

Anaheim Resort Transportation

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**Anaheim Transportation Network
Board of Directors Meeting Minutes
Wednesday, January 27, 2015
3:00 P.M. – 5:00 P.M.**

**Anaheim Regional Transportation Intermodal Center
2nd Floor Conference Room
2626 East Katella Avenue, Anaheim, CA 92806**

ATN Board Members in Attendance:

Jeffrey Runsten, Hilton Anaheim
Bharat Patel, Castle Inn & Suites
Grant Dawdy, Disneyland Resort
Ron Kim, Prospera Hotels
Jay Burress, Visit Anaheim
Jerry Alder, GardenWalk
Dan Lee, City of Anaheim
Bill O'Connell, Stovall Properties
Todd Amend, Anaheim Chamber of Commerce
Merit Tully, The Honda Center
Mark Ochoa, The Anaheim Marriott

ATN Staff Present:

Diana Kotler, ATN
Lita Aguilar, ATN
DeAndre McCall, ATN
Belinda Trani, ATN
Cristina Montoya, ATN

ATN Legal Counsel:

Fred Whitaker, Cummins & White, LLP

Members of the Public Present:

Jim Wright, First Transit
Rick Baligalcupo, OCTA
Steve Wilks, IBI Group
Sue Zuhke, OCTA
Linda Johnson, City of Anaheim
Felicia Adams, First Transit
Jose Santana, First Transit
Gary Prideaux, First Transit



The ATN Board of Directors meeting was called to order at 3:01 pm

WELCOME & INTRODUCTIONS

Executive Director welcomed the new, 2016, ATN Board of Directors and thanked the Board for their commitment to serving on the Board.

ADDITIONS/DELETIONS TO THE AGENDA

No additions/deletions to the Agenda

PUBLIC COMMENTS

None

SPECIAL CALENDAR:

1. Presentation of Resolutions to:

- | | |
|------------------|--------------------------------------|
| a. Gary Prideaux | December 2015 Operator of the Month |
| b. Jose Santana | Employee of the Quarter Oct-Dec 2015 |
| c. Jose Santana | Employee of the Year – 2015 |
| d. Josh Payes | Excellence Award 2015 |

Director Kotler introduced to the Board Gary Prideaux, Operator of the Month. Mr. Prideaux has been with the company since 2012. He is an avid cyclist on his time off. Director Kotler also presented to the Board Mr. Santana, Operator of the Quarter and of the Year 2015. Mr. Santana has been with the company since August of 2013 with exceptional attendance. He always conducts himself as a professional operator, regularly assist with special events, and is an expert in The Anaheim Resort area; as well as extremely helpful to co-workers and passengers. Mr. Santana supports worthy causes, such as Breast Cancer Foundation. The Excellence Award is presented to the ATN employee. Josh Payes, was selected by the ATN management team and his peers for his service in Maintenance Department. Mr. Payes was not at the meeting because he was selected to attend OCTA training and apprentice program. Executive Director thanked OCTA staff for opening this training program to the ATN.

2. Appointment to the ATN Executive Committee:

Chairman	Paul Sanford
Vice Chair	Fred Brown
Treasurer	Merit Tully
Secretary	Carrie Nocella

Director Kotler introduced the ATN Executive Committee. Pursuant to the ATN By-Laws, Article V – Officers, the ATN Executive Committee shall consist of a Chair, Vice-Chair, Secretary, and Treasurer. Members of the ATN Executive Committee shall be elected by the ATN Board of Directors at its first regular meeting following the annual general membership meeting. Executive Committee members shall serve a one-year term. In addition to the traditional tasks of reviewing executive performance and compensation, in 2016, Executive Committee will participate in the discussions related to the ART 2035 Capacity Building Study.

By motion, Amend/O'Connell, ATN Board of Directors approved the proposed slate of nominees for the

ATN Executive Committee.

