



**Anaheim Transportation Network
Board of Directors Meeting Minutes**

Wednesday, December 7, 2016

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
Jerry Alder, GardenWalk
Dan Lee, City of Anaheim
Mark Ochoa, The Anaheim Marriott
Bill O'Connell, Stovall's Properties
Ronald Kim, Prospera Hotels
Jay Burress, Visit Anaheim
Paul Sanford, Anabella Hotel

ATN Staff Present:

Diana Kotler, ATN
Lynn Keller, ATN
Lita Aguilar, ATN
DeAndre McCall, ATN

ATN Legal Counsel:

Fred Whitaker, Cummins & White, LLP

Members of the Public Present:

David Kennedy, City of Anaheim
Michael Weisz, Transdev
Ric Teano, OCTA

ATN Board of Directors meeting called to order at 3:02 pm.

Executive Director welcomed ATN Board members and members of the public to the December ATN Board of Directors meeting. Executive Director Diana Kotler introduced Michael Weisz , new General Manager with TransDev by to the ATN Board of Directors. Ms. Kotler also



introduced Gil Reyes General Manager with Embassy Suites Orange. Mr. Reyes is running for a Board of Directors position on the ATN Board.

Executive Director reported that there are no addition and/or deletions to the ATN Board of Directors agenda.

SPECIAL CALENDAR:

1. Presentation of Resolutions to:
Victor Benton Operator of the Month of October
Jack Stobie Operator of the Month of November

2. PUBLIC HEARING – Chairman Sanford opened Public Hearing at 3:05 pm:

Public hearing of the Anaheim Transportation Board (ATN) of Directors to approve:

- a. Increase of Anaheim Transportation (ART) adult passenger fares effective February 1, 2017;
- b. Adjustment of ART assessment rates from \$.48 per room per day to \$.55 per room per day effective March 1, 2017; and
- c. Title VI Equity Analysis pertaining to the proposed ART Adult Passenger Fare increase

ATN's Executive Director provided an overview to the ATN Board of Directors of the items that transpired leading to the need for actions outlined in this public hearing. Executive Director stated that at its October 26, 2016, the ATN Board of Directors directed staff to proceed with the increase of ART adult passenger fares and adjustment to the ART assessment rates. This action was necessitated as a result of termination of an operating agreement between ATN and its transportation services contractor, First Group, Inc. (First Transit) on July 10, 2016. The final day of First Transit's provision of ART service was November 30, 2016.

In response to these events, on August 19, 2016, ATN issued a Request for Proposals (RFP) #2016-010 to begin selection process for the new transportation provider for ART public transportation services. ATN received proposals from four (4) firms: MV Transportation; First Transit; Keolis Transit Services, LLC; and TransDev Services, Inc.

Upon completion of the evaluation of technical proposals, ATN's Evaluation Committee invited two firms, Keolis Transit Services, LLC and TransDev Transit Services, Inc. In addition to the evaluation of the technical and professional expertise of the finalists, the Evaluation Committee had to consider financial implications on operations since ATN's Operating Budget was structured and adopted, by the ATN Board of Directors, based on the terms of the agreement between ATN and First Transit, which was supposed to continue through June 30, 2019.



As a result of this early termination and First Transit's execution of a Collective Bargaining Agreement with Teamsters Local 952, ATN needed to pursue several alternatives to generate sufficient revenue to cover unplanned operating expenses. Based on the rate analysis comparison of the lowest BAFO proposal submitted by TransDev, the ATN had to develop a plan to overcome a marginal funding shortfall of \$922,300 for 2017; \$427,837 for FY 2018; \$509,364 for FY 2019; 701,289 for FY 2020; and \$714,814 for FY 2021.

At its October Board of Directors meeting, the ATN Board reviewed financial ramifications and reach a consensus to recommend several programmatic changes to the ATN budget:

1. Raise ART Adult Passenger Fares;
2. Increase ART Assessment Fees; and
3. Submit funding to Anaheim Tourism Improvement District (ATID) Transportation Committee

These three revenue generating alternatives were recommended to minimize financial burden on each segment of the ATN's constituency and based on the Board's authority outlined in the ART Operating Service Agreement, which is executed between the ATN and each participating property. Pursuant to the ART Operating Service Agreement, ATN Board of Directors has *the right, in its sole and absolute discretion subject to the process outlined in this Section II and any other process established in or permitted by the ATN Bylaws (as may be amended), to change ART service, routes, and stop locations from time to time, including without limitation during the term of this Agreement.*

Consistent with the procedures outlined in the ART Operating Service Agreement Section 2.1.1, *The ATN may evaluate ART service efficiencies, routes or route stop locations from time to time. Any recommended changes to the ART service, routes or route stop locations shall be presented to the ATN Board of Directors and shall be held as a public hearing at a regularly scheduled meeting of the ATN Board of Directors. All changes approved by the ATN Board of Directors shall automatically become effective and shall apply to this Agreement on the first (1st) day of the second month following the month in which the changes are approved by the Board.*

Therefore, in compliance with the procedures outlined in the agreement, ATN is conducting a Public Hearing to obtain input from all interested parties regarding the proposed increase in ART Adult Passenger Fares and ART Assessment Fees.

