnify the other party
5 against expenses, including reasonable attorney's fees and liability arising from any
6 such claim of infringement, provided the indemnifying party has the right to control
7 the defense or settlement of any such claim in accordance with the following:

- 8 1. The indemnifying party at its own cost and expense, shall
9 indemnify, defend, and hold harmless the other party from, and
10 against, any and all claims, demands, actions, suits, damages,
11 liabilities, losses and expenses, including reasonable attorney's
12 fees and reimbursements, for personal injury or property damage
13 asserted by third parties ("Third Party Claims") to the extent
14 caused by the negligence or willful misconduct of the indemnifying
15 party in connection with its performance or failure to perform this
16 Agreement hereunder.
- 17 2. Each party shall promptly give written notice to the other party
18 after obtaining knowledge of any Third Party Claim against the
19 original party as to which recovery may be sought against the
20 second party because of the indemnity set forth in Clause 1
21 above.
- 22 3. The second party as set out in clause 2 above shall have the right
23 to defend the original party against any such Third Party Claim
24 with counsel mutually agreed upon by the parties. In addition:
 - 25 i. The original party may retain separate co-counsel at its
26 sole cost and expense to monitor the defense of such Third

1 Party Claim provided, however, that the second party shall
2 have the right to control the defense of such Third Party
3 Claim in that second party's sole discretion;

- 4 ii. The original party shall not consent to the entry of any
5 judgment or enter into any settlement with respect to such
6 Third Party Claim without the prior written consent of the
7 second party; and
8 iii. The original party shall cooperate with all reasonable
9 requests of the second party in connection with the
10 defense of such Third Party Claim.

- 11 4. To the extent reasonably possible, the original party shall use its
12 good faith efforts to mitigate any losses that the second party is
13 obligated to indemnify against, pursuant to this indemnification
14 provision.

15 **ARTICLE 17. AUDIT AND INSPECTION OF RECORDS**

16 Each PARTY shall provide access to the other PARTY during standard
17 business hours to examine, inspect, and audit all records and accounts, payroll
18 documents and facilities pertaining to this Agreement. Each PARTY shall maintain
19 such records, accounts, data and documents in accordance with generally accepted
20 accounting principles and local policies and shall clearly identify and make such
21 items readily accessible to during the term of this Agreement and for a period of four
22 (4) years from the date of any final payments by the RTA hereunder.

23 **ARTICLE 18. FEDERAL, STATE AND LOCAL LAW**

24 Both PARTIES warrant that in the performance of this Agreement, each shall
25 comply with all applicable federal, state and local laws, statutes and ordinances and
26 all lawful orders, rules and regulations promulgated thereunder, including the FTA

1 Federal Clauses as set forth in Exhibit D.

2 **ARTICLE 19. EQUAL EMPLOYMENT OPPORTUNITY**

3 In connection with their performance under this Agreement, each PARTY shall
4 not discriminate against any employee or applicant for employment because of race,
5 religion, color, sex, age or national origin. Each PARTY shall take affirmative action
6 to ensure that applicants are employed, and that employees are treated during their
7 employment, without regard to their race, religion, color, sex, age or national origin.
8 Such actions shall include, but not be limited to, the following: employment,
9 upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or
10 termination; rates of pay or other forms of compensation; and selection for training,
11 including apprenticeship. Each PARTY also agrees that service will be designed and
12 implemented without discrimination on the basis of race, religion, color, sex, age, or
13 national origin.

14 **ARTICLE 20. OWNERSHIP OF REPORTS AND DOCUMENT**

15 The originals of all letters, documents, reports, data, and other products
16 produced under this Agreement shall be the property of the originating PARTY.
17 Copies may be made for either PARTY's records and in performance of the
18 underlying Agreement, but shall not be furnished to others without the express
19 written authorization from the other PARTY.

20 **ARTICLE 21. PROHIBITED INTERESTS**

21 Both PARTIES covenant that, for the term of this Agreement, no director,
22 member, officer or employee of the other PARTY during his/her tenure in office or for
23 one (1) year thereafter shall have any interest, direct or indirect, in this Agreement or
24 the proceeds thereof.

25 **ARTICLE 22. ALCOHOL AND DRUG POLICY**

26 The PARTIES agree to continue their operation of an alcohol and drug program

1 that complies with 41 U.S.C. Sections 701-707, (the Drug Free Workplace Act of
2 1988), as described in Exhibit D §25. RTA and SunLine each agree to produce any
3 documentation necessary to establish its compliance with Sections 701-707.

4 **ARTICLE 23. FORCE MAJEURE**

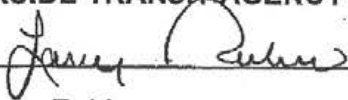
5 Either PARTY shall be excused from performing its obligations under this
6 Agreement during the time and to the extent that it is prevented from performing by
7 an unforeseeable cause beyond its control, including but not limited to: any
8 incidence of fire; flood; acts of God; commandeering of material, products, plants or
9 facilities by the federal, state or local government; national fuel shortage; or a
10 material act or omission by the other PARTY; or labor disruption or strike, when
11 satisfactory evidence of such cause is presented to the other PARTY, and provided
12 further that such nonperformance is unforeseeable, beyond the PARTY's control and
13 is not due to the fault or negligence of the PARTY not performing.

14
15 This Agreement shall be made effective upon execution by both PARTIES.

16 **IN WITNESS WHEREOF**, the PARTIES hereto have caused this Agreement
17 No. 12-027 to be executed on the date first above written.

18 **RIVERSIDE TRANSIT AGENCY**

SUNLINE TRANSIT AGENCY

19 By 

By 

20 Larry Rubio

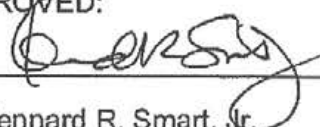
Mikel Oglesby

21 Chief Executive Officer

General Manager

22 APPROVED:

APPROVED AS TO FORM:

23 By 

By 

24 Kennard R. Smart, Jr.

Jeffrey Goldfarb

25 General Counsel

General Counsel

Exhibit A - Proposed Schedule – SunLine Transit Agency Route 220 Trips

Weekday MORNINGS WESTBOUND to Riverside-Downtown Transit Center										
220	Palm Desert Mall	Thousand Palms	Morongo Casino	Banning Ramsey & Sunset	Beaumont City Hall	Nason & Fir	Moreno Valley Mall	UCR Lot 30	Riverside-Downtown Metrolink Station	Riverside-Downtown Transit Center
1	2	3	4	5	6	7	8	9	10	10
4:55 A.M.	5:07	5:41	5:53	6:01	6:21	6:36	--	7:06	7:19	
5:52 A.M.	6:04	6:38	6:50	6:58	7:18	7:33	7:48	8:06	8:19	

Weekday EVENINGS EASTBOUND to Palm Desert Mall										
220	Riverside-Downtown Transit Center	Riverside-Downtown Metrolink Station	UCR Lot 30	Moreno Valley Mall	Nason & Fir	Beaumont City Hall	Banning Ramsey & Sunset	Morongo Casino	Thousand Palms	Palm Desert Mall
10	9	8	7	6	5	4	3	2	1	1
5:19 P.M.	5:29	5:43	5:58	6:10	6:30	6:38	6:50	7:22	7:34	
6:35 P.M.	6:45	6:59	7:14	7:26	7:46	7:54	8:06	8:38	8:50	

Exhibit B - Proposed Fare Matrix for SunLine Route 220

CATEGORIES*	CASH FARES		PASSES [^]			
			1-DAY		31-DAY	
	Within Zone 1** or Zone 2**	Travelling Between Zone 1 and Zone 2	Within Zone 1** or Zone 2**	Travelling Between Zone 1 and Zone 2	Within Zone 1** or Zone 2**	Travelling Between Zone 1 and Zone 2
General / Youth	\$ 3	\$ 6	\$ 7	\$ 14	\$ 75	\$ 150
Senior / Disabled / Medicare / Child ¹	\$ 2	\$ 4	\$ 5	\$ 10	\$ 50	\$ 100

CATEGORIES*	Additional cash fares required with valid fare media or accepted ID cards.		
	Within Zone 1	Within Zone 2	Travelling Between Zone 1 and Zone 2
With RTA General and Youth Local 1-Day, 7-Day, 30-Day passes	\$1.50	\$3.00	\$4.50
With RTA Senior/Disabled/Medicare 1-Day, 7-Day, 30-Day pass	\$1.30	\$2	\$3.30
U-Pass ² , Go-Pass ³ , City Pass ⁴	FREE	\$ 3	\$ 3
Metrolink Tickets / Passes ⁵	FREE	\$ 3	\$ 3
Jury / Grand Juror Badge ⁶	FREE	FREE	\$ 3

NOTES:

- * Bus operators accept cash and sell 1-day passes only.
- [^] RTA's Day and 30-day passes for Zone 1 are "CommuterLink+Local".
- ** Zone 1 = Cabazon to/from Banning, Beaumont, Moreno Valley and Riverside.
Zone 2 = Palm Desert to/from Thousand Palms.
- ¹ Senior / Disabled / Medicare / Child = People who meet RTA's and SunLine's disability requirements, present a valid Medicare card, senior age 60 or older, or child 46" tall or under. Requires proof of age or disability.
- ² U-Pass = University of California at Riverside, California Baptist University, and La Sierra University. Requires validation of ID.
- ³ Go-Pass = Riverside City College, Moreno Valley College and Mt. San Jacinto Community College District. Requires validation of ID.
- ⁴ City Pass = City of Riverside Employee Badge.
- ⁵ Metrolink = Valid Metrolink ticket or pass for same day travel.
- ⁶ Jurors summoned to serve in western Riverside County courthouses are able to ride free in Zone 1 only. Jurors summoned to serve in Coachella Valley courthouses are able to ride free in Zone 2 only.

Exhibit C - Proposed Line and Stops for Route 220 – SunLine Transit Agency



Palm Desert to Riverside

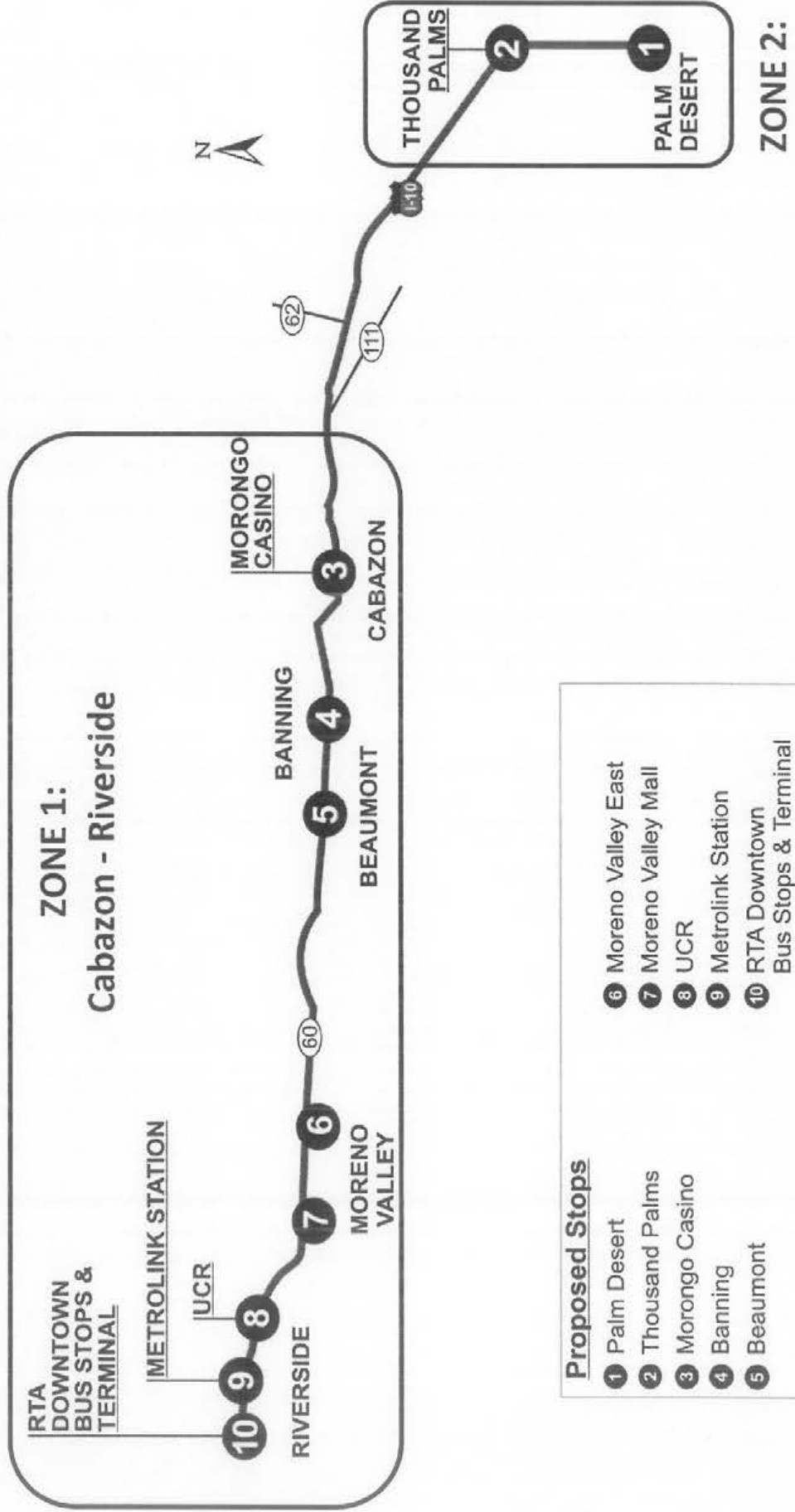


Exhibit D – Federal Terms and Conditions

1. **NO FEDERAL GOVT OBLIGATIONS TO 3RD PARTIES.** Furnisher agrees, absent express written consent by the Fed Govt, the Fed Govt is not a party to this contract and shall not be subject to any obligations or liabilities pertaining to any matter resulting from the underlying P.O.
2. **PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS AND RELATED ACTS.** Furnisher acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986 as amended, 31 U.S.C. 3801 et. seq. and U.S. DOT regulations 49 C.F.R. Part 31, apply to its actions pertaining to this P.O.
3. **ACCESS TO RECORDS.** Contractor agrees to provide RTA, FTA, Comptroller General or any of their authorized representatives access to any books, documents, papers and records pertinent to this contract and retain same for a minimum of three years from termination or expiration of this contract or the disposal of litigation, appeals, claims arising from the performance of this contract, whichever is later.
4. **FEDERAL CHANGES.** Furnisher shall at all times comply with all applicable FTA regulations including without limitation those listed directly or by reference in Agreement (Form FTA MTA(2) dated October, 1995) between RTA and FTA.
5. **CIVIL RIGHTS (EEO, TITLE VI & ADA).** (1) Nondiscrimination - In accordance with Title VI of the Civil Rights Act, as amended, 42 U.S.C. § 2000d, section 303 of the Age Discrimination Act of 1975, as amended, 42 U.S.C. § 6102, section 202 of the Americans with Disabilities Act of 1990, 42 U.S.C. § 12132, and Federal transit law at 49 U.S.C. § 5332, Contractor agrees that it will not discriminate against any employee or applicant for employment because of race, color, creed, national origin, sex, age, or disability. (2) Equal Employment Opportunity - (a) Race, Color, Creed, National Origin, Sex - In accordance with Title VII of the Civil Rights Act, as amended, 42 U.S.C. § 2000e, and Federal transit laws at 49 U.S.C. § 5332, Contractor agrees to comply with all applicable equal employment opportunity requirements of U.S. Department of Labor (U.S. DOL) regulations, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 41 C.F.R. Parts 60 et seq., (which implement Executive Order No. 11246, "Equal Employment Opportunity," as amended by Executive Order No. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," 42 U.S.C. § 2000e note), and with any applicable Federal statutes, executive orders, regulations, and Federal policies that may in the future affect construction activities undertaken in the course of the Project. (b) Age - In accordance with section 4 of the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. § 623 and Federal transit law at 49 U.S.C. § 5332, the Contractor agrees to refrain from discrimination against present and prospective employees for reason of age. (c) Disabilities - In accordance with section 102 of the Americans with Disabilities Act, as amended, 42 U.S.C. § 12112, the Contractor agrees that it will comply with the requirements of U.S. Equal Employment Opportunity Commission, "Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act," 29 C.F.R. Part 1630, pertaining to employment of persons with disabilities.
6. **INCORPORATION OF FTA TERMS.** All contractual provisions required by DOT are hereby incorporated by reference. FTA mandated terms shall control in the event of conflict with other provisions. Contractor shall not perform/fail to perform any act or refuse to comply with any RTA requests which would cause RTA to be in violation of the FTA terms and conditions.
7. **ENERGY CONSERVATION.** Furnisher must comply with all applicable requirements of the Resource Conservation and Recovery Act.
8. **DEBARMENT/SUSPENSION.** This order is a covered transaction for purposes of 49 CFR Part 29. Furnisher is required to verify none of its principals or affiliates as defined therein are excluded or disqualified from participating on federally funded opportunities. Furnisher is required to verify its and its affiliates compliance to RTA.
9. **DEFINITIONS.** RTA = Riverside Transit Agency; Deliverables = includes Services, Labor, Equipment, Material, Supplies, Work; Furnisher = includes Vendor, Supplier, Contractor, Consultant; P.O. = Purchase Order; IFB = Invitation for Bid; RFQ = Request for Quotation; RFP = Request for Proposals; RTA Solicitation = includes IFB, RFQ, RFP, and duly authorized RTA amendments (addenda/addendum) made thereto; C.O. = Change Order.
10. **REPRESENTATIONS.** Furnisher's response to RTA's Solicitation is an offer. RTA's acceptance of that offer is made by P.O. or a contract award letter. Furnisher agrees to be bound by the terms & conditions and provide Deliverables according to specifications/scope of work contained in RTA's Solicitation and C.O.s.
11. **P.O./CONTRACT.** This P.O./Contract, with document references made in the P.O./Contract & amendments, constitutes the entire agreement between the parties. ONLY duly authorized RTA P.O./Contracts will be eligible for payment. RTA is not responsible for charges on unauthorized deliverables. P.O./Contract number must be shown on shipping notices, delivery/packing slips, packages, and correspondence.
12. **DELIVERY.** Furnisher must deliver FOB destination unless the P.O./Contract otherwise stipulates. COD shipments will not be accepted. Delivery charges that were not indicated in the accepted offer will be disallowed. RTA will not take Title until Deliverables are received at the P.O./Contract designated location.
13. **ACCEPTANCE/REJECTION.** Deliverables are subject to RTA's inspection/approval/rejection within a reasonable time after receipt at destination. Furnisher bears all expenses regarding any rejections.
14. **PAYMENT.** Furnisher may not issue any invoices until RTA has received Deliverables. Furnisher must submit separate invoices for partial deliverables and for each P.O./Contract. Terms are net 30 after receipt of deliverables or invoice, whichever is later. Furnisher may offer payment discounts on full invoice amount or as itemized, which RTA may elect to accept. RTA will not pay any interest charges, late fees, or penalties unless RTA has made prior written agreement. RTA is Federal Excise Tax exempt, but pays 7.75% sales tax.
15. **MODIFICATIONS.** Furnisher may not add, change, or delete any part or all of the P.O./Contract or Deliverables without prior RTA authorization. RTA reserves the right to add, change, or delete any part of or all the P.O./Contract or Deliverables to which Furnisher must comply. RTA will make equitable adjustments to the price and or time thereto.
16. **DEBARMENT/SUSPENSION.** This order is a covered transaction for purposes of 49 CFR Part 29. Furnisher is required to verify none of its principals or affiliates as defined therein are excluded or disqualified from participating on federally funded opportunities. Furnisher is required to verify its and its affiliates compliance to RTA.
17. **INSURANCE.** Furnisher must maintain, at its sole expense, and provide Proof of Insurance as follows: to be at least as broad as Commercial General Liability, ISO Form CG 00 01 covering CGL on an "occurrence" basis, including products-completed operations, personal & advertising injury, with limits no less than \$2,000,000 per occurrence; if a general aggregate limit applies, general aggregate limit shall apply separately to this project/location or general aggregate limit shall be twice the required occurrence limit. Automobile Liability, ISO Form CA 00 01 covering any auto (Code 1), or if hired autos (Code 8) and non-owned autos (Code 9) with no limit less than \$1,000,000 per accident for bodily injury and property damage. Furnisher must provide proof of compliance with Workers' Compensation laws or self-insurance certification thereto with limit of no less than \$1,000,000 per accident for bodily injury or disease. Insurance policies are to contain, or be endorsed to contain additional insured status to Agency, its officers, officials, employees, and volunteers on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of Furnisher. General Liability Coverage can be provided in the form of an endorsement to Furnisher's insurance at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10 and CG 20 37 forms. Furnisher's insurance coverage shall be primary insurance as respects Agency. Coverage shall not be canceled, except with notice to Agency. Furnisher grants to Agency a waiver of any right to subrogation. Any deductibles or self-insured retentions shall be declared to and approved by Agency. Insurance to be placed with insurers carrying a current A.M. Best's rating of no less than A:VII. Furnisher must provide proof of insurance within 15 days of P.O./Contract award.
18. **FEDERAL, STATE AND LOCAL LAWS.** Furnisher and Deliverables must comply with all applicable Federal, state, and local laws, regulations, and codes.
19. **NONDISCRIMINATION.** Furnisher must comply with all applicable requirements of Title VI of the Civil Rights Act of 1964, 42 USC § 2000d and USDOT regulations. Furnisher shall not discriminate against anyone based on race, religion, sex, age, color, or national origin in the performance of this P.O.
20. **DISADVANTAGED BUSINESS ENTERPRISE (DBE).** Furnisher agrees to use its best efforts to ensure that DBEs have an equitable opportunity to compete for and receive subcontract work under the P.O./Contract.
21. **ENERGY CONSERVATION.** Furnisher must comply with all applicable requirements of the Resource Conservation and Recovery Act.
22. **RECORD RETENTION.** Furnisher must make its records available to RTA for up to three (3) years after closeout if the P.O./Contract value exceeded \$2,500.00 or \$2,000.00 for construction-related.
23. **AMERICANS WITH DISABILITIES ACT.** Furnisher must comply with all applicable requirements of the Americans with Disabilities Act.
24. **PROHIBITED INTEREST.** No U.S. Congress member or delegate and no RTA member, officer, or employee (for up to one year after serving) shall have any direct or indirect interest in this P.O./Contract or its proceeds.