Yeas: Amend, Alder, Burress, Kim, Lee, Ochoa, O'Connell, Dawdy, Patel, Runsten, Tully
Noes: None
Abstain: None

CONSENT CALENDAR:

Items 3-10 on the consent calendar will be acted on by one roll call vote unless members of the ATN Board of Directors, staff or the public request the item to be discussed and/or removed from the consent calendar for separate action:

3. Receive and approve minutes of the ATN Board of Directors held on Wednesday, December 2, 2015
4. Receive and file status report pertaining to the Anaheim Transportation Network operations -- ATN Focus Area Reports – November and December 2015
5. Receive and file ART Operating Reports:
 - a. Maintenance: Mileage & Road Call Reports for November and December 2015
 - b. Safety & Training: Safety & Security Report for November and December 2015
 - c. Contract Payment Adjustments: Liquidated Damages Report for October and November 2015
6. Receive and file ATN membership report for December 2015
7. Receive and file financial reports for the period of October and November 2015 and approve electronic payments for the period of November and December 2015
8. Receive and file customer service summary for November and December 2015
9. Receive and file sales report summary for November and December 2015
10. Receive and file report regarding RFP #2015-007 pertaining to Group Health Insurance Benefits Programs and alternative method for the provision of group health care coverage for eligible ATN employees

By motion, O'Connell/Kim, Consent Calendar items 3-10 were passed by a single motion.

Yeas: Amend, Alder, Burress, Kim, Lee, Ochoa, O'Connell, Dawdy, Patel, Runsten, Tully
Noes: None
Abstain: None

END OF CONSENT CALENDAR

OPERATIONAL REPORT:

11. ART Operational Update – Monthly report provided by First Transit, Inc *Felicia Adams, Operations Manager*

Monthly operational report to the ATN Board of Directors was provided by ATN contractor, First Transit. Felicia Adams, Operations Manager at the Anaheim location made a presentation informing ATN Board of Directors that recruiting efforts are still on going. During the last part of year through the January 2016, First Transit and ATN had a successful time period, the holiday season, marathon, and NAMM. We are looking forward towards the summer, and we should have the school drivers assist during the summer months. All of the full time positions have been filled; however, there are 15 part-time remain unfilled.

BOARD WORKSHOP:

12. Overview of Ralph M. Brown Act – California’s Open Meeting Law and ATN Conflict of Interest Policy

Director Kotler informed the Board that she would be distributing ATN conflict of interest policy. She asked for Board members, in attendance, to read and sign the form and give it to Cristina Montoya.

ATN legal counsel, Fred Whitaker made a presentation to inform the ATN Board of Directors about the Brown Act, which covers members of virtually every type of local government body, elected or appointed, decision-making or advisory. Some private organizations, such as Anaheim Transportation Network (ATN), may be subject to the Brown Act. Full presentation in regard to the Brown Act is provided as an attachment.

ACTION CALENDAR:

13. Review proposals received for bus wrap services in response to RFP #2015-004. Award a two-year agreement to The Graphics Department Inc., as the best- qualified bus wrap service provider. Authorize Executive Director, with consultation from ATN legal counsel, to execute an agreement with The Graphics Department Inc., for the provision of exterior bus wrap services

ATN Marketing Manager Belinda Trani: At its October 28, 2015, Board of Directors meeting, the ATN Board authorized release of a Request for Proposals, Bus Wrap Services – RFP #2015-004, to select a vendor to provide bus wraps services for ART fleet. Ms. Trani provided an overview of the guidelines approved by the ATN Board of Directors for the RFP #2015-004 to select the best qualified bus wrap supplier. Upon completion of the proposal review process, the best-qualified vendor would be awarded a two-year service agreement.

To select the bus wrap service provider, the ATN distributed RFP #2015-04 to eighteen (18) qualified wrap suppliers. In response to RFP #2015-004, the ATN received six (6) proposals:

1. JG Images

2. The Graphics Department Inc.
3. Bus Graphix
4. Avion Graphics
5. Caliber Signs & Imaging
6. Primary Color

Based on the evaluation criteria, received proposals were evaluated and scored based on the demonstrated experience of the firm, experience of project personnel, and cost proposals. Staff recommendation was to award an agreement to The Graphics Department, as the best-qualified bus wrap service provider.

The cost of the bus wrap will continue to be a direct passed-through to the advertiser, through an advertising agreement. Bus wrap cost for calendar year 2015 and 2016 are presented will be 5,157.24 for the full wrap; 3,769.90 for the partial wrap; and 934.85 for tail wrap. These costs include production, installation and removal of the old wrap.