The first strategy to generate revenue is to increase ART Adult Passenger Fares, only. Fare increases to the one-way cash fares, ART child and reduced fare passes are not recommended. The recommendation to limit fare increase to the adult passes only is based on the following factors:

Anaheim Resort Transportation

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1. Soft ridership market is anticipated for 2017 and 2018. Increases in fares may cause decrease in ridership beyond anticipated new revenue
2. ART typically established its fares based on the local parking rates and the cost of two (2) adult and two (2) child ART passes; where the cost of ART passes for the family of four (4) should not exceed the cost of parking. Based on the proposed new ART rates, the cost of riding ART for a family of four (4) would be \$15.00
3. To overcome future budgetary shortfall, ATN Board may need to consider increases to ART fares in 2019, to coincide with completion of development projects in The Anaheim Resort®, and Disneyland® Resort

TABLE 1 – PROPOSED TEN PERCENT ART FARE INCREASE

Increase ART Passenger Fares		Current Fare	Proposed Fare Increase
1-day		\$5.00	\$5.50
3-day		\$12.00	\$14.00
5-day		\$20.00	\$23.00
	Current # of Passes Sold	Current Revenue	With Fare Increase*
1-day	513,787	\$2,568,935	\$2,755,183
3-day	86,907	\$1,042,884	\$1,186,281
5-day	45,461	\$909,220	\$1,019,463
		\$4,521,039	\$4,960,926
			\$ 439,887

TABLE 2 -- PREVIOUS FARE INCREASES

Year	1-day Adult Pass	3-day Adult Pass	5-day Adult Pass	Child 1-day Pass	Child 3-day Pass	Child 5-day Pass	Reduced 1-day Pass	Reduced 3-day Pass	Reduced 3-day Pass
2002	\$2.00	\$5.00	\$8.00						
2003	\$3.00	\$8.00	\$10.00						
2005	\$4.00	\$10.00	\$16.00						
2008				\$1.00	\$2.00	\$4.00	\$2.00	\$5.00	\$8.00
2012	\$5.00	\$12.00	\$20.00	\$2.00	\$3.00	\$5.00	\$2.00	\$5.00	\$8.00



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2017	\$5.50	\$14.00	\$23.00	\$2.00	\$3.00	\$5.00	\$2.00	\$5.00	\$8.00
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Total increase its ART passes sales is projected to be approximately \$439,887.

INCREASE ART ASSESSMENT RATES FROM \$.48 PER ROOM PER DAY TO \$.55 PER ROOM PER DAY EFFECTIVE MARCH 1, 2017

ATN public transportation service touches more than 9 million passengers every year. Given the tremendous growth in ridership, as well as the development that has either taken place and/or is the planning phase, for both the Anaheim Resort District and the Platinum Triangle, ATN’s costs have significantly increased over its 15 years in operations. However, assessment rates to the participating properties remained unchanged during this time period.

ATN was able to sustain assessment rates at the initial level, as established in 2002, by securing additional sources of revenue to manage increasing operating costs through regional and federal grant opportunities, alternative fuel tax credits, and enhanced revenues through advertising opportunities. In addition, cost containment efforts such as internalization of dispatch, field supervision, maintenance functions and restructuring of its fleet financing were undertaken to maintain assessment rates at its initially established levels.

However, changes in the contractual relations between the ATN and its transportation service provider and unionization of contractor’s labor force, require ATN to look further at its financial structure. Based on the direction of the ATN Board of Directors, the assessment rate for all ART members would increase from the current rate of \$.48/room/day to \$.55/room/day.

TABLE 3 – PROJECT OPERATING DEFICIT

	Yr 1 (2017)	Yr 2 (2018)	Yr 3 (2019)	Option Yr 1	Option Yr 2	Cumulative
Total Current Contract Cost	\$8,044,400	\$7,763,600	\$8,065,200	8,483,800	\$8,780,800	\$41,137,800
Adopted Transportation Services Budget	\$7,122,100	\$7,335,763	\$7,555,836	7,782,511	\$8,015,986	
Projected Operating Deficit	\$ 922,300	\$ 427,837	\$ 509,364	\$ 701,289	\$ 714,814	\$ 3,275,604

The remaining shortfall in revenue will be generated through a submittal of a funding request to Anaheim Tourism Improvement District (ATID) Transportation Committee, which was established on September 14, 2010, by the Anaheim City Council as a means of providing the



necessary resources to enhance tourism activity and increase hotel room stays. The ATID established an assessment of two (2) percent of the room rent for all hotel facilities located within the ATID boundaries (Anaheim Resort and the Platinum Triangle). ATID generates approximately \$4 million annually. This assessment is not a tax for the general benefit of the City; but rather it is an assessment for activities that provide benefits directly to those hotels within the ATID. The ATID Management Plan which was established under Anaheim City Ordinance 6174 Section 2.14.050 states:

The ATID serves as a funding mechanism for some or all of the following types of special improvements or activities to market, promote, and support the City's tourism and convention industry including Transportation expenses such as Anaheim Transportation Network for Assessed Facilities.