25. **DRUG AND ALCOHOL POLICY.** RTA prohibits the unlawful manufacturing, distributing, dispensing, possessing, or using controlled substances or alcohol or illegally using or misusing legally prescribed drugs while on its property or while using its property.
26. **ASSIGNMENTS AND SUBCONTRACTORS.** Furnisher may not assign any interest in the P.O./Contract or its proceeds either voluntarily or by operation of law nor may Furnisher subcontract all or a substantial part of this P.O./Contract without RTA's prior written authorization.
27. **DISPUTES.** Parties that are involved in disputes in the performance of this P.O./Contract agree to the following: 1) continue work on the P.O./Contract; 2) attempt resolution with the disputing party; 3) failing that, attempt resolution with a third party; 4) settlement made according to the laws of the State of California.
28. **INDEMNIFICATION.** Furnisher shall indemnify, keep and save harmless RTA, its agents, officials and employees against all injuries, deaths, losses, damages, claims, suits, liabilities, judgments, costs and expenses which may accrue against RTA arising out of or resulting from the Furnisher's acts or omissions, including acts or omissions of its employees, servants and agents.
RTA shall indemnify, keep and save harmless Furnisher, its agents, officials and employees against all injuries, deaths, losses, damages, claims, suits, liabilities, judgments, costs and expenses which may accrue against Furnisher arising out of or resulting from RTA's acts or omissions, including acts or omissions of its employees, servants and agents.
29. **TERMINATION.** RTA may terminate the P.O./Contract in whole or in part for RTA's convenience or for Furnisher's default. RTA will notify the Furnisher regarding the nature, extent, and effective date of the termination. Upon receipt of the notice, Furnisher shall: (a) immediately discontinue all services affected and (b) deliver to RTA all data, drawings, specifications, reports, estimates, summaries, and other information and materials accumulated in performing P.O./Contract, whether completed or in process. If the termination is for RTA's convenience, RTA shall make an equitable price adjustment, but shall not allow anticipated profit on unperformed services. If the termination is for Furnisher's default, Furnisher shall be make payment to RTA for all costs of reprocurement.
30. **APPLICABILITY.** The Terms and Conditions stated herein do not supersede or supplement the terms and conditions of any RTA procurement wherein the terms and conditions were previously specified.
31. **QUESTIONS.** Attn: Procurement Dept., ph: 951-565-5180; fax: 951-565-5001; PO Box 59968, Riverside CA 92517-1968.
32. **AUDIT AND INSPECTION OF RECORDS.** Upon reasonable notice, Furnisher shall provide RTA or its authorized representatives such access as deemed necessary to audit and inspect all accounting documents directly related to activities under this P.O.; and to make such documents available for a period of three years from date of final payment.
33. **FEDERAL CHANGES.** Furnisher shall at all times comply with all applicable FTA regulations including without limitation those listed directly or by reference in Agreement (Form FTA MTA(2) dated October, 1995) between RTA and FTA.
34. **INCORPORATION OF FTA TERMS.** All contractual provisions required by DOT, as set forth in FTA Circular 4220.1F are hereby incorporated by reference.

1 that complies with 41 U.S.C. Sections 701-707, (the Drug Free Workplace Act of
2 1988), as described in Exhibit D §25. RTA and SunLine each agree to produce any
3 documentation necessary to establish its compliance with Sections 701-707.

4 **ARTICLE 23. FORCE MAJEURE**

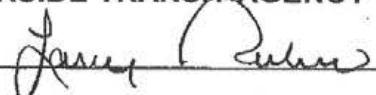
5 Either PARTY shall be excused from performing its obligations under this
6 Agreement during the time and to the extent that it is prevented from performing by
7 an unforeseeable cause beyond its control, including but not limited to: any
8 incidence of fire; flood; acts of God; commandeering of material, products, plants or
9 facilities by the federal, state or local government; national fuel shortage; or a
10 material act or omission by the other PARTY; or labor disruption or strike, when
11 satisfactory evidence of such cause is presented to the other PARTY, and provided
12 further that such nonperformance is unforeseeable, beyond the PARTY's control and
13 is not due to the fault or negligence of the PARTY not performing.

14
15 This Agreement shall be made effective upon execution by both PARTIES.

16 **IN WITNESS WHEREOF**, the PARTIES hereto have caused this Agreement
17 No. 12-027 to be executed on the date first above written.

18 **RIVERSIDE TRANSIT AGENCY**

SUNLINE TRANSIT AGENCY

19 By 

By _____

20 Larry Rubio

Mikel Oglesby


21 Chief Executive Officer

General Manager

22 APPROVED:

APPROVED AS TO FORM:

23 By 

By 

24 Kennard R. Smart, Jr.

Jeffrey Goldfarb

25 General Counsel

General Counsel

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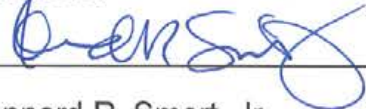
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21 Chief Executive Officer

22 APPROVED:

23 By 

24 Kennard R. Smart, Jr.
25 General Counsel

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19 By _____

20 Mikel Oglesby
21 General Manager

22 APPROVED AS TO FORM:

23 By _____

24 Jeffrey Goldfarb
25 General Counsel

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19 By 

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21 Chief Executive Officer

22 APPROVED:

23 By 

24 Kennard R. Smart, Jr.

25 General Counsel

18 **SUNLINE TRANSIT AGENCY**

19 By _____

20 Mikel Oglesby

21 General Manager

22 APPROVED AS TO FORM:

23 By _____

24 Jeffrey Goldfarb

25 General Counsel

SunLine Transit Agency

DATE: September 28, 2016 **ACTION**

TO: Finance Committee
Board of Directors

FROM: Chief Operating Officer

RE: CNG Fueling Station-Notice of Exemption

Recommendation

Recommend that the Board of Directors direct staff to file a Notice of Exemption with the County of Riverside Clerks Office for the SunLine CNG Station Facility which will replace the existing CNG Station Facility that is at the end of its useful life

Background

California Environmental Quality Act (CEQA) requires that whomever has the decision-making authority for the project also approve the exemption.

This capital asset was included in the Short Range Transit Plan to and approved by the Board. This filing of this Notice is a condition of receiving the funding from STA, Federal and initiation of the project.

Staff has concluded that this project is Categorical Exempt from the California Environmental Quality Act requirements because this project is exempt from the provisions of CEQA under Article 19, Categorical Exemptions of Title 14. This exemption falls under Title 14, Article 19 Section 15302

The following activities are exempt under 15302 Replacement or Reconstruction, Class 2:

1. Alterations to electrical conduits to serve new project components;
2. Sewer line and electrical duct bank relocation;
3. Onsite grading and drainage redirection;
4. CNG compressor compound relocation;
5. Replacement of CNG-compression system;
6. Replacement of fueling islands;
7. Replacement of public dispenser;
8. Replacement of backup generator; and
9. Replacement of the existing Fare-Collection, fueling office/shop and vacuum/equipment building.

Financial Impact

None

Tommy Edwards

**SUNLINE SERVICES GROUP
BOARD MEETING AGENDA**

**Wednesday, September 28, 2016
12:00 pm
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 be either turned off or set on silent mode for the duration of the Board Meeting.

AGENDA TOPICS

RECOMMENDATION

- | | |
|---|--------------------------------|
| <p>1. <u>Call to Order</u>
Chairperson Kristy Franklin</p> <p>2. <u>Roll Call</u></p> <p>3. <u>Finalization of Agenda</u></p> <p>4. <u>Presentations</u>
Taxi Background, and Drug & Alcohol Testing</p> <p>5. <u>Public Comments</u>
(NOTE: Those wishing to address the Board should complete a Public Comment Card and will be called upon to speak.)</p> | <p>Receive Comments</p> |
|---|--------------------------------|

NON AGENDA ITEMS

Anyone wishing to address the Board on items not on the agenda may do so at this time. A limitation of 3 minutes may be imposed upon each person so desiring to address the Board during the first Public Comments designation on the agenda.

AGENDA ITEMS

Anyone wishing to address specific items on the agenda should notify the Clerk at this time so those comments can be made at the appropriate time. A limitation of 3 minutes may be imposed upon each person so desiring to address the Board.

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

----- **RECEIVE AND FILE** -----

7. **Consent Calendar** **Receive & File**
All items on the Consent Calendar will be approved by one motion, and there will be no discussion of individual items unless a Board member requests a specific item be pulled from the calendar for separate discussion. The public may comment on any item.
- a) [SSG/SRA checks over \\$1000 issued June/July 2016](#) (Page 1-2)
 - b) [SSG/SRA Monthly Budget Reports June/July 2016](#) (Page 3-6)
 - c) [Taxi Vehicle/Rides Analysis](#) (Page 7-8)
 - d) [California Retail Gasoline Price Report](#) (Page 9)
 - e) [Metric \(Taxi Expense vs Taxi Revenue\)](#) (Page 10)

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

8. **Approval of Minutes** **Approve**
Request to the Board to approve the Minutes of the July 27, 2016 Board of Directors meeting. (Page 11-13)
9. **Resolution No. 079 Adopting Fines Relating to Violations of Taxi Ordinance and Regulations** **Approve**
(Robert Spiegel, Chair of the Taxi Committee; Staff: Pete Gregor)
Recommend that the Board of Directors approve the attached Resolution adopting fines relating to violations of taxi Ordinance and Regulations. (Page 14-22)
10. **Revised Taxi Regulations** **Approve**
(Robert Spiegel, Chair of the Taxi Committee; Staff: Pete Gregor)
Recommend that the Board of Directors approve the attached Revised Taxi Regulations adopting new procedures and regulations for Taxi Operations. (Page 23-62)

11. **Resolution No. 080 Amending Resolution 075
Setting Special Music Festival Venue Fee** **Approve**
**(Robert Spiegel, Chair of the Taxi Committee;
Staff: Pete Gregor)**
Staff recommends that the Board of Directors approve the attached amendment to Resolution 075, passed on March 23, 2016. Amendment allows for a special event pick up fee to be charged for taxicab pickups made at the Desert Trip Music Festival and increases the fee from \$20 to \$30. (Page 63-67)
12. **Next Meeting Date**
October 26, 2016
12 o'clock Noon – Board Room
32-505 Harry Oliver Trail
Thousand Palms, CA 92276
13. **Adjourn**



AGENDA
TAXI COMMITTEE MEETING
September 28, 2016
10:00 a.m. – 10:30 a.m.

Wellness Center
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. **Presentations**

5. **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.

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

6. **Consent Calendar**

Receive & File

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

- a) [SSG/SRA checks over \\$1000 issued June/July 2016](#) (Page 1-2)
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- e) [Metric \(Taxi Expense vs Taxi Revenue\)](#) (Page 10)

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

7. [Resolution No. 079 Adopting Fines Relating to Violations of Taxi Ordinance and Regulations](#) **Approve**
(Robert Spiegel, Chair of the Taxi Committee;
Staff: Pete Gregor)
Recommend that the Board of Directors approve the attached Resolution adopting fines relating to violations of taxi Ordinance and Regulations. (Page 11-19)
8. [Revised Taxi Regulations](#) **Approve**
(Robert Spiegel, Chair of the Taxi Committee;
Staff: Pete Gregor)
Recommend that the Board of Directors approve the attached Revised Taxi Regulations adopting new procedures and regulations for Taxi Operations. (Page 20-59)
11. [Resolution No. 080 Amending Resolution 075 Setting Special Music Festival Venue Fee](#) **Approve**
(Robert Spiegel, Chair of the Taxi Committee;
Staff: Pete Gregor)
Staff recommends that the Board of Directors approve the attached amendment to Resolution 075, passed on March 23, 2016. Amendment allows for a special event pick up fee to be charged for taxicab pickups made at the Desert Trip Music Festival and increases the fee from \$20 to \$30. (Page 60-64)
9. **Adjourn**

SunLine Regulatory Administration

Checks \$1,000 and Over

For the month of June 2016

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

Vendor Name	Description	Check #	Check	Amount
SUNLINE TRANSIT AGENCY	Operating Expense Allocation	090224	6/6/2016	\$7,320.40
SUNLINE TRANSIT AGENCY	Payroll Liabilities Exp 6/3/16	090226	6/6/2016	\$4,402.20
SUNLINE TRANSIT AGENCY	Payroll Liabilities Exp 6/17/16	090232	6/17/2016	\$4,327.71
BURKE, WILLIAMS & SORENSEN, LLP	Legal Services May 2016	090227	6/17/2016	\$1,903.50

Total of Checks Over \$1,000	\$17,953.81
Total of Checks Under \$1,000	\$285.34
Total of All Checks for the Month	\$18,239.15
Total Amount of Checks Prior Years Same Month	

SunLine Regulatory Administration

Checks \$1,000 and Over

For the month of July 2016

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

Vendor Name	Description	Check #	Check	Amount
SUNLINE TRANSIT AGENCY	Operating Expense Allocation	090245	7/29/2016	\$11,524.16
SUNLINE TRANSIT AGENCY	Payroll Liabilities 7/1/16	090239	7/6/2016	\$5,306.55
SUNLINE TRANSIT AGENCY	Operating Expense Allocation	090247	7/29/2016	\$5,060.75
SUNLINE TRANSIT AGENCY	Operating Expense Allocation	090242	7/18/2016	\$5,060.75
SUNLINE TRANSIT AGENCY	Payroll Liabilities 7/15/16	090241	7/18/2016	\$4,327.71
SUNLINE TRANSIT AGENCY	Payroll Liabilities 7/15/16	090246	7/29/2016	\$4,092.62
BURKE, WILLIAMS & SORENSEN, LLP	Legal Services June 2016	090243	7/29/2016	\$2,904.00

Total of Checks Over \$1,000	\$38,276.54
Total of Checks Under \$1,000	\$356.31
Total of All Checks for the Month	\$38,632.85
Total Amount of Checks Prior Years Same Month	

SunLine Regulatory Agency
Budget Variance Report
June 2016

Description	FY 16 Total Budget	Current Month			Year to Date		
		Actual	Budget	Favorable (Unfavorable)	YTD Actual	FY 16 YTD Budget	Favorable (Unfavorable)
Revenues:							
Meter Readings	293,286	17,491	24,441	(6,950)	228,479	293,286	(64,807)
Revenue Fines	5,000	0	417	(417)	2,000	5,000	(3,000)
Vehicle Inspection Revenue	15,100	1,700	1,258	442	17,350	15,100	2,250
Vehicle Re-inspection Revenue	2,000	0	167	(167)	6,500	2,000	4,500
New Driver Permit Revenue	5,500	270	458	(188)	5,250	5,500	(250)
Driver Transfer Revenue	1,980	100	165	(65)	850	1,980	(1,130)
Driver Renewal Revenue	9,200	250	767	(517)	8,440	9,200	(760)
Driver Permit Reinstatement/Replacement	165	20	14	6	225	165	60
Vehicle Permit Revenue	91,400	1,250	7,617	(6,367)	90,941	91,400	(459)
Interest Revenue	39	0	3	(3)	21	39	(18)
Other Revenue	0	0	0	0	540	0	540
Total Revenue	423,670	21,081	35,306	(14,225)	360,595	423,670	(63,075)
Expenses:							
Salaries and Wages	167,564	16,605	13,964	(2,642)	121,091	167,564	46,473
Fringe Benefits	103,827	24,600	8,652	(15,948)	94,643	103,827	9,184
Services	78,500	3,138	6,542	3,403	29,377	78,500	49,123
Supplies and Materials	69,430	5,184	5,786	602	58,939	69,430	10,491
Miscellaneous	4,349	1,004	362	(642)	5,497	4,349	(1,148)
Total Expenses	423,670	50,532	35,306	(15,226)	309,547	423,670	114,123
Total Operating Surplus (Deficit)	\$ -	\$ (29,451)			\$ 51,048		

Budget Variance Analysis - SunLine Regulatory

Revenue - Unfavorable

- TNCs negatively impacted taxi ridership.
- Less citations than expected were issued & resulted in an unfavorable balance of revenue for fines.
- Vehicle inspection revenue is higher than expected. Conservative estimate was used in budget preparation.
- Vehicle re-inspection revenue is up. Conservative estimate was used in budget preparation.