By motion, Amend/O'Connell, the ATN Board of Directors approved staff recommendation to award a two-year agreement to The Graphics Department Inc., as the best-qualified bus wrap service provider, and authorize Executive Director, with to execute a two-year agreement.

Yeas: Amend, Alder, Burress, Kim, Lee, Ochoa, O'Connell, Dawdy, Patel, Runsten, Tully
Noes: None
Abstain: None

14. Authorize Executive Director to execute Agreement #C-5-3747 between ATN and Orange County Transportation Authority for acquisition of forty (40) Liquefied Natural Gas (LNG) buses. Direct staff to update ATN Fleet Plan for approval at a future ATN Board of Directors meeting

Executive Director Kotler: At its October 2015 Board of Directors meeting, staff received an authorization to proceed with negotiation for the acquisition of forty (40) Liquefied Natural Gas (LNG) buses from Orange County Transportation Authority (OCTA). ATN leases thirty-five (35) LNG buses from OCTA. Thirty (30) LNG buses are used primarily on the Toy Story line to facilitate connectivity between remote parking facilities and Disneyland® Resort.

Since 2009, ATN has been leasing 35 LNG buses from OCTA. In 2014, ATN assumed all maintenance responsibilities for the LNG fleet and installed a fueling station for the operation of this fleet. ATN pays OCTA \$1,033.57 per bus per month (\$36,175 per month) for the lease of the LNG buses. In addition to the lease fee, ATN pays \$3,743 per month in administrative/oversight fees, for a grand total of \$39,918 per month.

When the Cooperative Agreement between ATN and OCTA was amended in 2014, the fair market values of the LNG buses varied from \$36,000 to \$39,000 per bus, for a total value of \$1,221,316. This cooperative agreement was set to expire on November 30, 2015. Agreement term was extended to February 29, 2016, to allow OCTA and ATN to complete agreement negotiation process and obtain necessary approvals from the respective governing boards.

Based on the age and fleet mileage, the current fair market value of the LNG buses varies between \$15,800

and \$21,100 per bus, for a total fleet buy-out cost of \$664,500.

In addition to the LNG bus fleet lease Cooperative Agreement, ATN has a Cooperative Agreement with OCTA for the receipt of Federal Transit Administration (FTA) Section 5307 and 5339 funds. As a designated recipient, OCTA receives FTA funds and forwards these funds to ATN on an annual basis based on the data submitted by the ATN through National Transit Database (NTD) and Congress' appropriation of transportation funds through an annual apportionment formula. ATN's portion of the FTA funds increased from \$295,000 in 2007 to the projected \$767,065 in 2015.

In 2013, California transit agencies and cities that operate and maintain transit systems were involved in litigation associated with the changes enacted by the State of California to the Public Employee's Pension Reform Act of 2013 (PEPRA). Litigation provided a temporary reprieve and federal funds were released to the transit agencies. Even though PEPRA reform does not apply to the ATN, it applies to OCTA. With the reprieve no longer available, federal funds, once again, are being withheld by FTA and US Department of Labor. OCTA informed ATN staff that no federal funds for FY 2015 can be released to the ATN until legal issues between the State of California and US Departments of Labor and Transportation are resolved. Resolution of these legal issues is anticipated by spring 2016. Taking into consideration a potentially lengthy delay in the receipt of federal funds and upcoming LNG bus lease agreement termination on February 29, 2016, a buy-out option for the LNG bus fleet has been negotiated by the respective agencies.

The terms of the buy-out option are as follows:

1. ATN's federal apportionment for 2015 is estimated at \$767,064. Upon consideration of OCTA's administrative/compliance fees of \$64,577.73 and costs associated with Complementary Paratransit Transportation ADA services of \$75,989.86, \$626,496.41 is due to the ATN;
2. The fair market value of the LNG buses leased by ATN has decreased by 50 percent (Kelly Blue Book for transit buses). Based on the age and current mileage, the fair market value of the buses is between \$15,800 and \$21,100, for a total fleet buy-out value of \$664,500.
3. OCTA is in the process of receiving new Compressed Natural Gas (CNG) buses to replace its LNG fleet and has a spare ratio over the allowable 20 percent. The buy-out would include 35 LNG buses currently on lease from OCTA, plus additional five (5) LNG buses at a fair market value of \$14,300 per bus.
4. ATN would resume receipt of funds in Fiscal Year 2016, as apportioned by federal formula.
5. The ATN would need to compensate OCTA for the difference between available and apportioned funds and fair market value of the buses, which is estimated at \$38,033.59, equivalent to one-month lease payment.
6. No future payments and/or administrative fees would be due to OCTA in association with the LNG fleet.