The proposed revenue generating strategies will equitably distribute financial responsibility:

ART Adult Fare Increase	\$439,887
ART Assessment Fare Increase	\$259,015
ATID Funding	<u>\$223,398</u>
TOTAL REVENUE INCREASE	\$922,300

TITLE VI ANALYSIS FOR FARE INCREASE AND ASSESSMENT FEES ADJUSTMENT

To ensure compliance with federal and state civil rights regulations, including but not limited to Title VI of the Civil Rights Act of 1964 and FTA Circular 4702.1B, dated October 1, 2012, ATN performed analysis of fare change to determine if the change has a disproportionately high and adverse effect on minority and/or low-income populations. ATN also conducts outreach to the public to receive their input on the fare change, consistent with its Public Participation Plan, and the FTA Circular's requirement to provide meaningful opportunities for underrepresented populations to participate in transportation decisions.

ATN needed to increase revenue sources to offset anticipated increases in the operational costs. due to collective bargaining for the bus drivers, which raised the hourly rates of providing services, and led to a change in the bus operations contractor? Therefore, ATN is looking to increase local assessments and ART fares to offset a 27.8% increase in the operating costs.

ATN has not increased fares in over five (5) years and assessment fees in fifteen (15) years, while operating costs have steadily increased. ART fare increase will only impact 1-day, 3-day and 5-day adult passes. No fare increase is recommended on child and/or reduced fares. Increase is not recommended on 15-day and 30-day ART passes.



In order to provide meaningful public participation, ATN held a public workshop on December 1, 2016, and a public hearing on December 7, 2016. Notices were mailed to approximately 4,840 community members, and were provided on-board all ATN buses during the month on November 2016. Additionally, public notices were published in the local paper prior to the public hearings and on ATN's website at www.rideart.org. Results from public participation activities are summarized in a separate report titled "Public Participation Summary Report" for the Fare Increase effective February 1, 2017."

ATN gathered data to conduct Impact Analysis to analyze the effects of a fare change on minority and low-income populations following the procedures in FTA Circular 4702.1B Chapter IV, Section 7(b)). In its evaluation ATN considered:

1. Information generated from ridership surveys
2. 2010 Census data to determine the percentage of the population within the ATN service that are considered minority and low-income
3. ATN Demographic Profile
4. Ridership Demographics Survey
5. Customer Comment Cards; and
6. Fare Media Distribution

The majority of ART passes sold in fiscal year 2015/16 were 1-day adult passes (59%); 3-day adult passes (9.9%); 5-day adult passes (5.2%); for the total adult sales of 74.1% of all ART passes sold, followed by 1-day child passes of 12% of total sales. All other pass types, including reduced fare passes, make up 13.9% or less of total sales.

ATN also had to evaluate available alternatives for passengers affected by the February 2017 Fare Increase. Although ATN has determined that minority and/or low-income riders will not be disproportionality impacted by the fare changes, ATN had to analyze alternative fare payment media and transportation options available for individuals who could be affected by the fare increase following the procedures in FTA Circular 4702.1B, Chapter IV, Section 7(b).

1. Alternative Fare Media -- The fare increase will be applied to 1-day, 3-day and 5-day adult passes. ART provides other fare media that will not be affected by the fare increase including the one-way cash fares, children fares, reduced fares, and children under three years of age will continue to ride for free.
2. Alternative Transit Modes including Fare Payment Types -- ART operates a single mode, public bus transportation service within and around The Anaheim Resort®. As an alternative to ART service, Orange County Transportation Authority (OCTA)



provides public bus service for the entire Orange County area. OCTA service operates in parallel to ART along Harbor Boulevard and Katella Avenue.