Salaries and Wages - Favorable

- Open positions throughout the year account for the salary and fringe savings.

Fringe Benefits - Favorable

- Open positions throughout the year account for the salary and fringe savings.

Services - Favorable

- Legal & audit service expenses were below expectations for FY16.

Supplies and Materials -Favorable

- Repair parts for SRA vehicles were lower than projected.
- Several taxi inspections were outsourced in FY16 resulting in a decrease in allocated overhead due to SunLine Transit Agency.

Miscellaneous - Unfavorable

- Expenses higher than projected due to increased merchant fees for credit card processing and the purchase of a new credit card terminal.

SunLine Regulatory Agency
Budget Variance Report
July 2016

Description	FY 17 Total Budget	Current Month			Year to Date		
		Actual	Budget	Favorable (Unfavorable)	YTD Actual	FY 17 YTD Budget	Favorable (Unfavorable)
Revenues:							
Meter Readings	197,434	11,237	16,453	(5,216)	11,237	16,453	(5,216)
Revenue Fines	2,000	2,200	167	2,033	2,200	167	2,033
Vehicle Inspection Revenue	1,900	350	158	192	350	158	192
Vehicle Re-inspection Revenue	-	100	0	100	100	0	100
New Driver Permit Revenue	4,000	360	333	27	360	333	27
Driver Transfer Revenue	850	50	71	(21)	50	71	(21)
Driver Renewal Revenue	9,200	300	767	(467)	300	767	(467)
Driver Permit Reinstatement/Replacement	150	0	13	(13)	0	13	(13)
Vehicle Permit Revenue	80,900	0	6,742	(6,742)	0	6,742	(6,742)
Interest Revenue	-	0	0	0	0	0	0
Total Revenue	296,434	14,597	24,703	(10,106)	14,597	24,703	(10,106)
Expenses:							
Salaries and Wages	124,617	9,928	10,385	457	9,928	10,385	457
Fringe Benefits	83,171	5,442	6,931	1,489	5,442	6,931	1,489
Services	50,500	519	4,208	3,690	519	4,208	3,690
Supplies and Materials	35,076	2,447	2,923	477	2,447	2,923	477
Miscellaneous	3,070	64	256	192	64	256	192
Total Expenses	296,434	18,399	24,703	6,304	18,399	24,703	6,304
Total Operating Surplus (Deficit)	\$ -	\$ (3,803)			\$ (3,803)		

Budget Variance Analysis - SunLine Regulatory

Revenue - Unfavorable

- Taxi revenues heavily influenced by seasonal decline during summer months. The surplus in the peak months will decrease the unfavorable balance.
- Taxi companies were given the opportunity to pay the full year's vehicle permits during the peak months of October through April.

Salaries and Wages - Favorable

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

Fringe Benefits - Favorable

- Fringe benefit expenses are within an acceptable range of the budget.

Services - Favorable

- July legal services lower than projected monthly estimates.

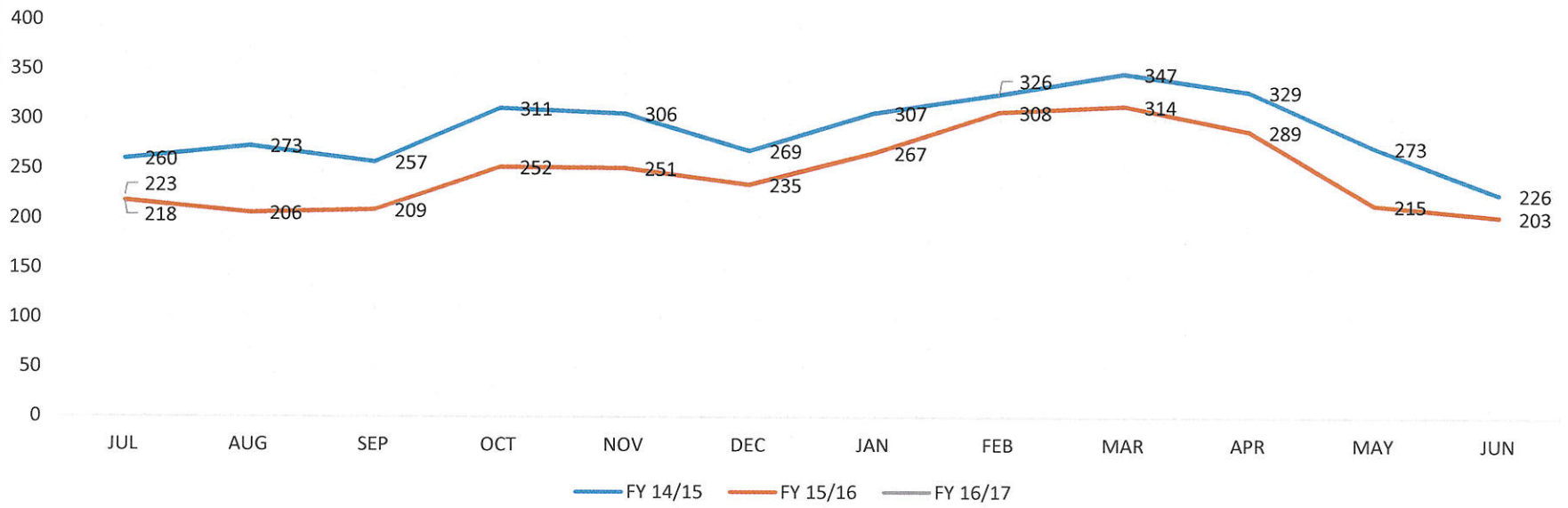
Supplies and Materials - Favorable

- Materials and supplies expenses are within an acceptable range of the budget.

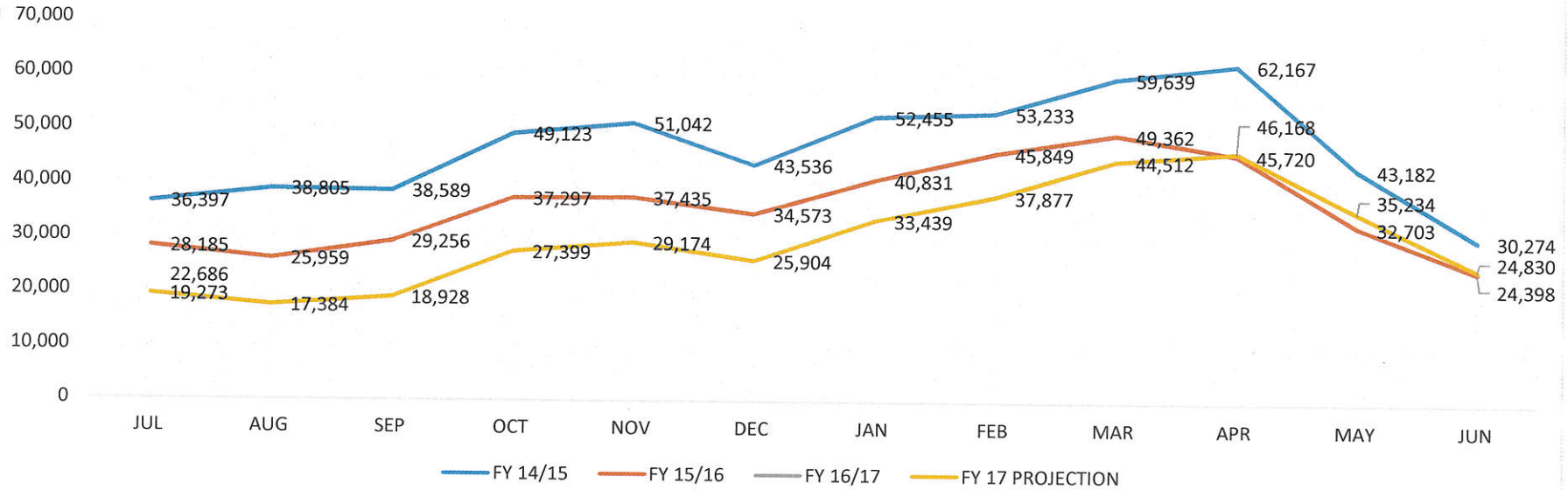
Miscellaneous - Favorable

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

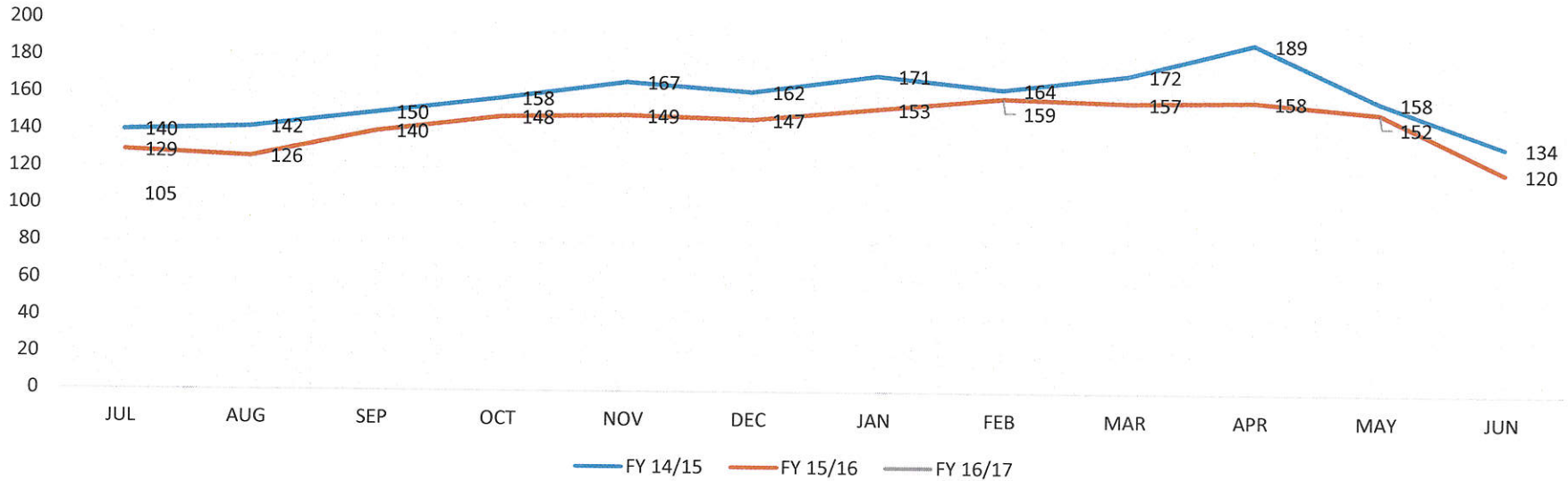
OF TRIPS PER CAB



OF TAXI TRIPS



OF CABS PROVIDING TRIPS



U.S. Energy	
May 01, 2015	\$3.75
Jun 01, 2015	\$3.54
Jul 01, 2015	\$3.76
Aug 01, 2015	\$3.56
Sep 01, 2015	\$3.12
Oct 01, 2015	\$2.89
Nov 01, 2015	\$2.69
Dec 01, 2015	\$2.72
Jan 01, 2016	\$2.78
Feb 01, 2016	\$2.53
Mar 01, 2016	\$2.46
Apr 01, 2016	\$2.83
May 01, 2016	\$2.86
Jun 01, 2016	\$2.89
Average	\$3.03

http://www.eia.gov/dnav/pet/pet_pri_gnd_dcus_sca_w.htm

Meter calculation is 1/8 mile increments @ \$0.39 per 1/8 mile = \$3.12 per mile

Fuel Cost Increases (Decreases)	
Per Mile Rate Increases (Decreases)	
\$0.000 to \$0.255 per gallon	\$0.00
\$0.256 to \$0.755 per gallon	\$0.10
\$0.756 to \$1.255 per gallon	\$0.20
\$1.256 to \$1.755 per gallon	\$0.30
\$1.756 to \$2.255 per gallon	\$0.40

Fuel Per Gallon	Average	Regular Grade
2012	\$3.49	
2013	\$4.05	
Difference	-\$3.49	Rate Increase
		0.08
New Rate	2013/14	\$3.12

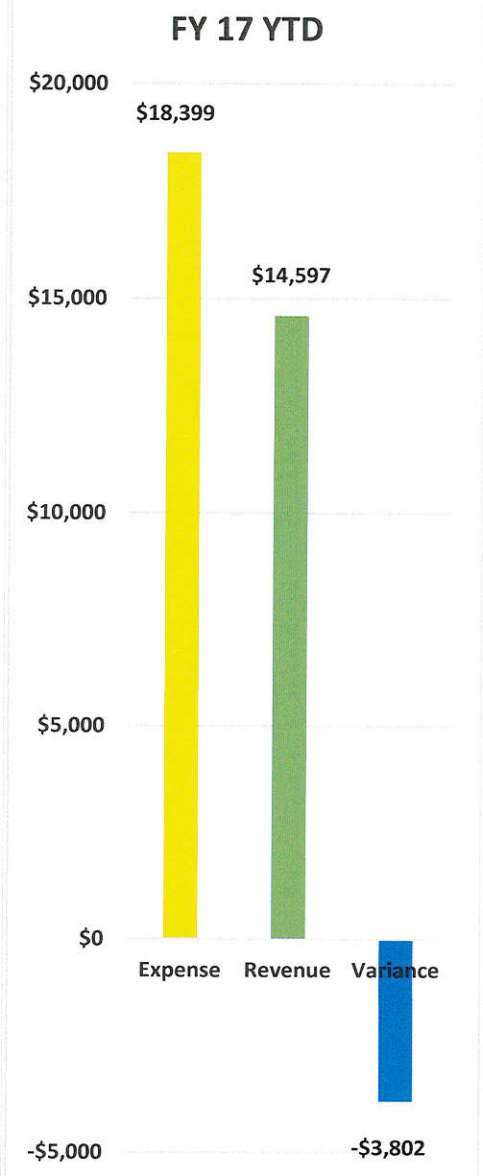
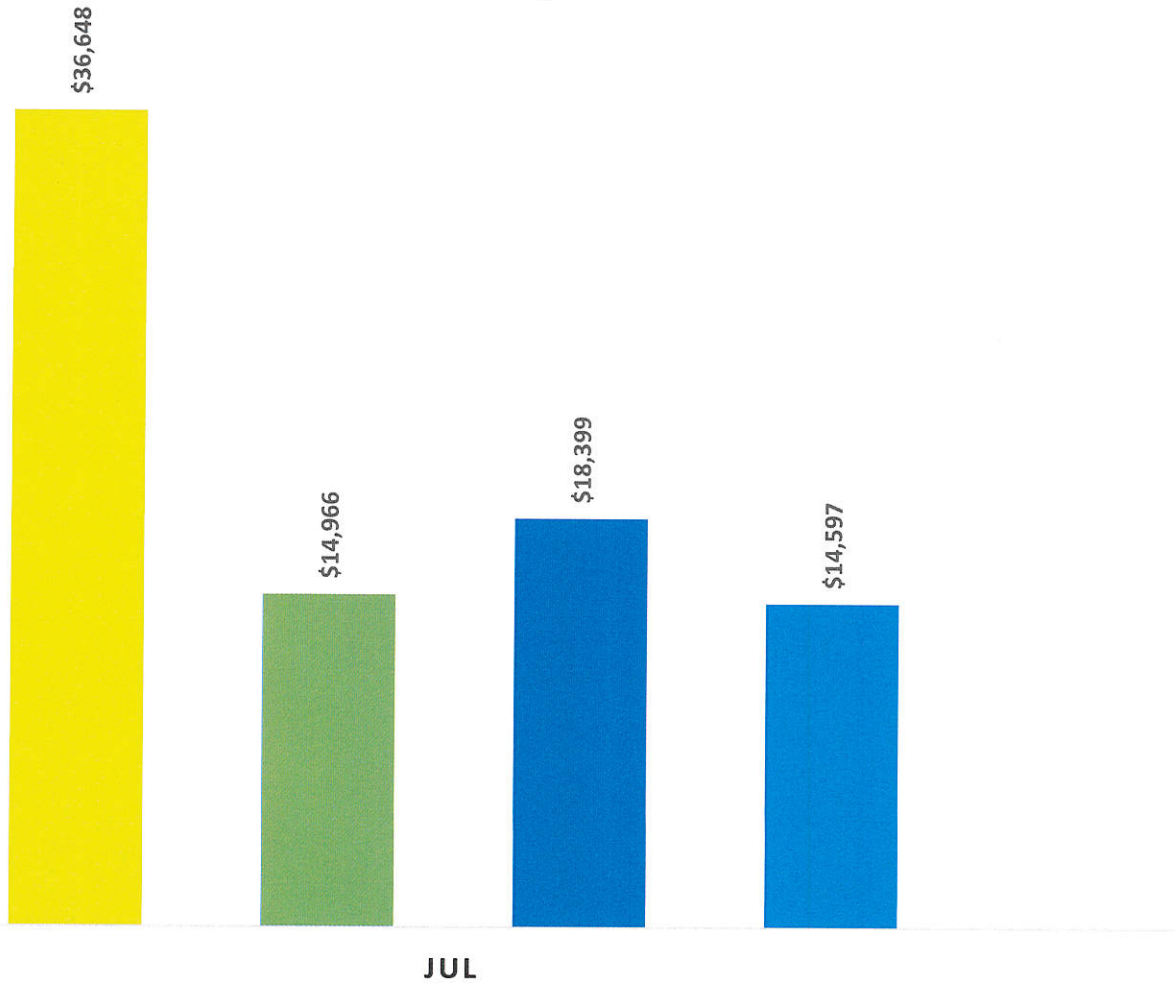
Fuel Per Gallon	Average	Regular Grade
2013	\$4.05	
2014	\$3.84	
Difference	-\$0.21	Rate Increase
		0
New Rate	2014/15	\$3.12

Fuel Per Gallon	Average	Per Mile Increase	RPM
2012	\$3.49	0.08	\$ 3.04
2013	\$4.05	0.08	\$ 3.12
2014	\$3.84	0.00	\$ 3.12
2015	\$3.54	0.00	\$ 3.12
2016	\$3.03	0.00	\$ 3.12
Difference	\$3.59		

Fuel Per Gallon	Average	Regular Grade
2014	\$3.84	
2015	\$3.48	
Difference	-\$0.36	Rate Decrease
		0
New Rate	2015/16	\$3.12
2015	\$3.51	
2016	\$3.03	
Difference	-\$0.48	Rate Decrease

TAXI EXPENSE VS. REVENUE AND VARIANCE JULY 2016

■ Expense 16 ■ Revenue 16 ■ Expense 17 ■ Revenue 17



Measuring the health of the FY16 SRA budget by monitoring expenses and revenues.
 Goal: Reduce operating expenses by 5% to offset the continued decrease in taxicab ridership.