Upon authorization from the ATN Board of Directors to execute the proposed Agreement #C-5-3747, next steps would include consideration by the OCTA Transit Committee on February 11, 2016, with full OCTA Board of Directors approval on February 22, 2016. ATN would take possession of the 40 LNG buses on March 1, 2016. Todd Priest, ATN's Government Relations Consultant, advised the Board that the lease payments to OCTA might continue if PEPRA issues are not resolved by March 1st. If this is the case, then the Title transfer of the vehicles may not occur and would have to be delayed until federal funding is released to OCTA. Sue Zuhke with OCTA expressed her gratitude towards ATN during the economic recession. ATN was able to work with OCTA to develop a mutually beneficial program for both parties.

By motion, Amend/Patel, the ATN Board of Directors authorized Executive Director to execute Agreement #C-5-3747 between ATN and Orange County Transportation Authority for acquisition of forty (40) Liquefied Natural Gas (LNG) buses and to update ATN Fleet Plan for approval at a future ATN Board of Directors meeting.

Yeas: Amend, Alder, Burress, Kim, Lee, Ochoa, O'Connell, Dawdy, Patel, Runsten, Tully
Noes: None
Abstain: None

15. Authorize Executive Director to submit funding requests to the Anaheim Tourism Improvement District Transportation Committee for the following projects:

- a. Real-Time Passenger Information Signage System with a budgetary estimate from the Request for Information (RFI) #2015-009; and**
- b. ARTIC/Sports Complex Line**

Executive Director Kotler: The Anaheim Transportation Network (ATN) submitted to and received funding from the Anaheim Tourism Improvement District (ATID) Transportation Committee for several projects. For fiscal year 2014/15, ATN received \$130,000 in funding to operate Anaheim Resort Transportation (ART) services at a greater frequency to begin to build greater visibility and demand for service between The Anaheim Resort® and Platinum Triangle™. For Fiscal Year 2015/16, ATN received \$154,000 for ART operation between Anaheim Regional Intermodal Center (ARTIC) and The Anaheim Resort® at a 20-minute frequency and lease expenses at ARTIC. In addition, ATN received co-funding for *Capacity Building Study – ART 2035* of \$255,000. Total FY 2015/16 ATID allocation was \$409,000.

For the upcoming FY 2016/17, ATN is planning to submit two projects for funding consideration to the ATID Transportation Committee:

1. Real-Time Passenger Information Signage – Submit Funding Request in March/April 2016

In November 2015, ATN released a Request for Information (RFI) #2015-009 to solicit proposals to deploy a real-time digital signage program. RFI #2015-009 requested budgetary estimates for real-time digital signage system that would include:

- Digital signage at Disneyland® Resort Main Transportation Center (24 double-sided real-time bus stop signs, one (1) Main Sorting Sign and four to eight directional signs);
- ART bus shelter locations;
- Anaheim Convention Center Grand Plaza;
- ART Operations/Dispatch (four mobile supervisor vehicle workstations with support equipment and one dispatch workstation);
- Video displays on ART fleet of buses with connectivity and interoperability for the entire ART fleet.

The original intent of the RFI #2015-009 was to request budgetary estimates for real-time informational passenger signage system to include digital signage at Disneyland® Resort Main Transportation Center and Anaheim Convention Center Grand Plaza, only. However, at its December 2, 2015 meeting, the ATN Board of Directors asked to include in the RFI budgetary proposals for the entire system, including all ART

bus stops and video displays on the fleet of ART buses. On January 25, 2016, ATN received six (6) proposals. Summary of the estimated total system implementation costs was presented to the Board.