Although ATN has determined that minority and/or low-income riders will not be disproportionality impacted by the fare changes, in accordance within FTA Circular 4702.1B Chapter IV, Section 7(b), ATN had to conduct analysis to determine mitigation needs and any potential adverse effects of the fare increase on minority and low-income populations. According to the analysis no mitigation strategies are recommended at this time since:

1. ART ridership demographic is comprised mostly of passengers who travel to The Anaheim Resort®, and surrounding areas, for the purposed of vacation and/or holiday (93%). Followed by trips to conventions and/or business meetings (3%). A total of 3% of ART ridership represent commuter-based trips.
2. Over 87 percent of ART ridership fall into income categories of over \$50,000 in annual household income. To ensure that low-income populations are not adversely affected by the ART fare increase, no fare changes are recommended for 15- and 30-day passes, reduced passes, children passes and one-way cash fares.
3. ATN has several transfer agreements with neighboring transit agencies:
 - a) For local bus service – free transfer between OCTA and ART along Harbor Boulevard and Katella Avenue at share bus stops;
 - b) Amtrak intercity rail service – free transfer, with a valid rail pass, between Amtrak and ART; and
 - c) Southern California Regional Rail Authority (Metrolink) -- free transfer, with a valid rail pass, between Metrolink and ART

In conclusion, the proposed increase to fares for adult 1-day, 3-day and 5-day passes will not have disproportionate and/or disparate impact on low income and minority populations. Since ATN has not increased its fares since 2012 and assessment rates were held at the initial level as established in 2002, ATN ridership data indicates that that minority and/or low-income riders are not disproportionately more likely to use the mode of service, payment type, or payment media that would be subject to the fare changes, and the majority of riders surveyed do not feel that the existing fare price is too expensive. Although the ATN service area is predominately minority and all ATN routes are within low-income residential areas.

Although there is no indication that Title VI populations are disproportionately impacted by the proposed fare increase, ATN has taken several measures to mitigate impacts on low-income and minority populations by:

- Keeping same rate for 15-day and 30-day adult passes
- Maintain same fare rate for all child and reduced fare passes



- Improved access to regional transit and rail services through fare-transfer agreements with OCTA and Metrolink
- Increasing assessment rates on the local business community

Because no disparate impacts were found, mitigation measures are included as part of the fare increase, and alternatives are available, no other action is necessary by the ATN Board of Directors to implement the proposed fare increase.

Information pertaining to the proposed ART Adult Passenger Fare increase was provided to the public through several communication strategies:

1. Public workshop on December 1, 2016
2. Written comment deadline of December 4, 2016
3. Notices to approximately 4,840 community members and residents
4. Publications on-board all ATN buses
5. public notice in the local paper
6. Notice on the ATN's website at www.rideart.org

As of Monday, December 5, 2017, ATN did not receive any oral and written comments from the public. ATN staff and legal counsel requested additional opinion from legal counsel concerning public participation. Staff reported that to ensure members of the public were notified of the proposed Anaheim Resort Transportation (ART) Adult Passenger Fares increase and Title VI Equity Analysis, ATN followed procedures outlined in its Public Participation Plan (PPP). Notices were mailed to approximately 4,840 residents and were provided on-board ART fleet. Additionally, public notices were published in the local paper prior to the public hearings and on ATN's website at www.rideart.org. Two newsletter publications were distributed via electronic mail to all ATN members and stakeholders.

ATN held a public workshop on December 1, 2016, at Anaheim ATN administrative office located at 1354 South Anaheim Boulevard, Anaheim, CA. Three ATN staff members were present at the Public Workshop. Staff reported that no members of the public attended this workshop. Written comments could be submitted to the ATN by December 4, 2016 via electronic and/or US mail. Staff reported that ATN did not receive any written public comments. Members of the public were also invited to attend a Public Hearing on December 7, 2016, at 3:00 p.m. Public Hearing will take place at the Anaheim Regional Transportation Intermodal Center (ARTIC) located at 2626 East Katella Avenue, Anaheim, CA. ATN legal counsel, Cummins & White, LLP and Best Best & Krieger, LLP, assisted with the oversight of the Public Participation process.

Upon completion of staff presentation, Chairman Paul Sanford asked if any members of the public had questions and/or input in regard to staff presentation. Hearing none, Chairman Sanford made a motion, with a second by Director Patel, to close Public Hearing at 3:35 pm.



Ayes: O'Connell, Runsten, Ochoa, Alder, Bures, Lee, Kim, Runsten

Noes: None

Abstain: None

No members of the public were present at the ATN Board of Directors meeting and Public Hearing. Chairman Sanford asked staff to proceed with the presentation of the Consent Calendar. Executive Director reported that items 3-10 on the consent calendar can 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. Staff had no requests to remove items from the Consent Calendar for a separate discussion. Board members did not request removal of item. Chairman Sanford asked for a motion, with a second from Director Burress, to pass all items on the Consent Calendar:

1. Receive and approve minutes of the ATN Board of Directors meeting held on Wednesday, October 26, 2016
2. Receive and file status report pertaining to the Anaheim Transportation Network operations -- ATN Focus Area Reports – October 2016
3. Receive and file ART Operating Reports:
 - a. Maintenance: Mileage & Road Call Reports for October 2016
 - b. Safety & Training: Safety & Security Report for October 2016
 - c. Contract Payment Adjustments: Contract Penalties Report for September/October 2016
3. Receive and file ATN membership report for October 2016
4. Receive and File September 2016 financial statements, and approve credit card payment for the period of November 2016
5. Receive and file customer service summary for October 2016
6. Receive and file sales report summary for October 2016
7. Approve Anaheim Transportation Network Annual Membership Investment Rates for Calendar Year 2017

By motion, Sanford/Burress, Consent Calendar items 3-10 were passed by a single motion.