MINUTES
SunLine Services Group
Board of Directors Meeting
July 27, 2016

A regular meeting of the SunLine Services Group Board of Directors was held on Wednesday, July 27, 2016 at 12:00 p.m. in the Board Room at SunLine Transit Agency, 32-505 Harry Oliver Trail, Thousand Palms, CA 92276.

1. Call to Order

The meeting was called to order at 12:29 p.m. by Chairperson Kristy Franklin.

2. Roll Call

Completed.

Members Present

Russell Betts, SunLine Agency Board Member, City of Desert Hot Springs
Kristy Franklin, Chair, SunLine Agency Board Member, City of La Quinta
Ty Peabody, SunLine Agency Board Member, City of Indian Wells
Robert Spiegel SunLine Agency Board Member, City of Palm Desert
Greg Pettis, SunLine Agency Board Member, City of Cathedral City Board

Participating via teleconference from:

Sheraton University City
3549 Chestnut Street
Philadelphia, PA

Emmanuel Martinez, Vice Chair, SunLine Agency Board Member (alternate), City of Coachella

John J. Benoit, SunLine Agency Board Member, County of Riverside

Members Absent

Ginny Foat SunLine Agency Board Member, City of Palm Springs
Troy Strange, SunLine Agency Board Member, City of Indio
Dana Hobart, SunLine Agency Board Member, City of Rancho Mirage

3. Finalization of Agenda

No changes

4. Presentations

None

5. Public Comments

6. Board Member Comments

7. Consent Calendar

- a) SSG/SRA checks over \$1000 issued May 2016.
- b) SSG/SRA Monthly Budget Reports May 2016.
- c) Taxi Vehicle/Rides Analysis.
- d) California Retail Gasoline Price Report
- e) Metric (Taxi Expense vs Taxi Revenue)

SunLine Agency Board Member Spiegel moved to approve the Consent Calendar. SunLine Agency Board Member Peabody seconded the motion. The motion was approved by a unanimous vote of 7 yes; 0 no;

8. Approval of Minutes

SunLine Agency Board Member Benoit moved to approve the minutes of June 22, 2016 Board Meeting. The motion was seconded by SunLine Agency Board Member Betts. The motion carried by a vote of 7 yes; 0 no;

9. Second Reading of SSG Ordinance 2016-01

(Robert Spiegel, Chair of the Taxi Committee;

Staff: Stephanie Buriel)

SunLine Agency Board Member Spiegel stated that the Taxi Committee reviewed this item and unanimously approved it. He moved to approve and the motion was seconded by SunLine Agency Board Member Martinez. The motion carried by a unanimous vote of 7 yes; 0 no;

Lauren Skiver, CEO/General Manager wanted to let the board know that staff and members of the taxi franchises will be attending the Palm Springs City Council meeting where the council will be voting on approval for TNC operation at the airport to allow pick-ups and staging. We have appeared in front of the Palm Springs Airport Commission and the committee on this topic and staff will be presenting during public comment. If anyone wants more information it is 6:00 p.m. on August 3, 2016. She stated that we are doing work to present some educational materials to the council members.

SunLine Board Member Peabody asked if there was any reason that they can't be like other cities with the same standards as the cab drivers? Lauren Skiver, CEO/General Manager stated that they are regulated by the PUC and there are moves being made across the country to include them in other regulatory bodies, meaning cities, and jurisdictions are requiring that in order to operate in their jurisdiction they must comply with enhanced safety laws like background checks and drug and alcohol screening. As far as she knows it has to be more of a jurisdictional rather than regulatory decision. SunLine Board Member Benoit stated that this has been a problem for decades. While the PUC has exclusive regulation of limousines in the past they have failed or been unable to really enforce any meaningful regulation for a long time.

10. Next Meeting Date

September 28, 2016

12 o'clock Noon – Board Room

32-505 Harry Oliver Trail

Thousand Palms, CA 92276

11. Adjourn

Chairperson Franklin adjourned the meeting at 1:14 p.m.

Respectfully Submitted,

Diane Beebe
Clerk of the Board

SunLine Services Group

DATE: September 28, 2016 **ACTION**
TO: Taxi Committee
Board of Directors
FROM: Taxi Administrator
RE: [Resolution No. 079 Adopting Fines Relating to Violations of Taxi Ordinance and Regulations](#)

Recommendation

Recommend that the Board of Directors approve the attached Resolution adopting fines relating to violations of taxi Ordinance and Regulations.

Background

Taxicab Regulations have been amended to adopt additional provisions, necessitating an update of the previously adopted schedule of fines. The fines established within the Resolution are reasonable fines imposed to address violations of its Ordinance and Regulations by taxicab franchises and taxicab drivers within the Coachella Valley. The fines contained in the Resolution shall be levied for first, second and third violations of Ordinance 2016-01, and any regulation adopted to implement it, within the Coachella Valley, on a per day per vehicle basis as applicable for violations of a continuing nature.

Pete Gregor

RESOLUTION NO. _____

**RESOLUTION ADOPTING FINES RELATING TO
VIOLATION OF TAXICAB ORDINANCE AND REGULATIONS WITHIN THE
COACHELLA VALLEY**

WHEREAS, SunLine Services Group (“SSG”) is a local agency and its Board of Directors is authorized pursuant to Government Code Section 53069.4 to by ordinance make any violation of any ordinance enacted by the local agency subject to an administrative fine or penalty; and

WHEREAS, Section 3 of Ordinance 2016-01 establishes an administrative citation program and calls for the amount of such administrative fines to be set by resolution of the SSG Board of Directors; and

WHEREAS, SunLine Regulatory Administration (“SRA”) is that branch of SSG charged with the administration and regulation of taxicabs in the Coachella Valley; and

WHEREAS, Government Code section ~~36900-36901~~ provides that fines for violation of ordinances shall not exceed \$1,000 per violation; and

WHEREAS, California Constitution Article 1, Section 17, prohibits “excessive” fines; and

WHEREAS, the Board of Directors hereby finds that the fines established herein are reasonable fines imposed to address violations of its ordinances and regulations by taxicabs and taxicab drivers within the Coachella Valley;

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

Section 1. That the following fines shall be levied for violations of Ordinance 2016-01 and any regulation adopted to implement it, within the Coachella Valley, on a per day per vehicle basis as applicable for violations of a continuing nature, effective as of July 1, 2016. Whether a violation is a 1st, 2nd or 3rd violation shall be determined by looking at the number of citations for the same violation issued to the person/franchise within the previous twelve (12) month period.

REGS.	Section of 2016-01	Offense	Fine 1 st violation	Fine 2 nd Violation	Fine 3 rd Violation
R. 3.1 R. 3.6.1	1.030 A 1.125 A-G	Operating without Franchise Agreement/Unauthorized taxicab services	\$1000.00	\$1000.00	\$1000.00
R. 3.6.3 R.6.14 f	1.030 A	Failure to maintain Vehicle Identification List	\$100.00	\$200.00	\$500.00
R.3.6.9 R.3.10	1.030 B	Failure to maintain Drivers List	\$100.00	\$200.00	\$500.00
R.3.10 R.3.6.14		Failure to provide SRA with monthly current			

		drivers list	\$100.00	\$200.00	\$500.00
R.3.10	1.030 B	Failure to notify SRA verbally within 24 hours of termination of driver	\$100.00	\$200.00	\$500.00
R.3.10		Failure to notify SRA in writing within 5 days of termination of driver	\$100.00	\$200.00	\$500.00
R.23.1 R.24.1.5	3.040 A	Franchise responsibility for driver violations	\$100.00	\$200.00	\$500.00
	1.030 E	Failure to revoke driver authority for violation of § 1.110 (permit denial, revocation, suspension)	\$100.00	\$200.00	\$500.00
R.3.6.17 R.22	1.030 F 2.040-2.070	Failure to comply with mandatory requirements for substance and alcohol testing and/or submission for testing	\$100.00	\$200.00	\$500.00
R.3.6.14 e R.22.2	2.035 E	Failure to submit monthly random drug and alcohol testing results to SRA	\$100.00	\$200.00	\$500.00
R.3.6.17 R.22.1.1	2.035	Failure to maintain written required drug and alcohol abuse policy	\$100.00	\$200.00	\$500.00
R.3.6.17 R.22.1.2	2.035	Failure to maintain proof of implementation of required drug and alcohol certification program	\$100.00	\$200.00	\$500.00
	2.060 A-H	Unlawful consumption of alcohol/controlled substance while operating a taxicab.	\$100.00	\$200.00	\$500.00
	2.060 B	Unlawful possession of alcoholic container in taxicab	\$100.00	\$200.00	\$500.00
R.24.1.3	2.070 D	Franchisee failure to immediately notify SRA of positive controlled substance/alcohol test	\$1000.00	\$1000.00	\$1000.00
R.5.1 R.5.5 R.5.6 R.6.1	1.030 G 1.095 A-K 1.110 E	Driving without driver permit or permission of Franchise; driving with expired, suspended or revoked permit; Franchisee allowing person without permit to drive	\$100.00	\$200.00	\$500.00
R.3.6.2 R.24.1.2	1.050 A & B	Operating without required insurance.	\$100.00	\$200.00	\$500.00
R.3.6.2		Failure to verbally notify SRA within 24 hours of			

		change of insurance coverage.	\$100.00	\$200.00	\$500.00
R.3.6.2		Failure to notify SRA in writing within 3 days of change in insurance coverage.	\$100.00	\$200.00	\$500.00
R.3.6.15 R.9.15	1.060 A-C	Operating without SRA approved name, numbering system, telephone number, color, monogram, logo or insignia markings	\$100.00	\$200.00	\$500.00
R.9.3.2. a	1.065 B-E	Unlawful advertising	\$1000.00	\$1000.00	\$1000.00
	1.065 E	Unlawful use of telephone number	\$1000.00	\$1000.00	\$1000.00
R.8.2	1.070 A-G	Failure to present vehicle for cosmetic inspections required under § 1.070 on or before inspection due date	\$100.00	\$200.00	\$500.00
R.8.2 R.8.4 R.8.9	1.070 A-G 1.255 B. 1	Failure to present vehicle for safety inspections required under § 1.070 on or before inspection due date.	\$1000.00	\$1000.00	\$1000.00
R.8.3		Failure to pay vehicle inspection fee	\$100.00	\$200.00	\$500.00
R.8.5		Failure to submit to road inspection when required	\$100.00	\$200.00	\$500.00
R.8.7 R.8.8		Failure to make and report vehicle repairs required after road inspection	\$100.00	\$200.00	\$500.00
R.3.6.3 R.8.2 R.9 R.9.24	1.070 A-G	Operating vehicle in violation of vehicle safety inspection or cosmetic standards	\$100.00	\$200.00	\$500.00
R.3.3 R.3.6.11	1.080 B. 1	Failure to maintain required year round, computerized 24 hour dispatch system.	\$100.00	\$200.00	\$500.00
R.3.2	1.080 B. 2	Failure to maintain minimum number of vehicles in service	\$100.00	\$200.00	\$500.00
R.3.3	1.080 B. 3 & 4	Failure to maintain proper principal place of business	\$100.00	\$200.00	\$500.00
R.3.4		Failure to maintain telephone or radio access to all on-duty drivers	\$100.00	\$200.00	\$500.00

R.3.1.1 R.3.6.6 R.3.6.8	1.080 B. 6	Failure to maintain fictitious business name or business license	\$100.00	\$200. <u>00</u>	\$500. <u>00</u>
R.3.5 R.3.6.12	1.080 B. 7	Failure to maintain required GPS system	\$100.00	\$200. <u>00</u>	\$500. <u>00</u>
R.3.6.20	1.080 B. 7	Failure to maintain electronic processing of credit cards	\$100.00	\$200. <u>00</u>	\$500. <u>00</u>
R.3.6.3. b	1.080 B 7	Failure to maintain required ADA complaint wheelchair accessible vehicles	\$100.00	\$200. <u>00</u>	\$500. <u>00</u>
R.3.6.10 R.3.6.14 b		Failure to respond to customer complaints/maintain required customer complaint procedures/data/reports	\$100.00	\$200. <u>00</u>	\$500. <u>00</u>
R.13.6		Failure to carry/maintain SRA Comment Cards in plain view of passengers	\$100.00	\$200. <u>00</u>	\$500. <u>00</u>
R.9	1.080 C	Operating vehicles in excess of maximum model years of age	\$100.00	\$200. <u>00</u>	\$500. <u>00</u>
R.3.6.14 a-f		Failure to make required reports to SRA of dispatch data or other required periodic reports	\$100.00	\$200. <u>00</u>	\$500. <u>00</u>
	1.080 C	Failure to certify minimum trips per day per vehicle	\$100.00	\$200. <u>00</u>	\$500. <u>00</u>
R.3.6.13	1.080 D	Failure to maintain required electronic data records	\$100.00	\$200. <u>00</u>	\$500. <u>00</u>
R.3.6.16		Failure to maintain written vehicle safety program	\$100.00	\$200. <u>00</u>	\$500. <u>00</u>
R.3.6.18		Failure to maintain written discipline policy/training program for drivers	\$100.00	\$200. <u>00</u>	\$500. <u>00</u>
R.3.6.21		Failure to timely reimburse overcharges	\$100.00	\$200. <u>00</u>	\$500. <u>00</u>
R.3.7 R.8.1 R.8.5 R.19	1.091 A	Operation of taxicab without proper stickers	\$100.00	\$200. <u>00</u>	\$500. <u>00</u>
R.19.2.2 R.19.4 R.19.11		Failure to pay vehicle permit fees	\$100.00	\$200. <u>00</u>	\$500. <u>00</u>
R.8.9	1.092 B	Failure to display "Out of Service" signs as	\$100.00	\$200. <u>00</u>	\$500. <u>00</u>

		required			
R.19.5 R.19.6 R.19.8	1.092 A-D	Failure to follow permit transfer/out of service/suspension or revocation procedures	\$100.00	\$200. <u>00</u>	\$500. <u>00</u>
R.6.1		Failure to present/carry California Driver's License and/or Taxicab Driver Permit	\$100.00	\$200. <u>00</u>	\$500. <u>00</u>
R.6.4		Driving while afflicted with physical/mental incapacity/ ailment	\$100.00	\$200. <u>00</u>	\$500. <u>00</u>
R.6.5		Failure to meet required driver appearance standards	\$100.00	\$200. <u>00</u>	\$500. <u>00</u>
R.3.6.19 R.6.6		Smoking or use of profanity in taxicab	\$100.00	\$200. <u>00</u>	\$500. <u>00</u>
R.6.6	1.110 A vii-viii	Acting in unprofessional, dangerous, discourteous, argumentative and/or threatening manner	\$100.00	\$200. <u>00</u>	\$500. <u>00</u>
R.6.7 R.6.9		Failure to transport/assist with wheelchairs, packages, luggage or service animals	\$100.00	\$200. <u>00</u>	\$500. <u>00</u>
R.6.8		Failure to assist passenger in and out of taxicab	\$100.00	\$200. <u>00</u>	\$500. <u>00</u>
R.6.10		Failure to maintain minimum of \$20.00 in change	\$100.00	\$200. <u>00</u>	\$500. <u>00</u>
R.13.7		Failure to accept vouchers as payment	\$100.00	\$200. <u>00</u>	\$500. <u>00</u>
R.6.11		Driving in excess of mandatory rest/driving hours	\$100.00	\$200. <u>00</u>	\$500. <u>00</u>
R.6.12		Unlawful use of cellular telephone	\$100.00	\$200. <u>00</u>	\$500. <u>00</u>
R.6.14		Unsafe/illegal parking of taxicab	\$100.00	\$200. <u>00</u>	\$500. <u>00</u>
R.6.15		Improperly accepting pick-up appointment during designated events	\$100.00	\$200. <u>00</u>	\$500. <u>00</u>
R.6.15		Failure to complete SRA Collision/Injury Report	\$100.00	\$200. <u>00</u>	\$500. <u>00</u>
R.9.23 R.10.1	1.140 A	Failure to use and maintain toplight	\$100.00	\$200. <u>00</u>	\$500. <u>00</u>
R.11 R.12 R.14.3	1.150 A-C	Failure to display required information cards	\$100.00	\$200. <u>00</u>	\$500. <u>00</u>
R.15.1	1.160	Improper Franchise identification display	\$100.00	\$200. <u>00</u>	\$500. <u>00</u>

R.13.1	1.170 A	Failure to take most direct route	\$100.00	\$200.00	\$500.00
R.6.13 R.13.1	1.170 A	Failure to accept dispatch/accept available passengers	\$100.00	\$200.00	\$500.00
R.13.2	1.170 B & C	Violation of exclusive use by passenger/solicitation of additional passengers	\$100.00	\$200.00	\$500.00
R.13.4 R.13.5	1.170 D & E	Violation of number of passenger limits/seat belt or constraint requirements	\$100.00	\$200.00	\$500.00
R.19.5		Unlawful transfer of vehicle permits	\$100.00	\$200.00	\$500.00
R.20.1	1.180 A	Inaccurate taximeter	\$100.00	\$200.00	\$500.00
R.20.2		Failure to maintain taximeter certification/produce for inspection	\$100.00	\$200.00	\$500.00
R.20.3		Failure to file taximeter certification	\$100.00	\$200.00	\$500.00
R.20.4		Failure to produce taximeter for inspection	\$100.00	\$200.00	\$500.00
R.4.3 R.9.19.2	1.180 A 1.255 B. 2	Tampering with any Riverside County Weights and Measures or SRA applied taximeter seal	\$1000.00	\$1000.00	\$1000.00
R.4.4.1	1.180 B. 1	Failure to present vehicle to SRA for taximeter trip counter inspection prior to taking vehicle out of service	\$1000.00	\$1000.00	\$1000.00
R.4.4.2	1.255 B. 4	Return to service of vehicle with uninspected taximeter/trip counter	\$1000.00	\$1000.00	\$1000.00
R.21	1.180 B 1.255 B. 5	Unlawful transfer of taximeter from one vehicle to another	\$1000.00	\$1000.00	\$1000.00
R.4.1 R.9.19.2 R.10.2	1.190 1.200	Unlawful use of taximeter/trip counter	\$100.00	\$200.00	\$500.00
R.4.3		Failure to present vehicle to SRA for monthly taximeter/trip counter inspection	\$100.00	\$200.00	\$500.00
R.3.3.8	1.210	Refusal to give passenger(s) receipt for fare	\$100.00	\$200.00	\$500.00
R,6.6 R.13.1	1.220	Violation of street stand regulations	\$100.00	\$200.00	\$500.00
	1.225	Unlawful use of exclusive			

		arrangements with venue	\$100.00	<u>\$200.00</u>	<u>\$500.00</u>
R.3.12 R.6.1	1.230	Operation of Taxicab under a Franchise by other than employee or independent contractor	\$100.00	<u>\$200.00</u>	<u>\$500.00</u>
R.10.4 R.12.4 R.14.1	1.240 B-C	Violation of maximum/uniform/report ed rate changes	\$100.00	<u>\$200.00</u>	<u>\$500.00</u>
R.4.4.1	1.245 G	Failure to pay surcharges	\$50.00	<u>\$200.00</u>	<u>\$500.00</u>
	1.260 A	Violation of Airport Rules and Regulations	Per Palm Springs Municipal Code	<u>Per Palm Springs Municipal Code</u>	<u>Per Palm Springs Municipal Code</u>
R.25		Unlawful interference with driver reporting	\$100.00 per driver	<u>\$200.00</u>	<u>\$500.00</u>
R.25.5		Unlawful attempt to pass through to driver any fine issued under Section R.25	\$100.00 per driver	<u>\$200.00</u> per driver	<u>\$500.00</u> per driver

Section 2. ~~If payment of any fine is not made by the applicable deadline as set forth in Ordinance 2016-01, the a late payment charge of \$20.00 shall be added to the total amount owed by the violator. A late payment charge of \$20.00 shall be due for any fine that is not paid within the timelines set forth in Ordinance 2016-01.~~

Section 3. Nothing contained in the foregoing schedule of penalties and late payment charges shall be construed to limit or restrict the authority of SRA to revoke or suspend any ~~of the permits issued pursuant to Ordinance 2016-01~~permit issued by SRA.