Proposer's Name	Software Development Budget	Total Hardware & Installation Budget	Phase I Hardware Installation (Disneyland Resort & ACC Grand Plaza)	Phase II Hardware Installation ART Bus Stops & Video Displays
Proposal #1	\$2,000,000	\$4,00,000		
Proposal #2	\$374,975	N/A		
Proposal #3	\$308,120	N/A		
Proposal #4	\$ 47,626	\$1,787,824	\$496,556	\$1,291,268
Proposal #5	\$167,074	\$1,106,153	\$448,981	\$657,172
Proposal #6	\$172,570	\$2,543,365	\$1,251,066	\$1,292,299

Through the RFI process, ATN requested visionary system functionality with budgetary estimates for development of associated software and hardware installation. An Evaluation Committee will need review received proposals to develop a short-list of firms for the development of test applications. Pilot tests will be evaluated separately with final recommendation presented to the Board of Directors.

Taking into consideration the total cost of the project, a different implementation approach was recommended by staff:

1. Evaluate submitted proposals to develop a short-list of proposers to be invited to present a charrette for their vision for project functionality. Gain a greater understanding of the project's needs to submit a well-defined funding request to ATID;
2. Clarify future development plans for the final location of the transportation center in The Disneyland® & Anaheim Resort to ensure that ATID funding is protected and is included at new transportation center, once constructed;
3. Segregate software development and hardware procurement functions. Release Request for Proposals for hardware acquisition and installation;
4. Submit a fully defined funding request to ATID Transportation Committee with implementation plan delineating software development, prioritized phased signage installation and schedule;
5. In consultation with legal counsel develop software agreement parameters to ensure ATN and Resort community are protected, in the long-term;

The proposed phased implementation approach will be pursued in the next 30-120 days:

Phase I	Clarify software development and proposers' implementation strategy. Select preferred software developer	30-45 days
Phase II	Release Request for Proposals for hardware & installation. Define hardware installation priority list, schedule and refined budget	30-60 days

Phase III	Submit funding request to ATID Transportation Committee	60-90 days
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ATN staff will advise the ATID Transportation Committee and request funding consideration for this project at a later date, once budget and scope of work for the project are more defined.

2. ARTIC/Sports Complex Line– FUNDING REQUEST \$267,392

Executive Director Kotler: ATN is planning to submit two (2) funding requests to ATID Transportation Committee for operational and capital funding of the ARTIC/Sports Complex Line.

The first funding request is to restructure and operate ARTIC/Sports Complex Line operations to mirror proposed alignment of the Anaheim Rapid Connection (ARC) to enhance service delivery, public outreach and marketing associated with the upcoming Amtrak/OCTA multi-modal free transfer program for twenty-four (24) Amtrak Pacific Surfliner trains operating on the LOSSAN corridor. The transfer program is slated to begin in Spring/Summer 2016 and will provide free transfers to all ground transportation services along the corridor. At its February 24, 2016, ATN Board of Directors meeting, ATN Board will be asked to approve an inter-agency transfer agreement between ATN and Orange County Transportation Authority (OCTA). The estimated cost for the provision of ART service to emulate the proposed ARC alignment is \$225,000 per year.

The second funding request will be in partnership with the City of Anaheim, as part of the City of Anaheim application to OCTA Measure M Project V Call for Projects for ART services between Downtown Anaheim (CtrCity) and ARTIC. The grant application is due to OCTA on February 29, 2016. First year ATID allocation includes local match for operational and capital needs estimated at \$42,392.

ATID Transportation Committee is meeting on February 17, 2016, to consider funding allocations for the proposed list of projects. ATN will present both projects, requesting funding for the ARTIC/Sports Complex Line ARC alignment and overview for the real-time passenger information system requesting a follow-up meeting for consideration of the funding request.

At the February 24, 2016, ATN Board of Directors meeting, ATN Board will be asked to approve submission of the grant application for ART service between Downtown Anaheim (CtrCity) and ARTIC.

By motion, Amend/Tully, the ATN Board of Directors authorized Executive Director to submit funding requests to the Anaheim Tourism Improvement District Transportation Committee for ARTIC/Sports Complex Line with an update and request for future consideration for the Real-Time Passenger Information Signage System.