Ayes: O'Connell, Runsten, Ochoa, Alder, Patel, Lee, Kim

Noes: None



Abstain: None

ATN Executive Director re-introduced Michael Weisz, General Manager with TransDev for monthly operational report and update.

8. ART Operational Update – Monthly report provided by TransDev Transit Services, Inc.
Michael Weisz, General Manager

Michael Weisz, the General Manager of Trans Dev provided a report to the ATN Board of Directors stating that transition from First Transit to TransDev went relatively smoothly. 95 First Transit drivers accepted employment offers from TransDev. In training, TransDev has 17 operators, 15 are going through Behind the Wheel (BTW) training and seven are scheduled to take DMV tests. TransDev continuing its employment recruitment efforts to be at a fully staffed level by the end of January 2017 which is 140 FTE and PTE position. TransDev is also working with Teamsters 952 on the Collective Bargaining Agreement (CBA). Negotiations will continue through mid-2017.

Chairman Sanford, asked staff to move into discussion items listed in the Board's Action Calendar:

9. Approve Resolution No. 2016–04 a Resolution of the Anaheim Transportation Network recommending increase in Anaheim Resort Transportation services adult passenger fares and a Resolution No. 2016–05 a Resolution of the Anaheim Transportation Network recommending increase in Anaheim Resort Transportation assessment fees, accept Title VI Equity Analysis in with the Civil Rights Act of 1964 and FTA Circular 4702.1B and Public Comments Report.

Executive Director, Diana Kotler, provided ATN Board of Directors information listed below to assist the ATN Board of Directors with the decision-making ability for the increase of ATN fares, assessments and request to ATID.

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transportation services. ATN received proposals from four (4) firms: MV Transportation; First Transit; Keolis Transit Services, LLC; and TransDev Services, Inc.

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5. ART typically established its fares based on the local parking rates and the cost of two (2) adult and two (2) child ART passes; where the cost of ART passes for the family of four (4) should not exceed the cost of parking. Based on the proposed new ART rates, the cost of riding ART for a family of four (4) would be \$15.00
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TABLE 2 -- PREVIOUS FARE INCREASES

Year	1-day Adult	3-day Adult	5-day Adult	Child 1-day	Child 3-day	Child 5-day	Reduced 1-day	Reduced 3-day	Reduced 3-day
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TOTAL REVENUE INCREASE	\$922,300

TITLE VI ANALYSIS FOR FARE INCREASE AND ASSESSMENT FEES ADJUSTMENT

To ensure compliance with federal and state civil rights regulations, including but not limited to Title VI of the Civil Rights Act of 1964 and FTA Circular 4702.1B, dated October 1, 2012, ATN performed analysis of fare change to determine if the change has a disproportionately high and adverse effect on minority and/or low-income populations. ATN also conducts outreach to the public to receive their input on the fare change, consistent with its Public Participation Plan, and the FTA Circular's requirement to provide meaningful opportunities for underrepresented populations to participate in transportation decisions.

ATN needed to increase revenue sources to offset anticipated increases in the operational costs. due to collective bargaining for the bus drivers, which raised the hourly rates of providing services, and led to a change in the bus operations contractor? Therefore, ATN is looking to increase local assessments and ART fares to offset a 27.8% increase in the operating costs.



ATN has not increased fares in over five (5) years and assessment fees in fifteen (15) years, while operating costs have steadily increased. ART fare increase will only impact 1-day, 3-day and 5-day adult passes. No fare increase is recommended on child and/or reduced fares. Increase is not recommended on 15-day and 30-day ART passes.

In order to provide meaningful public participation, ATN held a public workshop on December 1, 2016, and a public hearing on December 7, 2016. Notices were mailed to approximately 4,840 community members, and were provided on-board all ATN buses during the month on November 2016. Additionally, public notices were published in the local paper prior to the public hearings and on ATN's website at www.rideart.org. Results from public participation activities are summarized in a separate report titled "Public Participation Summary Report" for the Fare Increase effective February 1, 2017."

ATN gathered data to conduct Impact Analysis to analyze the effects of a fare change on minority and low-income populations following the procedures in FTA Circular 4702.1B Chapter IV, Section 7(b)). In its evaluation ATN considered:

1. Information generated from ridership surveys
2. 2010 Census data to determine the percentage of the population within the ATN service that are considered minority and low-income
3. ATN Demographic Profile
4. Ridership Demographics Survey
5. Customer Comment Cards; and
6. Fare Media Distribution

The majority of ART passes sold in fiscal year 2015/16 were 1-day adult passes (59%); 3-day adult passes (9.9%); 5-day adult passes (5.2%); for the total adult sales of 74.1% of all ART passes sold, followed by 1-day child passes of 12% of total sales. All other pass types, including reduced fare passes, make up 13.9% or less of total sales.