ATTEST:

Diane Beebe
Clerk Of The Board
SunLine Transit Agency

Kristy Franklin
Chairperson of the Board
SunLine Transit Agency

SunLine Services Group

DATE: September 28, 2016 **ACTION**

TO: Taxi Committee
Board of Directors

FROM: Taxi Administrator

RE: [Revised Taxi Regulations](#)

Recommendation

Recommend that the Board of Directors approve the attached Revised Taxi Regulations adopting new procedures and regulations for Taxi Operations.

Background

Taxicab Regulations have been amended in accordance with changes to SSG Ordinance 2016-01. The revised taxi regulations are the collective effort of Stephanie Buriel, our CEO and the three taxi franchises. Over the course of eight months they were able to work out and agree upon a set of regulations that upheld our requirement to ensure the safety of the general public and could be effectively implemented by the three franchises.

Financial Implications

Loss of revenue from Taxicab inspections performed by SunLine Maintenance personnel. The loss of revenue has been adjusted in the Fiscal Year 2017 budget.

Peter Gregor

**TAXICAB REGULATIONS OF
THE
SUNLINE REGULATORY
ADMINISTRATION**

DRAFT

TAXICAB REGULATIONS OF SUNLINE REGULATORY ADMINISTRATION

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DRAFT

TAXICAB REGULATIONS OF THE
SUNLINE REGULATORY ADMINISTRATION
(A DIVISION OF SUNLINE SERVICES GROUP)

R.1. PURPOSE

R.1.1 These regulations are promulgated pursuant to section 1.130 of the Ordinance of SunLine Services Group (SSG), as now enacted or as may be amended, and are intended to implement the provisions of that Ordinance regulating taxicab service within the jurisdiction of SSG, a Joint Powers Authority created by the nine cities of the Coachella Valley and the eastern portion of Riverside County. Each Taxicab Franchise and its management, agents, employees, drivers, independent contractors and permitted users are individually and jointly responsible for complying with these Taxicab Regulations, any Ordinance regulating taxicab services, any rule or regulation relating to the Palm Springs Airport, and any State of California or federal statute or administrative code relating to the operation of a taxicab.

R.2. DESIGNATION OF REGULATORY ADMINISTRATOR

R.2.1 The General Manager of SunLine Services Group (SSG) hereby designates the SunLine Regulatory Administration (SRA) as the division of SSG charged with enforcement and implementation of the Ordinance of SSG, as now enacted or as may be amended, and all Regulations promulgated pursuant thereto.

R.3. FRANCHISE REQUIREMENTS

R.3.1 No person, firm, association, corporation, partnership or other entity shall dispatch, cause to be dispatched, operate, or cause to be operated, a taxicab within the jurisdiction of SSG unless the responding vehicle has a valid Taxicab Vehicle Permit, the driver of such vehicle has a valid Taxicab Driver's Permit, and the taxicab is operated pursuant to a Franchise Agreement entered into with SSG.

R.3.1.1 Each Franchisee shall have a registered fictitious business name with the County of Riverside.

R.3.2 Each Franchise is required at all times to maintain in service a number of actively permitted vehicles no less than 75% nor more than 125% of the allocation under its Franchise Agreement. Each Franchise shall certify to SRA's satisfaction at least every six (6) months that no less than an average of eight (8) dispatched and non-dispatched trips per day per vehicle are generated by each vehicle authorized under the Franchise Agreement.

R.3.3 Each Franchise shall have a principal place of business located within the jurisdiction of SSG from which it conducts its activities as a Franchise. Each Franchise must provide and maintain a year-round, 24- hour computerized dispatch system (System). The System must satisfy the following requirements:

- R.3.3.1** System must track caller location, response time from the time customer calls until taxi pick up, and duration of trip. Customer calls means the time customer first called, not time of any callback.
- R.3.3.2** System must track number of customer callbacks.
- R.3.3.3** Pickup zones must separate the Coachella Valley into its respective communities so officials from each community can see the quality of taxi service they are receiving.
- R.3.3.4** System must track calls by pickup zone by hour, day and zip code.
- R.3.3.5** System must track all requests for service including multiple requests; for instance, if a hotel/resort requests five (5) cabs, the system must reflect five (5) requests and show response times for each of the five (5) requests.
- R.3.3.6** System must track number of calls in which customer was advised of wait times of 20 minutes or more and declined to wait.
- R.3.3.7** System must be capable of recognizing incoming telephone numbers and be capable of using computerized voice response and dispatch when the number is a frequent caller such as a hotel, restaurant, or other frequent user of the Franchisee's taxi service.
- R.3.3.8** System must be capable of providing credit card swiping, reading and verification of card, authorization of payment, and printing of customer receipt within 60 seconds of being swiped.
- R.3.3.9** System must be capable of tracking any lost articles by knowing only the date, time of day, and pickup and drop off locations.
- R.3.3.10** System must be capable of tracking service refusals by an individual taxi and driver. Customers waiting for service must be advised of current response times and given the option of calling another company.
- R.3.3.11** All data collected by the System shall be maintained at the principal place of business of the Franchise, which is located within the jurisdiction of SSG.

R.3.3.12 Any changes made to the System must be presented to SRA for approval prior to implementation.

R.3.4 Franchisees are required to have telephone or radio access to all their on-duty drivers.

R.3.5 Each Franchisee must provide and maintain a GPS system. The system must satisfy the following requirements:

R.3.5.1 GPS system must be capable of providing drivers turn by turn directions and monitoring shortest route taken.

R.3.5.2 GPS system must be capable of reporting all trips that were greater than one percent (1%) out of route.

R.3.5.3 GPS system must be capable of capturing and reporting, for all vehicles in the fleet and individual drivers, all trips for which the taxi meter was utilized.

R.3.6 The following are the minimum requirements to maintain a Franchise:

R.3.6.1 A Franchise Agreement awarded by SSG pursuant to Ordinance 1.030 and 1.080;

R.3.6.2 The Franchisee shall maintain on file with SRA evidence of its insurance coverage meeting all requirements of Section 1.050 of the Ordinance of SSG. The Franchisee shall provide SRA with verbal notice within 24 hours in the event of any change in insurance coverage and written notification of any insurance change within three (3) calendar days after the change;

R.3.6.3 The Franchisee shall maintain a Vehicle Identification List as described in Section 1.030(A) of the Ordinance of SSG and shall provide the list to SRA upon request.

- (a) All vehicles on the Franchisee's list of authorized vehicles shall meet the minimum vehicle standards and have successfully completed all required vehicle safety inspections as set forth in these Regulations;
- (b) Each Franchisee must maintain in operation at least two (2) wheelchair accessible vehicles that meet the Federal Americans with Disabilities Act (ADA) standards as part of its fleet.

- R.3.6.4** The Franchisee shall submit electronic taximeter reports for ~~A~~all vehicles on the Franchisee's Vehicle Identification List in accordance with Section R.4 of these Regulations and shall ~~have been submitted~~ present vehicles for reading of their Taximeter as requested by SRA in accordance with Section R.4 of these Regulations;
- R.3.6.5** The Franchisee shall maintain proof of current Department of Motor Vehicle registration for each vehicle it is authorized to operate and shall produce such proof of registration upon vehicle inspection or request;
- R.3.6.6** The Franchisee shall maintain a business license applicable to its principal place of business.
- R.3.6.7** Submission and successful passage of a criminal background check as to each individual or entity holding any interest in the use of the Franchisee's name as provided under section 1.00.080 of the Ordinance of SSG;
- R.3.6.8** The Franchisee shall maintain proof of fictitious business name registration of the Franchisee's name with the County of Riverside.
- R.3.6.9** The Franchisee shall maintain a Driver's List, which carries the names of every Taxicab Driver who has a Driver's Permit and is authorized by the Franchise to operate the vehicles authorized by SSG to be operated under the terms of the Franchise. Each Driver on the Driver's List must meet the minimum standards of SSG for issuance of a Driver's Permit, must have completed the required screening, training and testing, and must have a current California driver's license and Taxicab Driver Permit issued by SRA;
- R.3.6.10** The Franchisee must maintain and adhere to a written complaint procedure that includes a log of all complaints received, date and time of complaint, response, date and time of response, results of investigation, action taken, and any written communication. All complaints received in writing must be responded to in writing within five (5) business days with, at a minimum, an acknowledgment of the complaint, the complaint status and expected time for resolution. All complaints received by telephone must be logged. All telephone complaints of conduct which could result in a citation under these Regulations or are of a serious nature must be responded to in writing. A summary of complaints lodged and action taken shall be submitted to the SRA on a quarterly basis when requested.

R.3.6.11 The Franchisee must maintain a year-round, 24-hour computerized dispatch system in accordance with section R.3.3 of these regulations.

R.3.6.12 The Franchisee must maintain a GPS system in place in accordance with section R.3.5 of these regulations.

R.3.6.13 The Franchisee must maintain an electronic data based recordkeeping and reporting system which captures and is capable of generating reports on the following subjects:

- (a) All revenues, including fares paid, for four (4) years;
- (b) All trips, including each call, times of dispatch/response total trips made by vehicle and driver, for one (1) year;
- (c) All drivers' names and records, for four (4) years;
- (d) All vehicle registration and maintenance for four (4) years;
- (e) All customer complaints for four (4) years;
- (f) All data necessary for monthly dispatch reports; and,
- (g) Telephone customers' names and telephone numbers for customer satisfaction survey purposes.

R.3.6.14 The Franchisee shall make the following periodic reports to SRA:

- (a) A report of dispatch data on a monthly basis by the end of the business day on the first business day of the following month which includes reporting of customer wait time distribution, trips by zone served, trips per day per vehicle, and trip call completion;
- (b) A customer complaint report summarizing complaints lodged and action taken by the Franchisee on a quarterly basis or upon request by SRA;
- (c) A list of telephone customer's names and telephone numbers shall be submitted within 30 days of request by SRA for customer satisfaction survey purposes;
- (d) A current Drivers List within the first week of every month;

- (e) Monthly reports of the random drug and alcohol testing shall be filed with the SRA by the program administrator no later than the 20th day following the end of the previous monthly reporting period; and,
- (f) A current Vehicle Identification List within the first week of every month.

R.3.6.15 The Franchisee must maintain the SRA approved, distinctive color and numbering system in place at the time the Franchise Agreement was awarded which easily identifies the Franchise and the specific cab in the case of complaints or violations.

R.3.6.16 The Franchisee must maintain a written vehicle safety program.

R.3.6.17 The Franchisee must maintain a drug and alcohol testing program in place in accordance with section R.22 of these Taxicab Regulations.

R.3.6.18 The Franchisee must maintain a written disciplinary policy and training programs for new and existing drivers with emphasis on dealing with diverse clientele and driving skills. The new driver training program must satisfy the following requirements:

- (a) State, SRA, Palm Springs Airport and communities within the Coachella Valley's rules and regulations;
- (b) Geography, including map reading, major points of interest in Coachella Valley and familiarity with the Coachella Valley and surrounding area;
- (c) Driver safety and defensive driving;
- (d) Vehicle safety, maintenance and inspection checks;
- (e) Customer service and relations;
- (f) Sensitivity guidelines for disabled, frail and elderly passengers;
- (g) Behind the wheel driver training;
- (h) Accessible vehicle operation training for drivers of accessible vehicles; and,
- (i) Appearance and dress standards.

- R.3.6.19** The Franchisee must have and enforce a policy prohibiting smoking in taxicabs by passengers or drivers.
- R.3.6.20** The Franchisee must maintain agreements with credit card agencies for accepting credit card payments for fares and gratuities.
- R.3.6.21** Franchisees shall be responsible for reimbursing overcharges to its customers immediately if the Driver is made aware of the overcharge at the time of rendering service and within twenty-four (24) hours if the Franchisee is informed of an overcharge after the service was rendered.

R.3.7 Upon the Franchisee's successful satisfaction of the conditions for approval listed above, SRA will issue a numbered Vehicle Inspection Sticker for each of the vehicles so approved. The Vehicle Inspection Sticker will be issued according to vehicle identification number. The Vehicle Inspection Sticker must be affixed to the lower left rear windshield of the vehicle for which the sticker is issued.

R.3.8 A Franchisee may replace any of the vehicles for which a Vehicle Inspection Sticker has been issued with another vehicle upon satisfaction of the following conditions:

- R.3.8.1** Surrender of the vehicle to SRA for removal of the Vehicle Inspection Sticker issued to the vehicle that is to be replaced;
- R.3.8.2** Verification by the Franchisee that the vehicle to be replaced has been read permanently out of service and taken out of operation as a Taxicab by SRA;
- R.3.8.3** Submission of proof that the replacement vehicle has successfully completed a vehicle safety inspection; ~~and,~~
- ~~**R.3.8.4** Submission of the replacement vehicle to SRA for initial reading of the taximeter for the purpose of accounting for surcharges in accordance with section R.4 of these Regulations.~~

R.3.9 Upon the Franchisee's satisfaction of the conditions stated above, SRA will strike the vehicle identification number of the vehicle to be replaced from the Franchisee Vehicle Identification List and add the vehicle identification number of the replacement vehicle to the Vehicle Identification List. SRA will issue a new Vehicle Inspection Sticker for the replacement vehicle which shall be valid for the term applicable to the Vehicle Permit of the replaced vehicle.

R.3.10 Each Franchisee must maintain a list of Drivers authorized by the Franchisee to operate the vehicles on the Franchisee's Vehicle Identification List. The Franchisee shall update

the Driver List on a monthly basis and shall supply to SRA, within the first week of each month or upon request of SRA, a current Driver List. The Franchisee shall provide SSG with verbal notice within twenty-four (24) hours after the Franchisee is aware that any Driver listed on the Driver List for a Franchisee ceases to drive a Taxicab for the Franchise, and provide written notice to SRA within five (5) days.

R.3.11 A Franchise may add additional Drivers to its Driver List provided that:

- R.3.11.1** The Franchise has submitted an intent to hire form within to SRA which identifies the Driver to be added as being employed or given a written offer of employment within the meaning of *Government Code* section 53075.5; and
- R.3.11.2** The Driver to be added has been issued a Driver Permit by SRA which states that the Driver is affiliated with the Franchise; and,
- R.3.11.3** The Franchise provides a certificate(s) of insurance reflecting that the Driver will be covered by the insurance maintained for any vehicle to be driven by the Driver under the Franchise as required by section 1.050 of the Ordinance of SSG.

R.3.12 No Franchise shall allow any Driver to drive a Taxicab using the Franchisee's name unless that person has a valid Driver Permit issued by SRA which states that the Driver is affiliated with the Franchise.

R.3.13 The Franchise Agreement is valid for a period of five years from the date of its award or until suspended or revoked and may be renewed for up to one (1) time for a period of up to five (5) years period five one-year periods as set forth in the Franchise Agreement.

R.3.14 Providing false or inaccurate information in the Franchise proposal will result in denial or revocation of a Franchise.

R.4. TAXIMETER INSPECTIONS

R.4.1 No Franchise shall operate a taxicab within the jurisdiction of SSG without having first submitted the vehicle to SRA for an initial reading and sealing of the taximeter in the vehicle for the purposes of enforcement of the Ordinance of SSG as now enacted or as may be amended. As used in these Regulations, "Taximeter" means a device or technology, including but not limited to a Global Positioning System (GPS) based smartphone application approved by the California Department of Food and Agriculture, Division of Weights and Measures, that automatically calculates, at a predetermined rate or rates, and indicates the charge for hire of a vehicle, for distance traveled and waiting time and has the capability of printing a customer receipt.-

R.4.2 A State certified taximeter technician will affix a seal to the taximeter of vehicles to be authorized for operation under the Ordinance of SSG provided that:

R.4.2.1 The vehicle is presented to SRA for the purpose of inspection of the taximeter to record the number appearing on the trip counter of the meter indicating the number of passenger ~~boardings~~boarding's as of the date of initial reading; and

R.4.2.2 The taximeter seal required of Riverside County Division of Weights and Measures or an interim seal by a State certified taximeter technician is intact at the time of the initial reading.