Yeas: Amend, Alder, Burress, Kim, Lee, Ochoa, O’Connell, Dawdy, Patel, Runsten, Tully
 Noes: None
 Abstain: None

STATUS REPORT:

16. ART 2035 Capacity Building Study Update – Completion of Public Outreach Tasks

Steven Wilks, IBI Group: The IBI team has been reaching out to a number of stakeholders from hotel, transportation agencies, and tourism companies. The common themes that have surfaced are: keeping it simple, focus on the guest experience, and continue to focus and build upon the current market. Going deeper in these interviews, the collaborative arrangements that have been discussed are and included an array of opportunities ranging from discounted tickets (Disney dollars) to joint marketing opportunities.

Moving towards the future, there has been a lot of discussion regarding technology; easy, intuitive application, real time info, Wi-Fi, infotainment, cashless fare payment, dynamic info at kiosk. Building on new successes in Resort Area, opportunities in Buena Park, Garden Grove, and Costa Mesa and luggage concierge were viewed upon favorably.

Linda Johnson from City of Anaheim shared with the Board that ATN and City meet and discuss on the regular basis project study needs and the City will keep ATN updated on the transportation project's development progress and the outcome and recommendation for the capacity building study.

Executive Director Kotler reminded the ATN Board of Directors that the ATN's Executive Committee would oversee policy direction and recommendation. As the Public Outreach efforts of the study near completion, the next step will be to consider policy recommendations. Todd Amend, with Anaheim Chamber of Commerce and Jay Burrell, with Visit Anaheim, volunteered to serve on the Ad Hoc Committee. ATN legal counsel and government relations staff will also participate in these discussions. Initial meeting of the Ad Hoc Sub-Committee was scheduled for Friday, February 26th.

Director Jerry Alder shared with the Board how the "ubernization" of transit this year at NAMM was astonishing. There were less cars parked at the Garden Walk than ever before, but traffic on Katella Avenue was above previous levels. Ubernization is here to stay regardless of the City regulations and ATN needs to be prepared to deal with this paradigm shift in transportation choices.

OTHER BUSINESS:

17. Zero Emission Bus Deployment in The Anaheim Resort®

Executive Director Kotler updated The Board that two electric buses had been received, and two more slated for delivery next week. One BYD electric bus will be taken to The Visit Anaheim Client Appreciation luncheon for display.

18. Harbor Corridor Study Public Outreach Efforts

Executive Director Kotler distributed information on public outreach effort for OCTA-initiated Harbor Corridor Study. The handout provided information on the study efforts, which includes the portion of Harbor Boulevard, stretching through the cities of Fullerton, Anaheim, Garden Grove and Santa Ana. The purpose of the study is to develop options to improve transit services along Harbor Boulevard.

19. Interagency Transfer Program between Amtrak and OCTA

Executive Director Kotler explained that OCTA received grant funding from the State of California to provide free transfers for all rail passengers using Amtrak's Pacific Surfliner services. Transfers would

be consistent with the current program offered to Metrolink passengers. The program will extend from San Luis Obispo to San Diego.

Director Jay Burress brought to Executive Director Diana's attention that outreach should be considered to Dana Point to connect with a trolley system operated in Dana Point.

ATN Board of Directors Meeting adjourned at 4:45 PM.

20. CLOSED SESSION: 2 ITEMS

1. Conference with real property negotiator Executive Director Diana Kotler and Todd Priest with Curt Pringle & Associates, pursuant to Government Code Section 54956.8, concerning potential terms and conditions of acquisition and/or disposition of the property identified below:
 - a. Property Location: 1354 South Anaheim Boulevard, Anaheim, California 92805
Owner/Negotiating Party: ATN Asset Holding Company, LLC; and
 - b. Front desk leases: 1734 S Harbor Blvd, Anaheim, CA 92802
Owner/Negotiation Party: Anaheim Transportation Network
2. Personnel Matter – Public Employee Performance Evaluation pursuant to Govt. Code § 5457(b)(1)
Title: Executive Director

Closed Session Item #2 was moved to the February 2016 ATN Board of Directors meeting. ATN Board of Directors meeting reconvened at 5:02 pm. Legal Counsel made a report. ATN Board of Directors Meeting adjourned at 5:03 pm.