ATN also had to evaluate available alternatives for passengers affected by the February 2017 Fare Increase. Although ATN has determined that minority and/or low-income riders will not be disproportionately impacted by the fare changes, ATN had to analyze alternative fare payment media and transportation options available for individuals who could be affected by the fare increase following the procedures in FTA Circular 4702.1B, Chapter IV, Section 7(b).

1. Alternative Fare Media -- The fare increase will be applied to 1-day, 3-day and 5-day adult passes. ART provides other fare media that will not be affected by the



fare increase including the one-way cash fares, children fares, reduced fares, and children under three years of age will continue to ride for free.

2. Alternative Transit Modes including Fare Payment Types -- ART operates a single mode, public bus transportation service within and around The Anaheim Resort®. As an alternative to ART service, Orange County Transportation Authority (OCTA) provides public bus service for the entire Orange County area. OCTA service operates in parallel to ART along Harbor Boulevard and Katella Avenue.

Although ATN has determined that minority and/or low-income riders will not be disproportionality impacted by the fare changes, in accordance within FTA Circular 4702.1B Chapter IV, Section 7(b), ATN had to conduct analysis to determine mitigation needs and any potential adverse effects of the fare increase on minority and low-income populations. According to the analysis no mitigation strategies are recommended at this time since:

1. ART ridership demographic is comprised mostly of passengers who travel to The Anaheim Resort®, and surrounding areas, for the purposed of vacation and/or holiday (93%). Followed by trips to conventions and/or business meetings (3%). A total of 3% of ART ridership represent commuter-based trips.
2. Over 87 percent of ART ridership fall into income categories of over \$50,000 in annual household income. To ensure that low-income populations are not adversely affected by the ART fare increase, no fare changes are recommended for 15- and 30-day passes, reduced passes, children passes and one-way cash fares.
3. ATN has several transfer agreements with neighboring transit agencies:
 - a) For local bus service – free transfer between OCTA and ART along Harbor Boulevard and Katella Avenue at share bus stops;
 - b) Amtrak intercity rail service – free transfer, with a valid rail pass, between Amtrak and ART; and
 - c) Southern California Regional Rail Authority (Metrolink) -- free transfer, with a valid rail pass, between Metrolink and ART

In conclusion, the proposed increase to fares for adult 1-day, 3-day and 5-day passes will not have disproportionate and/or disparate impact on low income and minority populations. Since ATN has not increased its fares since 2012 and assessment rates were held at the initial level as established in 2002, ATN ridership data indicates that that minority and/or low-income riders are not disproportionately more likely to use the mode of service, payment type, or payment media that would be subject to the fare changes, and the majority of riders surveyed do not feel that the existing fare price is too expensive. Although the ATN service area is predominately minority and all ATN routes are within low-income residential areas.



Although there is no indication that Title VI populations are disproportionately impacted by the proposed fare increase, ATN has taken several measures to mitigate impacts on low-income and minority populations by:

- Keeping same rate for 15-day and 30-day adult passes
- Maintain same fare rate for all child and reduced fare passes
- Improved access to regional transit and rail services through fare-transfer agreements with OCTA and Metrolink
- Increasing assessment rates on the local business community

Because no disparate impacts were found, mitigation measures are included as part of the fare increase, and alternatives are available, no other action is necessary by the ATN Board of Directors to implement the proposed fare increase.

Information pertaining to the proposed ART Adult Passenger Fare increase was provided to the public through several communication strategies:

1. Public workshop on December 1, 2016
2. Written comment deadline of December 4, 2016
3. Notices to approximately 4,840 community members and residents
4. Publications on-board all ATN buses
5. public notice in the local paper
6. Notice on the ATN's website at www.rideart.org

As of Monday, December 5, 2017, ATN did not receive any oral and written comments from the public. ATN staff and legal counsel requested additional opine from legal counsel concerning public participation. Staff reported that to ensure members of the public were notified of the proposed Anaheim Resort Transportation (ART) Adult Passenger Fares increase and Title VI Equity Analysis, ATN followed procedures outlined in its Public Participation Plan (PPP). Notices were mailed to approximately 4,840 residents and were provided on-board ART fleet. Additionally, public notices were published in the local paper prior to the public hearings and on ATN's website at www.rideart.org. Two newsletter publications were distributed via electronic mail to all ATN members and stakeholders.