~~**R.4.3** All vehicles listed on the Vehicle Identification List authorized for operation under the Ordinance of SSG shall be presented to SRA not less than once a month for the purpose of reading the number of passenger boardings recorded by the trip counter since the time of the previous SRA meter reading.~~ Franchisees are responsible to ensure that both the SRA taximeter seal and the seal required of Riverside County Division of Weights and Measures (or the interim seal by a State certified taximeter technician) are intact each time that a vehicle is presented to SRA for periodic meter readings and at all times that the vehicle is operating within the jurisdiction of SSG. In the event that either an SRA or Riverside County Division of Weights and Measures taximeter seal is not intact upon presentation of the vehicle for meter readings or during the vehicles operation as a taxicab, a penalty shall be imposed pursuant to section 1.255 of the Ordinance of SSG, and the Vehicle Permit issued for the vehicle under which the vehicle is registered will be summarily suspended.

R.4.4 In instances in which a taxicab is in need of repair or is taken out of service, the following meter reading procedure shall be followed:

R.4.4.1 The vehicle shall be presented to SRA for a reading of the trip counter before the vehicle is taken out of service. ~~The Franchise will be billed for any surcharge amount due as of the date of this reading.~~

R.4.4.2 Before the vehicle is placed back into service, it must be presented to SRA for a reading of the trip counter on the taximeter. A penalty of \$1,000.00 shall be imposed on the Franchise in accordance with section 1.255 of the Ordinance of SSG in the event that the vehicle is placed back into service without first being presented to SRA for a reading of the trip counter on the taximeter or if the reading on the trip counter is more than the reading taken at the time that the vehicle was taken out of service. If the Franchise continues to place the vehicle in service after having been issued a citation, the Vehicle Permit for the vehicle shall be suspended until the Franchise complies with this requirement. At the time the vehicle is presented for reading of the trip counter prior to return to service the taximeter must bear an intact seal from the Riverside County Weights and Measures Division or an interim seal by a State certified taximeter technician.

R.5. DRIVER PERMITS

R.5.1 No person shall drive a taxicab within the jurisdiction of SSG without having first obtained either a temporary or a regular Driver Permit.

R.5.2 A temporary driver permit may be obtained from SRA provided that the prospective Driver has satisfied the following conditions:

- R.5.2.1** Submitted a completed Driver Application Form along with the driver application fee;
- R.5.2.2** Passed a pre-permit exam issued by SRA to test the applicant's familiarity with SSG ordinances and regulations relating to taxicabs and the applicant's familiarity with the Coachella Valley region and destinations therein;
- ~~**R.5.2.3** Provided SRA with two current color 2" x 2" passport sized photographs of the applicant;~~
- R.5.2.34** Provided SRA with an H6 printout from the Department of Motor Vehicles covering the preceding ten (10) years, which was issued not more than thirty (30) days before it is presented to SSG;
- R.5.2.45** Provided SRA with an intent to hire form signed by the applicant and the Franchise for whom the applicant intends to drive a Taxicab;
- R.5.2.56** Provided SRA with proof of a negative test result in compliance with the controlled substance and alcohol testing requirements of Section 2 of the Ordinance of SSG;
- R.5.2.67** Submitted to fingerprinting by SRA, ~~and,~~
- ~~**R.5.2.8** Successfully cleared a local background check.~~

R.5.3 The Temporary Driver Permit shall be valid for a period not to exceed one hundred twenty (120) days and must be replaced by a regular Driver Permit within such one hundred twenty (120) days. In the event that the Department of Justice criminal background check is not completed within one hundred twenty (120) days of the grant of the temporary driver permit, the temporary driver permit may be extended for an additional sixty (60) days to allow for clearance upon request for an extension by the Driver to SRA, provided that, the Driver has successfully completed the Driver Certification and Training Program. If the Temporary Driver Permit is extended, the Driver shall bring the Temporary Driver Permit to SRA so that an extension sticker may be affixed to the Temporary Driver Permit.

R.5.4 All Driver Permits issued by SRA, including Temporary Driver Permits, shall be valid only for the Driver's operation of a taxicab for the Franchise indicated on the Driver Permit. No Driver may operate a Taxicab for a Franchise other than the Franchise listed on the Driver's Driver Permit.

R.5.5 A regular Driver Permit is valid for a period of one (1) year from the date of issuance, unless suspended, revoked or otherwise earlier terminated, and may be renewed for an additional one (1) year upon the Driver's satisfaction of the following:

- R.5.5.1** Payment of the Driver Permit renewal fee;
- R.5.5.2** Successful completion of SSG approved substance and alcohol testing procedures as outlined in Section Two of the Ordinance of SSG and the Regulations promulgated pursuant thereto, at the time of application for Driver Permit renewal; and,
- R.5.5.3** Satisfaction of all other requirements relating to a Driver Permit as set forth in the Ordinance of SSG.

R.5.6 The Driver Permit of any Driver shall immediately become null and void upon termination of employment within the meaning of *Government Code* section 53075.5 or upon termination of permission by the Franchise to drive a Taxicab using the Franchisee's name. Upon termination, the Driver shall immediately surrender the Driver Permit to SRA. If the Driver receives a written offer of employment within the meaning of *Government Code* section 53075.5 from another Franchisee within five (5) business days from the date of termination from the prior Franchisee, the Driver may re-apply for a Driver Permit and a new Driver Permit indicating the new Franchisee's name will be issued to the Driver upon satisfaction of the following:

- R.5.6.1** Payment of the Driver Permit transfer fee;
- R.5.6.2** Successful completion of controlled substance and alcohol testing procedures as outlined in Ordinance No. 96(2) and the regulations promulgated pursuant thereto, Successful completion of SSG approved substance and alcohol testing procedures as outlined in Section Two of the Ordinance of SSG and the Regulations promulgated pursuant thereto at the time of application for Driver Permit transfer;
- R.5.6.3** Provided SRA with an H6 printout from the Department of Motor Vehicles covering the preceding ten (10) years, which was issued not more than thirty (30) days before it is presented to SSG; and,
- R.5.6.4** Satisfaction of all other requirements relating to a Driver Permit as set forth in the Ordinance of SSG.

R.5.7 If a Driver Permit has expired or terminated pursuant to the provisions of Section 5.6 above and not renewed or transferred within five (5) business days of the expiration or termination, the Driver shall be treated as a new applicant for purposes of issuance of a Driver Permit and shall pay all fees and charges associated therewith.

R.5.8 A Driver Permit applicant may request an administrative hearing pursuant to Section 1.256 of the Ordinance of SSG in the event of any permit denial.

R.5.9 All applicants will be finger-printed by the SRA. A copy of the fingerprints will be forwarded to the California State Department of Justice for a state and federal background check. If it is determined that the applicant has been convicted of any of the following crimes, the application will be rejected and any previously issued Driver Permit will be revoked. The crimes justifying denial or revocation of a permit include but are not limited to:

R.5.9.1 Reckless driving; wet reckless driving; murder; rape; vehicular manslaughter: a violation of California *Vehicle Code* sections 20001, 20002, or 20003 or any corresponding substitute sections (hit and run); robbery; a violation of California *Penal Code* section 314 or any corresponding substitute section (indecent exposure and lewd or obscene conduct); pandering; crimes related to the use, sale, possession, or transportation of narcotics or intoxicating liquors; assault; battery; or conviction of three (3) or more moving violations within the State of California within three years previous to submission of the application.

R.5.10 Applicants with Failures to Appear on their DMV record will not be issued a Driver Permit until they have corrected the Failure to Appear and provided SRA with satisfactory proof of payment in accordance with DMV requirements. Drivers with Driver Permits will be given thirty (30) days to provide proof of payment concerning the Failure to Appear to SRA.

R.5.11 Providing false or inaccurate information in the Driver Permit Application will result in revocation of any previously issued permit. The Driver may request an Administrative Hearing regarding the revocation in accordance with Section 1.256 of the Ordinance of SSG.

~~**R.5.12** A Driver may apply to SRA for a leave of absence not to exceed three (3) months. A leave of absence application may be obtained from SRA. A Driver shall be entitled to only one leave of absence during any twelve (12) month period. During the time that the Driver is on leave of absence, the Driver may not operate a taxicab within the jurisdiction of SSG. This section does not excuse a Driver from renewing his/her Driver Permit if the Driver Permit is scheduled to expire during the period of leave of absence.~~

R.6. DRIVER STANDARDS AND APPEARANCE

R.6.1 All Drivers shall have in his or her immediate possession a valid California Driver's License and a Taxicab Driver Permit issued by SRA while in charge of or driving a taxicab and

shall present either upon request. A Driver shall only drive for the Franchisee shown on his or her Driver Permit.

R.6.2 All Drivers shall be at least 18 years of age.

R.6.3 All Drivers shall have the ability to read signs, labels, work schedules, rate cards, information cards, maps and simple instructions in English; to understand and follow oral directions in English; to write simple instructions in English; and to speak English sufficiently to communicate clearly with the public. All Drivers are subject to passing an English proficiency test administered by SRA.

R.6.4 No Driver shall be afflicted with either a physical or mental incapacity or ailment that would preclude him or her from safely operating a taxicab and performing the duties normal to such profession.

R.6.5 All Drivers shall be well groomed and dressed in a neat and clean fashion at all times while on duty. A Driver shall wear an SRA approved company uniform or common standard of dress. At a minimum, attire shall include a collared shirt or blouse covering the shoulders, knee length shorts or skirt or long pants and closed toe shoes. T-shirts, spaghetti or strapless shirts, open toe shoes, flip flops and sandals are prohibited. A Driver shall wear an identification badge at all times while on duty. At a minimum, the shirt, blouse or identification badge worn by the Driver must bear the Driver's name and company logo identifying the Franchise under which the Driver is authorized.

R.6.6 All Drivers shall provide prompt, efficient service and be courteous at all times to the general public, the business community, all other taxicab drivers and to SRA or local government administrators/officers. Smoking and the use of profanity is prohibited. Disputes with the general public, the business community, other taxicab drivers and those in charge of taxicab stands on private property shall be resolved in a professional manner with a goal of maintaining a favorable public image for the Taxicab industry.

R.6.7 No Driver shall refuse to transport wheelchairs, packages, luggage and animals as follows:

R.6.7.1 A Driver shall not refuse to transport in the Taxicab any passenger's wheelchair, which can be folded and placed in either the passenger, driver or trunk compartment of a taxicab; groceries or packages when accompanied by a passenger; personal luggage, possessions, or small pets in carriers. The driver shall not be required to transport any article which would cause the taxicab to become damaged, stained or foul smelling.

R.6.7.2 A driver shall not refuse to transport in the taxicab any passenger's service animal without justification or intentionally interfere with the use of a service animal by harassing or obstructing the user or his or

her service animal. The American with Disabilities Act (ADA) defines a service animal as any guide dog, signal dog, or other animal individually trained to provide assistance to an individual with a disability.

R.6.8 A driver shall assist a passenger in and out of a Taxicab when requested, provided the driver is not required to lift the passenger.

R.6.9 A driver shall assist a passenger by placing luggage, packages and wheelchairs in and out of the taxicab when requested.

R.6.10 A driver shall begin his or her shift with a minimum of \$20.00 in change and shall maintain such amount throughout the shift.

R.6.11 All drivers shall be adequately rested, and shall not operate a taxicab for more than 10 consecutive hours nor for more than 10 hours spread over a total of 15 consecutive hours. Thereafter, no driver shall drive a taxicab until eight consecutive hours have elapsed.

R.6.12 All drivers shall comply with the California *Vehicle Code* concerning cellular telephone use while driving a Taxicab.

R.6.13 No driver shall refuse a dispatch call or other request for taxicab service unless the driver has a legitimate fear for his or her safety or is otherwise engaged with a passenger.

R.6.14 drivers shall at all times drive or park the taxicab in a safe, careful, and prudent manner in compliance with all applicable City traffic regulations and in compliance with the California *Vehicle Code*.

~~**R.6.15** As a matter of public safety and efficiency, during certain designated events where there is expected to be a heavy concentration of customers seeking taxicab service, no passenger appointments will be allowed for pick-ups from the event. The designated events to which this Regulation applies include the following: (a) the Coachella Festival; (b) the Stagecoach Festival; (c) the Phish Festival; and (d) any other event for which SRA gives the Franchisees written notice no less than thirty (30) days before the event.~~

R.6.16-15 In the event that a driver is involved in a collision with another vehicle, a fixed object, or a pedestrian, the driver shall complete a written Collision/Injury Report in form maintained by SRA within twenty-four (24) hours of the incident.

R.7. ADMINISTRATIVE HEARINGS AND APPEALS

R.7.1. Enforcement and Hearing Procedures. Any administrative hearings and appeals pertaining to taxicab transportation services within the jurisdiction of SSG shall be in accordance with the provisions of the Ordinance of SSG and these Taxicab Regulations.

R.7.2 Administrative Hearings-In General. General administrative hearings shall be conducted pursuant to section 1.256 of the Ordinance of SSG and these Taxicab Regulations.

R.7.2.1 If the Taxicab Administrator, in his or her discretion, deems it necessary to hold an administrative hearing pursuant to Section 1.110 or 1.256 of the Ordinance of SSG, as amended from time to time or the regulations adopted to implement it, or for a series of violations cited at the same time, the Applicant, Permittee or Franchisee involved shall be issued a written notice of an administrative hearing to be conducted by the Taxicab Administrator (or designee).

R.7.2.2 A Franchisee shall provide SRA with the name of the driver or other permittee involved in an alleged violation in cases in which a violation is observed but the identity of the driver or other permittee has not been identified by SRA. SRA may obtain such information by telephone from the Franchisee by providing the Franchisee with the date, approximate time, place and vehicle number involved in the alleged violation. If a Franchisee refuses to supply the name of the driver or other permittee involved, administrative enforcement may still proceed solely against the Franchisee. The failure to supply the name of the driver or other permittee involved shall constitute separate grounds for suspension or revocation of any permit or to impose administrative monetary penalties.

R.7.2.3 An Applicant, Permittee or Franchisee may request an administrative hearing within ten (10) days following delivery of a notice of decision which it intends to challenge by delivering a request for hearing at the administrative offices of SRA together with:

- (a) An advance deposit of any fine or notice of request for an Advance Hardship Waiver; and,
- (b) Payment of an Appeal Fee as established by resolution of the Board of Directors.

R.7.2.4 The hearing notice shall indicate the date, time and location of the administrative hearing and a description of the alleged violation(s). The hearing date shall be at least fifteen (15) days after the date the hearing notice is delivered to the party(s) subject to administrative enforcement.

R.7.2.5 Hearings requested by an Applicant, Permittee or Franchisee shall be set within thirty (30) days of delivery of the request for hearing.

R.7.2.6 **Discovery.** The Taxicab Administrator (or designee) may request the Applicant, Permittee or Franchisee produce any taxicab logs, dispatch logs, or other documents belonging or under the control of the Applicant, Permittee or Franchisee which are relevant to the alleged violations at the administrative hearing. Such request may be contained in the hearing notice or in a separate letter. The Applicant, Permittee or Franchisee shall be obligated to produce the requested items within ten (10) days of delivery of the request. The Applicant, Permittee or Franchisee shall be entitled to review and inspect any writing upon which SRA intends to rely or introduce at the hearing.

R.7.2.7 **Hearing Before Hearing Officer.** The hearing officer shall be selected in accordance with the Ordinance of SSG. The Applicant, Permittee or Franchisee may be represented by an attorney at the administrative hearing. The administrative hearing shall be informal and technical rules of evidence shall not apply. Oral testimony received at the hearing shall be taken only on oath, affirmation, or under penalty of perjury. The right to cross-examine witnesses shall not preclude the introduction and consideration of written statements whether made under oath or not. The administrative hearing shall be recorded or otherwise preserved. The manner of recording shall be selected by the hearing officer, by whatever means the hearing officer deems the most effective and efficient taking into consideration the nature of the evidence to be offered and available technology. Any party may request that a court reporter transcribe the proceedings by depositing, in full, the cost of such reporter. If a reporter is present at the hearing at the request of any party, any party shall be entitled to purchase a copy of the transcript from the reporter at the reporter's normal charge. The hearing shall be conducted by the hearing officer as follows:

- (a) SRA shall first present evidence to support the allegations of those violations included in the hearing notice. The Applicant, Permittee or Franchisee may ask questions of SRA's witnesses pertaining to the testimony given;
- (b) The Applicant, Permittee or Franchisee subject to administrative enforcement shall have an opportunity to present evidence pertaining to the alleged violations. SRA may ask questions of the Applicant, Permittee, or Franchisee's witnesses pertaining to the testimony given; and,
- (c) SRA shall have an opportunity to rebut any evidence

presented by the Applicant, Permittee or Franchisee.

- R.7.2.8** **Failure to Appear.** If the Applicant, Permittee or Franchisee fails to appear at the hearing and, in the judgment of the hearing officer, the failure to appear is not reasonable, the hearing officer may conduct the hearing in the party's absence and/or may render a decision to dismiss the matter.
- R.7.2.9** **Stipulation to Extend Deadlines.** The deadlines set forth in these Regulations may only be extended by mutual consent evidenced by a written stipulation between the Taxicab Administrator and the Applicant, Permittee or Franchisee.
- R.7.2.10** **Decision of the Hearing Officer.** After consideration of the evidence presented by all parties, the hearing officer will render a written decision which sets forth a statement of the case, any relevant findings of fact to support the decision and administrative enforcement order. If the Taxicab Administrator hearing officer finds one or more violations of the Ordinance of SSG or the regulations adopted to implement it, he or she may suspend or revoke any permit and impose administrative monetary penalties in accordance with the limits set forth in the Ordinance of SSG. In determining whether to suspend or revoke any permit or to impose administrative monetary penalties, the hearing officer will take into consideration the gravity of the violation, the entire record of the Applicant, Permittee or Franchisee involved and the harm threatened to the public by the violation.
- R.7.2.11** The decision of the hearing officer shall be final and the Applicant, Permittee or Franchisee, as applicable, shall be notified in writing of the decision. Such decision shall be delivered within fifteen (15) days from the date the hearing is concluded.
- R.7.2.12** Any review of a decision by the hearing officer brought pursuant to an administrative citation shall be governed by the provisions of *Government Code* section 53069.4. Review of any other final decision under the Ordinance of SSG shall be governed by *Code of Civil Procedure* section 1094.5, *et seq.*
- R.7.2.13** The respondent Applicant, Permittee or Franchisee shall have ten (10) days from the date of the notification of the hearing officer's decision to either accept the suspension or revocation of any permit and pay any administrative monetary penalty.

R.7.3 Administrative Hearings-Suspension or Termination of Franchise Agreements.

Administrative hearings concerning a decision to suspend or terminate a Franchise Agreement, or to take any of the administrative actions enumerated by section 1.257 of the Ordinance of SSG shall, in addition to the provisions of section R.7.2 of these Regulations, be subject to the following:

- R.7.3.1** A notice of hearing regarding the suspension or termination of a Franchise Agreement shall be issued in accordance with Section 1.257 of the Ordinance of SSG.
- R.7.3.2** **Public Hearing.** Administrative hearings concerning a decision to suspend or terminate a Franchise Agreement shall be open to the public and notice of the hearing shall be posted in accordance with the Regulations in place for notice of public meetings of SSG.
- R.7.3.3** **Conduct of Hearing Before Hearing Officer.**
- (a) SSG shall first present evidence to support the allegations of those violations included in the hearing notice. The Franchisee may ask questions of SRA's witnesses pertaining to the testimony given.
 - (b) The party subject to administrative enforcement shall have an opportunity to present evidence pertaining to the alleged violations. SSG may ask questions of the charged party's witnesses pertaining to the testimony given.
 - (c) SSG shall have an opportunity to rebut any evidence presented by the party subject to administrative enforcement.

R.7.3.7 **Decision of Hearing Officer.** After consideration of the evidence presented by all parties, the hearing officer will render a written decision which sets forth a statement of the case and any relevant findings of fact to support the decision. In determining whether to suspend or terminate the Franchise, the hearing officer shall take into consideration the gravity of the violation, the entire record of the Franchisee involved and any harm threatened to the public by the violation. If the hearing officer finds one or more violations of the Ordinance of SSG, the Regulations adopted to implement it, or the Franchise Agreement, he or she may suspend or revoke any permit and impose administrative monetary penalties in accordance with the limits set forth in the Ordinance of SSG.

R.7.3.8 The decision of the hearing officer shall be in writing and shall be delivered to the Franchisee or to legal counsel representing the

Franchisee within fifteen (15) days from the conclusion of the hearing.

R.7.3.9 If the decision of the hearing officer is to suspend or terminate the Franchise, the hearing officer shall further determine whether the suspension or termination will continue to be in effect during any appeal by the Franchisee. If the hearing officer decides that continued suspension or termination is necessary for the protection of the public health, safety, or welfare, the suspension or termination will be effective immediately upon delivery of the decision and shall remain in effect pending any appeal process.

R.7.3.10 A Franchisee may appeal the decision of the hearing officer held under section 1.257 of the Ordinance of SSG in accordance with the provisions of section 1.258 of the Ordinance of SSG and section R.7.4 of these Regulations. If no request for appeal hearing is delivered to SSG, the decision of the hearing officer shall become effective on the tenth (10th) day and shall be final.

R.7.4 Appeals to Committee of the Board of Directors. Appeals to a committee of the Board of Directors shall be conducted pursuant to section 1.258 of the Ordinance of SSG.

R.7.4.1 An appeal of the decision of the hearing officer may only be initiated by delivering a written request for appeal hearing within ten (10) days of the date of delivery of the notification of the decision of the hearing officer along with an Appeal Fee as established by resolution of the Board of Directors. The written request shall set forth the specific decision appealed from, the grounds for the appeal and the relief sought.

R.7.4.2 A hearing before the Appeal Committee shall be set within thirty (30) days of delivery of the request for hearing and shall be no less than fifteen (15) days after the date the notice of hearing is delivered to the Franchisee.

R.7.4.3 **Failure to Appear.** If the Franchisee unreasonably fails to appear at the appeal hearing in the judgment of the Appeal Committee, the Appeal Committee may conduct the hearing in the Franchisee's absence.

R.7.4.4 **Stipulation to Extend Deadlines.** The deadlines set forth in these Regulations with respect to appeal hearings may only be extended by mutual consent evidenced by written stipulation between the Taxicab

Administrator and the Applicant, Permittee or Franchisee, or by order of the Appeal Committee.

R.7.4.5 The Appeal Committee shall conduct a hearing which allows SRA and the Franchisee to present arguments. The evidence considered at the appeal hearing shall be limited to the administrative record created in the underlying administrative hearing. However, the Appeal Committee, in its sole discretion, may request that any participant provide the Committee with additional evidence. The Appeal Committee may suspend an appeal hearing in progress for the purpose of obtaining additional evidence so requested.

R.7.4.6 The Franchisee shall have the burden of establishing good cause why the decision appealed from should be altered, reversed or modified.

R.7.4.7 Conduct of Hearing Before Appeal Committee. The Appeal Committee shall select a chairperson to conduct the hearing. The Franchisee may be represented by an attorney at the appeal hearing. The appeal hearing shall be informal and technical rules of evidence shall not apply. The appeal hearing shall be recorded or otherwise preserved, in the manner selected by the Appeal Committee. Any party may request that a court reporter transcribe the proceedings by depositing, in full, the cost of such reporter. If a reporter is present at the hearing at the request of any party, any party shall be entitled to purchase a copy of the transcript from the reporter at the reporter's normal charge. The hearing shall be conducted by the chairperson as follows:

- (a) The Franchisee shall first present its arguments in support of its appeal, including the specific action appealed from, the grounds for the appeal and the relief sought.
- (b) SRA shall have an opportunity to present its response to the Franchisee's arguments.
- (c) The Franchisee shall have an opportunity to rebut the response by SRA.
- (d) The chairperson may limit the time allotted for each side to present its arguments.

R.7.4.8 SSG shall notify the Franchisee in writing of the decision of the Appeal Committee within fifteen (15) days of the date of the conclusion of the appeal hearing. The decision of the Appeal

Committee shall be final. Any review of a decision of the Appeal Committee shall be by way of administrative mandate pursuant to *Code of Civil Procedure* section 1094.5.

R.8. VEHICLE INSPECTIONS

R.8.1 All Taxicabs operated by a Franchise and Driver must have a valid, SRA issued Vehicle Inspection Sticker affixed at the lower left rear windshield of the vehicle.

R.8.2 No vehicle shall be registered under a Franchise Agreement until that vehicle has successfully completed ~~an SRA conducted~~ safety and cosmetic inspection conducted by an SRA-approved Automotive Service Excellence (ASE) certified vehicle mechanic in accordance with the vehicle safety standards set forth in these regulations.

~~**R.8.3** Payment of the vehicle inspection fee shall be made at the time the vehicle is presented for inspection by SRA.~~

~~**R.8.4**~~ **R.8.4.3** The ~~SRA inspector~~SRA-approved mechanic shall complete a Vehicle Inspection Report for each vehicle presented for inspection which shall reflect the vehicle's compliance or non-compliance with the vehicle safety standards set forth in these regulations.

~~**R.8.5**~~ **R.8.5.4** Upon successful completion of the safety inspection, vehicle must be presented to SRA ~~will to~~ affix a Vehicle Inspection Sticker to the qualified vehicle.

~~**R.8.6**~~ **R.8.6.5** In addition to any other required inspections, all Taxicabs operated within the jurisdiction of SSG must submit to on the road inspections upon request by the Taxicab Administrator or by any member of the staff of SRA authorized by the Taxicab Administrator to conduct road inspections. Failure to submit to an inspection will result in revocation of the Vehicle Inspection Sticker. The Taxicab Administrator or other authorized member of the staff of SRA will complete a road inspection field report at the time of inspection which will indicate, in their opinion what repairs, if any, need to be made to the vehicle. ~~A copy of the field report will be given to the driver.~~

~~**R.8.7**~~ **R.8.7.6** If the road inspection field report indicates the need for repairs to a vehicle, the Franchisee is required to submit proof to SRA that the required repairs have been made to the vehicle within the time frame provided for in the field report.

~~**R.8.8**~~ **R.8.8.7** In the event that repairs have not been made to a vehicle within the time frame provided for in the field report, the Vehicle Inspection Sticker will be voided until corrections have been made to the satisfaction of the SRA.

~~**R.8.9**~~ **R.8.9.8** Any vehicle that fails to pass an initial vehicle safety inspection, upon payment of a re-inspection fee, may be presented for re-inspection for the purpose of determining if the defects have been corrected and if the vehicle otherwise complies with the vehicle safety inspection

standards. Any vehicle that has been cited for a violation of the vehicle safety inspection standards may be presented for re-inspection upon payment of the re-inspection fee. Vehicles shall be permitted one (1) re-inspection upon the failure of any initial, post-accident, requested or periodic inspection. Any vehicle that fails a re-inspection shall be presumed to be unfit to operate as a taxicab, shall be issued an administrative citation to that effect and shall be read permanently out of service.

R.8.10-9 Any vehicle taken out of service by SRA for any reason which continues to bear a toplight and taxicab signage must display the “out of service” sign provided by SRA on the dashboard of the vehicle until such time as the toplight and taxicab signage are removed from the vehicle or the vehicle is returned to service by SRA.

R.9. VEHICLE SAFETY INSPECTION STANDARDS

Vehicles must be in good operating order, free from known mechanical defects. No ~~standard~~ vehicles in service shall be more than six (6) model years ~~plus plus six (6) months (6 months)~~ of age, ~~except that. No~~ wheelchair-accessible vehicles ~~or and~~ alternative fueled vehicles (~~electric vehicles and vehicles that accept non-petroleum fuels such as CNG, biodiesel, hydrogen and ethanol~~) ~~in service shall may~~ be ~~more than up to eight (8) model~~ years plus six (6) months (~~6 months~~) of age. The Taxicab vehicle standards incorporate herein by reference those of the California *Vehicle Code* (CVC), as now enacted or as may be amended. In addition, all Taxicabs must meet the following standards in order to pass the vehicle safety inspection for operation as a Taxicab within the jurisdiction of SSG:

R.9.1 Battery. Vehicle must be equipped with proper size battery. Battery cables, etc., shall be corrosion free, and mounted correctly, with no frayed cables.

R.9.2 Belts. Belts shall be maintained in good operating condition, free of noticeable cracks and/or wear, and free of foreign matter such as oil, etc. All belts must be properly adjusted according to manufacturer’s specifications.

R.9.3 Body Condition.

R.9.3.1 No unrepaired body damage is permitted. Tears or rust holes in the vehicle body and/or loose pieces hanging from the vehicle body are not permitted. Front and rear fenders, bumpers and light trim must be securely fixed to the vehicle. Broken or damaged glass is not permitted.

R.9.3.2 The exterior of the vehicle must be maintained in a clean, neat and attractive condition.

- (a) Exterior advertising may be permitted based on review and approval of advertising by SRA consistent with the standards

applicable to SunLine Bus Operations in order to maintain a professional appearance and reduce “sign blight”.

R.9.3.3 Trunk lid must remain open and closed independently (without props) and only factory-compatible latches are permitted.

R.9.3.4 Hubcaps are to be in place and consistent in appearance on each side.

R.9.4 Brake System. The brake system must operate sufficiently. Fluid leaks, locking of the wheels, need to pump brake pedal, or excessive noise are not acceptable. Brake pads and or shoes shall not exceed less than 1/16” inch wear thickness at any low point, and shall be properly adjusted, clean of foreign matter and shall have no cracks. Brake pedal must have proper pad on it and in good condition. Vehicles with ABS systems shall not have the ACheck ABS@ light displayed on.

R.9.4.1 Rotors and brake drums that are resurfaced or worn beyond the manufacturers acceptable discard distance are unacceptable. Rotors and drums shall be free of noticeable wear, cracks, scars and/or grooves. They shall be clean of any foreign matter such as brake fluid or oil and shall have no heat cracks and no rivet wear.

R.9.4.2 Wheel cylinder and calipers, and dust covers shall be in good condition, with no noticeable wear, leaks or visible cracks, and may not be soaked with oil.

R.9.5 Doors and Trunk. Trunk or luggage area must be kept empty to allow maximum space for passenger luggage and belongings, except for car seats, a spare tire, emergency equipment, and a personal container belonging to the Driver that does not exceed one cubic foot in volume. All doors must have weather stripping in good condition with no pieces missing.

R.9.6 Engine/Transmission. The vehicle’s mechanical power/drive system must operate sufficiently.

R.9.6.1 Engine must be in proper working order and should not miss, die or backfire during normal operation. Engine must not emit excessive smoke from either the engine or crankcase. If engine light comes on, problem must be repaired. Engine must have proper air cleaner, smog equipment and vacuum hoses in place. Engine may not have any loose brackets, etc., or bad engine mounts.

R.9.6.2 Engine, transmission, drive train or accessories must not emit loud noises. Transmission, radiator and engine shall have no noticeable leaks and shall have manufacturer’s recommended fluid levels.

R.9.6.3 All mechanical equipment must be clean and must be free and clear of grease and oil buildup.

R.9.7 Exhaust System. Exhaust system must be intact, with no holes or leaks, and must be mounted properly with proper catalytic converter.

R.9.8 Fuel System. All fuel tanks and lines must be routed to factory specifications and free of cracks, wear, kinks or leaks, and must be free from all foreign matter. All vehicles must have a fuel cap.

R.9.9 Heating and Air Conditioning System. Defroster, heater and air conditioner must operate and function properly all year round.

R.9.10 Horn. California *Vehicle Code* section 27000a, states: All vehicles must be equipped with a horn which must be audible during normal working conditions at a distance of not less than 200 feet.

R.9.11 Interior Condition. The interior of the vehicle must be maintained in a clean, neat and attractive condition.

R.9.11.1 Passenger compartment, driver compartment, and trunk or luggage area must be clean and free of foreign matter, stains, offensive odors and litter.

R.9.11.2 Seat upholstery must be clean and without worn areas. Interior walls and ceiling must be kept reasonably clean. No rips or tears are permitted. All repairs shall be done so as to reasonably match the existing interior.

R.9.11.3 Door handles and doors must be intact and clean. Door handles and window knobs, both manual and electric, shall be in proper working condition. All door panels must be mounted correctly.

R.9.12 Lights. All lighting equipment must meet manufacturer's specifications. Lights that are noticeably frosted from sand or weather elements are unacceptable. Cracks in lenses are unacceptable. Headlights must be operable on both high and low beams. Tail lights, parking lights, signal lights, brake lights, license plate lights and interior lights must all be operable.

R.9.13 Mirrors. Vehicle must be equipped with both side and rear view mirrors. Defective or damaged mirrors must be replaced.

R.9.14 Odometer. Odometer must operate in the manner intended.

R.9.15 Paint and Markings. Each Franchise must have an SRA approved, distinctive color and numbering system in place which easily identifies the Franchise and the specific cab.

R.9.15.1 Paint may not be faded or deteriorated.

R.9.15.2 Markings (company name, radio service phone number, vehicle number, ~~rates of fare~~, and any approved logo) must be properly and professionally placed, and easy to read. Markings must be free of peeling or lifting and may not be faded or deteriorated.

R.9.16 Seats. Seats must be in proper working condition. Seats must be securely fastened. Protruding springs are not acceptable.

R.9.16.1 Franchises, when requested by calling customers, shall have the necessary required child car seats properly secured in their vehicles to accommodate passengers that are ~~6-eight (8) (or less)~~ years old or younger and/or less than 60 pounds, or as specified by California *Vehicle Code*, as now enacted or as may be amended.

R.9.17 Seat Belts. Seat belts, must be installed, and readily available, and in good working condition.

R.9.18 Suspension System. Any mechanical component of the steering system shall not show excessive wear. All upper and lower control arms, ball joints, tie rods, bushings, idle rods shall be free of cracks and excessive wear. Steering pumps, rack and pinions shall be clean and free of leaks and have no excessive play. Universal joints shall not have excessive play in the driveshaft and shall be free of oil and grime. Struts and shock absorbers shall be in good working condition. All springs and coils shall conform to manufacturers' specifications. All suspension parts shall be maintained in good working order. All seals, bushings, and dust covers shall be free of dirt, grime, oil and excessive wear and free of cracks and tears. Steering gear, springs, shackles, universal joints, and shock absorbers must function adequately and be free of obvious defects and/or excessive wear. Steering wheels shall have no excessive play. If equipped with tilt wheel, it shall be free of wear.

R.9.19 Taximeter and Meter Seals.

R.9.19.1 Style and design of all taximeters shall have the prior approval of the SRA.

R.9.19.2 All taximeters shall have an intact SRA lead wire meter seal.

R.9.19.3 Taximeters shall also be certified by County Weights and Measures or by a County-authorized device repairman. The date on the seal shall not be more than thirteen (13) months old.

R.9.19.4 The taximeter shall be so placed in the Taxicab that the reading dial showing the amount of fare to be charged shall be well lighted and easily read by the passenger riding in Taxicab.

R.9.20 Tires.

- R.9.20.1** Tires with 1/32 or less of an inch tire tread are unacceptable and shall be replaced immediately. Tires that have obviously been run flat and have sidewall damage are not acceptable. Tires must be the same size on any one axle. Mixing bias and radial ply tires on the vehicle is unacceptable.
- R.9.20.2** Wear below the “tread wear indicator” limit is not acceptable.
- R.9.20.3** Cut(s) in sidewall are not acceptable.
- R.9.20.4** Separation of tread is not acceptable.
- R.9.20.5** Bumps or bubbles anywhere on tires are not acceptable.
- R.9.20.6** Metal or nails protruding from tires are not acceptable.
- R.9.20.7** Tires must be of equal appearance and size, i.e., all black wall or all white wall.
- R.9.20.8** Every vehicle must be equipped with a jack, tire tool, and spare tire (donut tires are acceptable as spare tires only).
- R.9.20.9** All lug nuts must be in place and secure.

R.9.21 Windows

- R.9.21.1** Cracks on any window which weakens the structural integrity of the window are not permitted and replacement is required.
- R.9.21.2** If a crack weakens the windshield in a manner that permits flex when pressure is applied, replacement is required.
- R.21.3** If cracks or chips interfere with the driver’s vision, replacement is required. Frosting or separation of any window that causes impaired vision under any lighting conditions is unacceptable.
- R.9.21.4** Missing windshields and missing or inoperative windows must be replaced with equivalent to original.

R.9.22 Windshield Wipers. Vehicle must be equipped with adequate windshield wipers, maintained in good operating condition all year round.

R.9.23 Top Lights. Vehicle must be equipped with a top light that properly functions and operates in accordance with the provisions of the Ordinance of SSG and the Taxicab Regulations, Section 10.1 through 10.1.3.

R.9.24 Other. ~~In addition to compliance with the safety standards, each vehicle presented for inspection must contain SSG Comment Cards.~~ Any other condition as observed by or known to the Vehicle Inspector that may reasonably and rationally affect the operating safety of the vehicle, the safety of passengers and/or pedestrians, or the vehicle's suitability to transport the public, is unacceptable.

R.10. OPERATIONS-TAXIMETER USE

R.10.1 All Taxicab vehicles operating within the jurisdiction of SSG must be equipped with a top light that contains the following three components:

R.10.1.1 A dome light component which is that portion of the top light which is affixed to the roof of the vehicle. The dome light shall be wired to the taximeter so that it is lighted when the taxicab is vacant and extinguished when the meter is engaged.