ATN held a public workshop on December 1, 2016, at Anaheim ATN administrative office located at 1354 South Anaheim Boulevard, Anaheim, CA. Three ATN staff members were present at the Public Workshop. Staff reported that no members of the public attended this workshop. Written comments could be submitted to the ATN by December 4, 2016 via electronic and/or US mail. Staff reported that ATN did not receive any written public comments. Members of the public were also invited to attend a Public Hearing on December 7, 2016, at 3:00 p.m. Public Hearing will take place at the Anaheim Regional Transportation Intermodal Center (ARTIC)



located at 2626 East Katella Avenue, Anaheim, CA. ATN legal counsel, Cummins & White, LLP and Best Best & Krieger, LLP, assisted with the oversight of the Public Participation process

By motion, Sanford/O'Connell, the ATN Board of Directors approved ATN Resolution NO. 2016-004 Resolution, a Resolution of the Anaheim Transportation Network recommending increase in Anaheim Resort Transportation services adult passenger fares.

Ayes: Ochoa, Burress, Kim, Alder, Runsten, Lee, Patel

Noes: None

Abstain: None

By Motion, Sanford/Alder, the ATN Board of Directors approved ATN Resolution No. 2016-005 recommending increase in Anaheim Resort Transportation assessment fees.

Ayes: O'Connell, Burress, Kim, Ochoa, Sanford, Patel, Lee

Noes: Runsten

Abstain: None

By motion, Sanford/Kim, the ATN Board of Directors accept Title VI Equity Analysis and Public Comments Report per FTA Circular 4702.1B

Ayes: O'Connell, Burress, Runsten, Patel, Alder, Ochoa, Lee

Noes: None

Abstain: None

10. Approve ATN Board of Directors 2017 Meeting Schedule

Diana Kotler explained the alternative ATN Board Meeting schedule for 2017. Since its inception, Anaheim Transportation Network's (ATN) Board of Directors met on a monthly basis, with no board meeting scheduled for the month of December. On occasion, Special Meetings of the Board were held to conduct urgent ATN business.

Monthly meeting of the ATN Board of Directors were required by the ATN's original By-Laws. During the ATN By-Law amendment in 2012, the requirement for monthly meetings was removed. Section 4.6.1 of ATN By-Laws states that the Board shall meet twice yearly in May and in November in conjunction with the Membership meetings. At its first regular or special meeting following the election of Board members at the Annual Meeting, the Board shall elect officers for the upcoming year. Nevertheless, ATN Board of Directors continued to meet on a monthly basis.



An alternative meeting schedule is proposed for Calendar Year 2017. The proposed meeting schedule recommends five (5) meetings of the entire ATN Board of Directors in January, May, August, and November.

The ATN Executive Committee would meet three (3) times per year in February, June and September, as an Ad Hoc Committee of the ATN Board. This committee will deliberate and develop policy recommendations for consideration of the entire ATN Board of Directors. The 2017 meeting schedule for the ATN Board of Directors would be:

- Five (5) ATN Board of Directors Meetings
- Three (3) Executive Committee Meetings
- Three (3) Months without a Board meeting
-

Director O'Connell stated that he would be supportive of the proposed schedule as long as the entire ATN Board of Directors continues to make final determinations on matters of policy and fiscal responsibility/impact. ATN's legal counsel, Fred Whitaker, stated that the power to make policy decisions remains with the entire Board and the Board will continue to have ability to call Special Meetings of the Board.

By motion, Sanford/Burrell, the ATN Board of Directors approved the ATN Board of Directors 2017 Meeting Schedule

Ayes: O'Connell, Kim, Alder, Ochoa, Patel, Lee, Runsten

Noes: None

Abstain: None

Adjourn Regular ATN Board of Directors Meeting at 3:43 pm

Call to Order ATN General Membership Meeting at 3:44 pm

11. Receive and file proposed 2017 ATN Work Program

Executive Director presented ATN's proposed 2017 work program, which will be a multi-year effort. The proposed work program would primarily center on the need to study and evaluate ATN's service delivery methodology and recommend future institutional structure, service levels, ATN's role within Anaheim community and services beyond the City of Anaheim limits. The upcoming ATN 2017 Work Program will entail strategic planning efforts to implement strategies identified by the study. The envisioned Work Program will also span several years, as the implementation of the identified priority initiatives will require a multi-year effort:

1. *Capital Capacity of the ATN*



Ranging from fleet capacity, to maintenance facility, to long-term solution of the location, to capital capacity of the ATN need to be solved to ensure long-term stability of the organization.

2. ATN Membership & Assessment Rates

ART 2035 *Imagine Possibilities* study will provide a framework for the Cost Allocation Model. This financial instrument will be used to provide assessment allocation framework for all future developments and standardize responsibilities for costs associated with the provision of public transit services. This Cost Allocation Model will be shared with the City of Anaheim and will be provided to all future mitigated developments in The Anaheim Resort® and Platinum Triangle™. In addition, a Will Serve Process will be established, in partnership with the City of Anaheim, to institutionalize and standardize development approval process.

3. Mobility of Demand Initiatives

A paradigm shift in the use of transportation services is well underway. Whether through the use of rideshare services, single payment solutions for multi-modal transportation services, demand responsive transportation options and real-time passenger information, ATN needs to be on the forefront of these mobile applications. ATN should continue to pursue these service options and integrate them into the current public transit services.

4. Institutional structure of the ATN

ATN needs to continue to deliberate and investigate institutional alternatives. Options to strengthen ATN financial stability is critical to the ATN’s long-term role in the community.

5. Service Expansion Considerations

Continue to investigate and implement, as appropriate, service expansion opportunities that are in the best interest of the organization.

12. 2017 ATN Board of Directors Nominations and Elections

A vote of general membership to elect 2017 ATN Board of Directors. New 2017 ATN Board of Directors is presented below:

2017 ATN Board of Directors

Board Member	Organization	Board Position	Term Length
Jerry Alder	Anaheim GardenWalk	Director	December 2018
Fred Brown	Desert Palm Hotel & Suites	Vice Chair	December 2018
Jay Burress Mindy Abel*	Visit Anaheim	Director	December 2018



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Ronald Kim Keith Moses	Prospera Hotels	Director	December 2018
Bharat Patel	Castle Inn & Suites	Director	December 2018
Gil Reyes	Embassy Suites Orange	Director	December 2018
Paul Sanford	Anabella Hotel	Chairman	December 2018
Dan Lee	City of Anaheim	Director	December 2017
Mark Ochoa	Anaheim Marriott	Director	December 2017
Bill O'Connell	Stovall Properties	Director	December 2017
Jeffrey Runsten Sarah Monks	Hilton Anaheim	Director	December 2017
Carrie Nocella Grant Dawdy	Disneyland® Resort	Director	December 2017
Merit Tully	Honda Center/Anaheim Ducks	Director	December 2017
Diana Kotler	ATN	Executive Director	
Fred M. Whitaker	Cummins & White LLP	Legal Counsel	

13. General Membership vote to amend ATN By-Laws:

At the ATN General Membership meeting, general members in attendance voted for amendments to the ATN By-Laws. By-Laws were reviewed and discussed by the Review Ad Hoc Sub-Committee. Sub-Committee was comprised of the ATN Executive Committee and ATN legal counsel. By-Laws were reviewed and discussed and at its October 26, 2016, ATN Board of Directors authorized general membership vote of the entire ATN membership to approve proposed By-Law amendments. The proposed amendments are as follows:

1. ARTICLE I (Page 3)	Amend and Add definitions to identify all eligible ATN membership categories
2. ARTICLE III, Section 3.a (Page 4)	Amend and Add membership categories to the definition of Voting Members
3. ARTICLE IV, Section 4.1.b (Page 5)	Amend Retail Establishment with Retail Facility
4. ARTICLE IV, Section 4.1.d (Page 5)	Add "Commercial Office: Annual dues rates for Commercial Offices shall be calculated on a per square foot basis"
5. ARTICLE IV, Section 4.1.e (Page 6)	Add "Institutional Use: Annual dues rates for Institutional Uses shall be calculated on a per square foot basis"



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6. ARTICLE IV, Section 4.1.f (Page 6)	Add "Manufacturing Facility: Annual dues rates for Manufacturing Facilities shall be calculated on a per square foot basis"
7. ARTICLE IV, Section 4.1.g (Page 6)	Add "Restaurant: Annual dues rates for Restaurants shall be calculated on a per square foot basis"
8. ARTICLE V, Section 5.1.a (Page 7)	Add "Any Event Center located with The Platinum Triangle or The Anaheim Resort of the City of Anaheim and hosts more than 1 million visitors annually shall be granted a seat on the Board"
9. ARTICLE V, Section 5.11 (Page 10)	Amend California Corporate Code Section 7237 with Section <u>5238</u>
10. ARTICLE IX, Section 9.2.a (Page 14)	Amend "... all as provided in Sections 8330, 8331, and 8332 of the <u>Corporations Code of the State of California</u> "

ATN General Membership vote will need to be ratified by the ATN Board at its January 2017 meeting.

Anaheim Transportation Network General Membership Meeting adjourned at 4:05 pm.

Anaheim Transportation Network Board of Directors Meeting Reconvene at 4:07 pm.

14. Other Business – Staff informed Board members of two additional items

- a. ART 15th Anniversary
- b. Planning Commission Public Workshop on December 12 – Disneyland Resort Eastern Gateway Project

At the conclusion of the ATN December Board of Directors meeting, Executive Director thanked the entire Board of Directors for its service and wished a wonderful upcoming Holiday Season.

Regular ATN Board of Directors Meeting adjourned at 4:15 pm.

Next regular ATN Board of Directors and General Membership meeting will take place at the Anaheim Regional Transportation Intermodal Center (ARTIC) 2nd Floor Conference Room 2626 East Katella Avenue, Anaheim, on Wednesday, January 25, 2017.