R.10.2 The taximeter must be engaged whenever the taxi is in service with fare-paying passengers on board.

R.10.3 The taximeter display must be clearly visible to passengers in the Taxicab.

R.10.4 The rates set in the taximeter must be the same as the rates displayed on the exterior of the vehicle and may not exceed the maximum rate set by the SSG or the rate registered by the Franchise with SRA.

R.10.4.1 SRA will review Per Mile Rates once each year to determine if rate changes are applicable, based on changes in fuel costs. Reviews will occur on or near ~~June~~ ~~March~~ 15. If rate changes are authorized, scheduled taximeter recalibrations will start on or after ~~July~~ ~~April~~-1.

R.11. OPERATIONS-INFORMATION CARD

R.11.1 Each Franchisee shall be issued an Information Card for each vehicle authorized by SRA to be included on the Franchisee's Vehicle Identification List.

R.11.2 The Information Card must be displayed in clear view of the passenger at all times that a Taxicab is in operation.

R.11.3 The Information Card will contain the following information:

- R.11.3.1** Franchisee name;
- R.11.3.2** Vehicle owner name if other than the Franchisee;
- R.11.3.3** Franchisee's business address;
- R.11.3.4** Franchisee's business telephone number;
- R.11.3.5** Rate Schedule charged by the Franchise, including any surcharges.

R.11.4 The valid, SRA Driver Permit issued to the operating Driver must be in plain view of all passengers at all times that the Taxicab is in operation.

R.11.5 Violation of Information Card regulations may result in a fine and/or suspension of the Vehicle Permit.

R.11.6 In addition to the Information Card and Driver Permit, the Franchise name and vehicle number shall be posted in raised characters and Grade 2 Braille on a permanent sign mounted inside the rear seating area of the Taxicab, forward of the right side door handle.

R.12. OPERATIONS-RATE CARD

R.12.1 SRA will issue a rate card for each vehicle duly authorized to be included in the Franchisee Vehicle Identification List.

R.12.2 The rate card must be displayed in clear view of the passenger at all times that the Taxicab is in operation.

R.12.3 The rate card shall contain the following information:

- R.12.3.1** The maximum base, per mile, hourly, and other rate set by SSG; and
- R.12.3.2** The base, per mile, hourly or other applicable rate charged by the Franchisee.

R.12.4 A Franchisee may change the rates charged by the Franchise provided that the new rates are within the maximum rates set by SSG and provided that the Franchise has:

- R.12.4.1** Submitted to SRA a new schedule of rates; and
- R.12.4.2** Had the meters on each vehicle recalibrated to reflect the new rates to be charged by the Franchise in accordance with section 4 hereof.

R.12.5 Upon the Franchisee's satisfaction of the conditions listed above, SRA will issue new rate cards for each of the vehicles listed on the Franchisee's Vehicle Identification List. The Franchise shall not charge any changed rate until a new rate card has been displayed in all of the vehicles registered on the Franchisee's Vehicle Identification List.

R.12.6 Violation of the Rate Card regulations may result in a fine and/or suspension of the Vehicle Permit for any taxicab in violation.

R.13. OPERATIONS - ROUTES AND PASSENGERS

R.13.1 All Drivers must, if able to do so, accept and carry passengers requesting Taxicab services at any time that the Taxicab is parked and available for service at the airport, at any Taxicab stand within the Coachella Valley jurisdiction of SSG or when the Taxicab is otherwise holding itself out as available for hire. All Drivers will take the most direct route possible to passenger requested destinations.

R.13.2 When a vehicle is hired by one person, the Driver may not pick up additional passengers without the express consent of the person originally hiring the vehicle.

R.13.3 The Driver may transport two or more passengers who voluntarily agree to share the vehicle from the same pick-up point to one destination.

R.13.4 The number of passengers that can be carried must not exceed the seating capacity specified by the vehicle's manufacturer.

R.13.5 The Driver and all passengers will comply with seat belt and child passenger seat constraint requirements as specified by California *Vehicle Code*.

R.13.6 All Taxicabs shall display SRA Customer Service number ~~carry SRA Comment Cards~~ for passengers to register comments concerning Taxicab service with SRA and must be in plain view of the passenger when seated in the back seat of the vehicle.

R.13.7 The Driver must accept vouchers issued by major hotels or airlines as a form of payment, provided that the vouchers either guarantee payment in full or the passenger pays any difference between the voucher amount and the fare due.

R.13.8 Violation of the Operations, Routes and Passenger Regulations may result in a fine and/or suspension of the Vehicle Permit.

R.14. OPERATIONS-RATES

R.14.1 No Franchisee may charge a rate in excess of the maximum allowable rate set by SSG.

~~**R.14.2** All rates shall be posted on the exterior of the vehicle.~~

R.14.23 All rates will be posted on the Rate Card.

R.15. SIGNAGE

R.15.1 All Taxicab vehicles operating within the jurisdiction of SSG shall bear the following signage:

R.15.1.1 Both sides of the Taxicab vehicle shall indicate in letters not less than 3 inches in height the company name of the Franchise and the number for the vehicle which corresponds to the number assigned that vehicle duly authorized under the Franchise Agreement. Both sides of the Taxicab vehicle shall also indicate in letters not less than 1-1/2 inches in height the rates charged for the vehicle and the Franchise's predominant telephone number. Additional Franchise telephone numbers may also be listed. It is preferred that the vehicle identification number also be displayed on the rear of the vehicle.

R.16. FEE REVIEW

R.16.1 SRA will annually review regulatory fees for the purpose of recommendation to the SSG Board of Directors. This review will consist of an audit of expenses and revenues of the previous year associated with SRA's activities. The review may also include expenditure projections and other factors that may influence costs.

R.16.2 The fee schedule shall be adopted by the Board of Directors. The payment schedule shall be adopted by the Taxicab Administrator.

R.17. RATE REVIEW

R.17.1 The SRA will annually review the maximum allowable rates charged by Franchises for the purpose of recommendation to the SSG Board of Directors. This review may include an analysis of increased costs incurred by all Franchises.

R.17.2 The maximum allowable rates shall be established by the Board of Directors.

R.18. REFUND POLICY

R.18.1 There shall be no refunds of any portion of the fees described in these regulations.

R.19. TAXICAB VEHICLE PERMITS AND STICKERS

R.19.1 In accordance with the provisions of the Ordinance of SSG, no Taxicab vehicle may operate within the jurisdiction of SSG without a Vehicle Inspection Sticker affixed at the lower left rear windshield of the vehicle.

R.19.2 A Vehicle Inspection Sticker may be obtained from SRA provided the following conditions have been satisfied:

- R.19.2.1 The vehicle is duly authorized under a Franchise Agreement;
- R.19.2.2 The Franchise pays the Vehicle Permit Fee or down payment of the Vehicle Permit Fee where applicable;
- R.19.2.3 The vehicle otherwise meets the standards and qualifications for licensing as established by the Ordinance of SSG and the Regulations adopted to implement it.

R.19.3 A Franchisee may only add vehicles if authorized by the Franchise Agreement, subject to any adjustments that have been made by SRA. If a new vehicle is presented for a Vehicle Inspection Sticker during the permit year, the Franchisee shall pay the Vehicle Permit Fee in full at the time each vehicle is issued a Vehicle Inspection Sticker.

R.19.4 The Vehicle Permit Fee is due in full at the time each new vehicle is issued a Vehicle Inspection Sticker.

R.19.5 **Transfer of Vehicle Permits.** Vehicle Permits may only be transferred between Franchises provided that the following conditions are satisfied:

- R.19.5.1 A joint request for a transfer of a Vehicle Permit is made by the Franchisee to which the vehicle is currently listed and the Franchisee to whom the vehicle is to be transferred;
- R.19.5.2 The transfer will not cause either Franchise to exceed or fall below the allocation limits allowed for each Franchise;
- R.19.5.3 The vehicle has been presented to SRA for a taximeter reading;
- R.19.5.4 A Transfer Fee has been paid; and,
- R.19.5.5 All fines due from the Franchisee from whom the vehicle is to be transferred have been paid in full.
- R.19.5.6 After initial approval of a request to transfer a Vehicle Permit is given; the permit will be issued when the following is completed:
 - (a) The vehicle has been repainted and all markings have been replaced so as to be consistent with the requirements applicable to the Franchise to which the vehicle will be transferred;

- (b) The vehicle passes all required inspections; and,
- (c) The vehicle has been removed from the Vehicle Identification List of the transferring Franchise and added to the Vehicle Identification List of Franchise to which the vehicle will be transferred.

R.19.5.7 All Vehicle Permit Fees previously paid on the vehicle will follow the vehicle, are not refundable by SRA to the transferring Franchise, and any claim for a credit shall be negotiated between the transferring parties.

R.19.5.8 Any surcharges or other fees incurred as of the date of the taximeter reading for transfer of the vehicle shall be billed to the transferring Franchisee.

R.19.6 Vehicle Permits on Vehicles Taken Out of Service. Any balance due on the Vehicle Permit Fee of a vehicle that is permanently taken out of service shall become due and payable in full at the time the vehicle is taken out of service.

R.19.7 Suspended or Revoked Vehicle Permits. A Vehicle Permit for a vehicle registered under a Franchise which is subsequently suspended or revoked shall also be suspended.

R.19.8 Immediately upon suspension or revocation of a Vehicle Permit, the affected vehicle shall be presented to SRA for an out of service Taximeter reading.

R.19.9 Within the first 30 days after suspension or revocation of a Vehicle Permit as the result of a suspended or revoked Franchise, the Franchise may register the vehicle with any other duly authorized Franchise subject to the conditions related to transfer of a Vehicle Permit.

R.19.10 If the Franchisee has not properly transferred the affected vehicle to another duly authorized Franchise within the first 30 days after suspension or revocation of a Vehicle Permit, the vehicle shall be presented to SRA for removal of the Vehicle Inspection Sticker.

R.19.11 The Franchisee shall be responsible for the payment of any remaining balance due on the Vehicle Permit Fee at the end of the thirty day period following the suspension or revocation of the Vehicle Permit if a transfer to another duly authorized Franchise has not been made during that time.

R.19.12 SRA may pursue collection of any unpaid portion of the Vehicle Permit Fee from the Franchisee.

R.19.13 A Vehicle Inspection Sticker shall not be issued for a vehicle which is the subject of a suspended or revoked Vehicle Permit where the Vehicle Permit Fee has not been paid in full, regardless of the ownership of the vehicle.

R.19.14 A Franchisee may apply to the Taxicab Administrator for relief from payment of the balance of a Vehicle Permit Fee due, on a subsequently suspended or revoked Vehicle Permit.

R.20. TAXIMETER ACCURACY

R.20.1 At all times every Franchisee shall keep every Taximeter registered with SRA accurate.

R.20.2 A certificate verifying that the Taximeter is certified by the County of Riverside in accordance with County requirements shall be kept available for inspection in the Taxicab at all times.

R.20.3 A true and correct copy of the certificate shall be filed with the Taxicab Administrator.

R.20.4 The Taximeter shall be subject to inspection from time to time by the Taxicab Administrator or any peace officer.

R.20.5 The Taxicab Administrator is authorized at his or her discretion or upon information received from any peace officer or upon the complaint of any person to investigate the Taximeter and to remove or cause to be removed from the streets within the jurisdiction of SSG any Taxicab upon discovery of a faulty or inaccurate Taximeter until the Taximeter has been correctly adjusted and evidence of its accuracy has been presented to the Taxicab Administrator.

R.21. TRANSFER OF A TAXIMETER

A Taximeter shall not be installed into a vehicle other than the vehicle to which it is registered with SSG until the following conditions are met:

R.21.1 The Taximeter must be presented to SRA for a final out of service reading concurrent with its removal from the previous vehicle;

R.21.2 The Taximeter must be calibrated and certified for use in the vehicle to which it is to be transferred; and,

R.21.3 The Taximeter must be properly registered with SRA to indicate the corresponding vehicle to which it is to be transferred.

R.21.4 Prior to operation of the vehicle into which a Taximeter has been transferred, it must be presented to SRA for an initial Taximeter reading.

R.21.5 Any failure to comply with the provisions of this section shall be grounds for the imposition of a penalty as described in Section 1.255(B) of the Ordinance of SSG.

R.22. CONTROLLED SUBSTANCE AND ALCOHOL TESTING PROGRAM

R.22.1 Each Franchise shall maintain a mandatory controlled substance and alcohol testing certification program conforming to Part 40 of Title 49 of the *Code of Federal Regulations* and the California *Government Code* section 53075.5, and as required by Section Two of the Ordinance of SSG. To verify compliance with these regulations, the Franchisee shall, upon request, provide to the Taxicab Administration all of the following:

- R.22.1.1** A copy of the Franchisee's written drug and alcohol policy meeting all of the requirements of the Ordinance of SSG;
- R.22.1.2** Proof that the Franchise has implemented a drug and alcohol certification program covering all of its Drivers which meets all of the requirements of the Ordinance of SSG;
- R.22.1.3** A copy of the contract between the Franchise and a program administrator and authorized lab certified by the U.S. Department of Transportation; and,
- R.22.1.4** The Franchise and the program administrator records shall be made available to Taxicab Administrator upon request.

R.22.2 Each Franchisee shall present to SRA monthly reports of the random testing component of the required controlled substance and alcohol testing program. The monthly reports shall be delivered by the program administrator to the Taxicab Administrator no later than the 20th day following the end of the previous monthly reporting period.

R.23 PAYMENT OF FINES

R.23.1 The Franchisee is responsible for paying all fines accruing as the result of citations issued under the Ordinance of SSG or these Regulations, whether issued to a Franchisee, a Driver working for the Franchisee, or both.

R.23.2 In the event that a citation is issued to a Driver, the Franchisee will be notified by receiving a copy of the Citation Form.

R.23.3 If a fine remains unpaid after it is due and after expiration or exhaustion of any right to challenge the citation, the Franchisee is subject to summary suspension of the Franchise until such time as the fine is paid.

R.24 SUMMARY SUSPENSION OF A FRANCHISE

R.24.1 A Franchise is subject to summary suspension of all operations and of every permit issued to the Franchise under the following circumstances:

- R.24.1.1** An attempted sale, lease, transfer, assignment or other attempted disposition of a Franchise without the prior written consent of SSG.
- R.24.1.2** Failure to comply with the insurance requirements of Section 1.050 of the Ordinance of SSG affecting the Franchise as a whole.
- R.24.1.3** Failure to report a positive controlled substance or alcohol test result to SRA as required by Section 2.070(D) of the Ordinance of SSG.
- R.24.1.4** During the pendency of an appeal to the Appeal Committee after issuance of a decision to suspend or terminate a franchise where the hearing officer has determined that continued suspension or termination is necessary for the protection of the public health, safety, or welfare.
- R.24.1.5** Failure to pay a fine issued against the Franchise or any Driver for the Franchise when due and after expiration or exhaustion of any right to challenge or appeal the fine.
- R.24.1.6** When a Franchise engages in conduct which causes an immediate danger to public health, safety, or welfare.
- R.24.1.7** As otherwise provided for by the Ordinance of SSG.

R.24.2 In the event that a Franchise is subject to summary suspension, upon receipt of notice from SRA, the Franchise shall immediately cease all operations as a Taxicab Franchise and shall not engage in any activities connected with the provision of taxicab service to the public until such time as the suspension is lifted. Operations may not resume until the Franchisee receives written notice from SRA that the suspension is lifted.

R. 25 INTERFERENCE WITH DRIVER REPORTING

R.25.1 It shall be a violation of these Regulations for any employee, officer, manager, or owner of a Franchise to take any action to prohibit, discourage, retaliate against, or otherwise interfere with any Driver's attendance and right to freely speak at a Board Meeting of SSG or any Committee thereof.

R.25.2 It shall be a violation of these Regulations for any employee, officer, manager, or owner of a Franchise to take any action to prohibit, discourage, retaliate against, or otherwise

interfere with any Driver's attempt to report a safety concern to SRA or any of its agents or employees, the SSG Board, the Taxicab Administrator or any other governmental agency.

R.25.3 Conduct constituting a violation of R.25.1 or R.25.2 shall be counted as a separate violation for each individual Driver affected.

R.25.4 The penalty for violating the Regulations in Section 25 shall be as set forth in the Ordinance of SSG 1.255 and the penalties shall accumulate as set forth therein. Violation of the Regulations in Section R.25 may result in termination of the franchise pursuant to Ordinance of SSG 1.110.

R.25.5. It shall be a separate violation of these Regulations for any Franchise to attempt to pass through to the Driver any fine issued under Section R.25.

DRAFT

SunLine Services Group

DATE: September 28, 2016 **ACTION**

TO: Taxi Committee
Board of Directors

FROM: Taxi Administrator

RE: [Resolution No. 080 Amending Resolution 075 Setting Special Music Festival Venue Fee](#)

Recommended Action

Staff recommends that the Board of Directors approve the attached amendment to Resolution 075, passed on March 23, 2016. Amendment allows for a special event pick up fee to be charged for taxicab pickups made at the Desert Trip Music Festival and increases the fee from \$20 to \$30.

Background

It is at the request of the franchises that staff request the amendment to resolution 075 allowing for an event pick up fee to be charged for the Desert Trip Music Festival. This fee is similar to the special event pickup fee that was charged for the Coachella Fest and Stagecoach Music Festivals. The fee shall be restricted to only those trips that originate from the area designated for taxicab pickups by the festival organizers.

It is also at the request of the franchises that the fee be increased from \$20 to \$30. It was determined that the \$20 fee failed to provide sufficient incentive to entice more taxicabs to the designated taxi pickup area. It was also learned that even with the special event fee, costs to consumers choosing to use taxicab service over TNC's was significantly less.

The increased fee, along with changes made by festival organizers in the pickup procedure, would incentivize drivers to wait at the taxi pick up area, so that patrons leaving the venue have the option of taking a taxi. By providing an incentive to drivers, staff will achieve the goal of having more taxicabs staged at the taxi pickup area than previous years.

The \$30 fee will only be effective from the start of the first music festival, October 7, 2016 to October 16, 2016.

Financial Impact

None.

Peter Gregor

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Diane Beebe
CLERK OF THE BOARD
SunLine Services Group

Kristy Franklin
CHAIRPERSON OF THE BOARD
SunLine Services Group

STATE OF CALIFORNIA)
) ss.
COUNTY OF RIVERSIDE)

I, DIANE BEEBE, Clerk of the Board of Directors of the SunLine Transit Agency, do hereby certify that Resolution No. _____ was adopted at a regular meeting of the Board of Directors held on the _____ day of _____, 20__, by the following vote:

AYES:

NOES:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 20__.

Diane Beebe
CLERK OF THE BOARD
SunLine Transit Agency

APPROVED AS TO FORM:

General Counsel
Eric Vail