



**Anaheim Transportation Network
Board of Directors and General Membership
Meeting Minutes
Wednesday, February 25, 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:

Mindy Abel, AOVBCB
Jerry Alder, GardenWalk
Fred Brown, Desert Palms Hotel & Suites
Ron Kim, Prospera
Tom Morton, City of Anaheim
Mark Ochoa, Anaheim Marriott
Bill O’Connell, Stovall’s Hotels
Kyndell Thorson, Disneyland® Resort

ATN Staff Present:

Diana Kotler, ATN
Barbara Adams, ATN
DeAndre McCall, ATN

ATN Legal Counsel:

Fred Whitaker, Cummins & White, LLP

ATN Members Present:

Ex-Officio Members:

Robert Johnson, First Transit

Members of the Public Present:

Felicia Adams, First Transit
Mark Feary, South Coast Plaza
Bill Long, Victory Communications
Linda Johnson, City of Anaheim
Todd Priest, Curt Pringle & Associates

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

WELCOME & INTRODUCTIONS

ADDITIONS/DELETIONS TO THE AGENDA



PUBLIC COMMENTS

PUBLIC HEARING:

- 1. Public hearing for the purpose of considering a new Anaheim Resort Transportation (ART) public route – Costa Mesa/South Coast Plaza Area Line – between The Anaheim Resort® District, Anaheim Regional Transportation Intermodal Center (ARTIC) and the City of Costa Mesa**

Executive Director Kotler presented details on the proposed expansion to the City of Costa Mesa that will enhance connectivity between several Orange County’s destinations and will increase public transportation options for the residents, employees and visitors. With connections through ARTIC, service to Costa Mesa will provide added multi-modal access.

Legal Counsel Whitaker requested that questions be held until after completion of staff presentation.

For the past two years, ATN has held on-going discussions with several large employers and others in Costa Mesa about the feasibility of providing a public route that would serve the South Coast Plaza area. In December 2014, several Costa Mesa entities, including the City of Costa Mesa, South Coast Plaza and the Costa Mesa Conference and Visitor Bureau (CMCVB), approved a program to fund ART service expansion into Costa Mesa. If approved, the new service would begin on Monday, May 4, 2015. The proposed route would be bi-directional.

Full funding to defray the operating cost for the expansion of ART service to Costa Mesa is provided by Costa Mesa partners:

* City of Costa Mesa	\$ 25,000
* CMVCB	\$ 60,000
* South Coast Plaza	<u>\$ 30,000</u>
	\$115,000

The proposed services will be operating along a fixed public route. The proposed service is based on peak and off-peak operating parameters. Peak service is considered as second week of June through Labor Day weekend. During city-wide conventions and special events ART service may be temporarily extended.

Regular weekly ART schedules will distributed and posted on the ART’s website, on the entire fleet of ART buses, and at all participating establishments. Weekly ART schedules will be commensurate with the overall ART operating standards, including mileage restrictions on the ATN’s ability to operate outside the City of Anaheim.

Service to Costa Mesa is scheduled to begin on May 4, 2015. Service changes for the entire ART system occur twice annually and coincide with beginning of Major League Baseball and National Hockey League



seasons. The following implementation and public outreach schedule is planned to meet public participation requirements.

Upon receipt of public comments, finalization of the proposed route alignment and schedule, and development of specific marketing and advertising campaigns, the ATN Board of Directors, at its upcoming meeting on March 25, 2015, will continue deliberation of the ART service expansion.

Numerous outreach activities are planned to introduce the service and to encourage and maintain strong ridership. The activities include:

- * Inclusion of Costa Mesa/South Coast Plaza area in the ART system map
- * Promote new service routes on ATN's website & social media outlets
- * Reciprocal website links for available transportation services
- * Press Releases
- * Inaugural Ride Ribbon Cutting/Promotions/Photos

There were no public comments on this proposed service expansion.

Director O'Connell endorsed the proposed service extension and stated that service to Costa Mesa is a great addition. He envisions success with this service. He asked if we would need to add more buses. Executive Director responded that the goal is to run full buses and the hope is to provide connectivity to anyone who wants to ride the bus.

Director Morton asked if this service factors into the percentage of allowable route miles outside the City of Anaheim limits that are permitted for ATN and he also asked if this includes Convention uptick. Executive Director Kotler responded that these miles are allowable in ATN's allowable percentage of miles outside of Anaheim. She also informed the Board that mileage planning includes additional service needed for events at the Anaheim Convention Center, including the NPEW, NAMM and Disney Marathons.

Director Morton also asked that if the Grand Plaza is a stop on the route that it be indicated on the map. Executive Director Kotler said that yes, the Grand Plaza is a stop on the route and it will be indicated on the map.

A question was raised asking about what happens if the route does not fund itself? Executive Director Kotler responded is that the agreement with Costa Mesa is for one (1) year. In approximately eight (8) months the route can be discussed again and if at that time it can be discussed whether to continue or terminate the route.

Executive Director Kotler said that if there were no public comments at the Public Workshops and this Public Hearing that this issue will be voted upon at the next Board Meeting.



When asked about the Huntington Beach route proposed approximately a year ago, Executive Director Kotler said that this route cannot occur due to our constraints with miles outside of Anaheim and that there are other ways for the public to get to Huntington Beach. She added that next month ATN will be talking to San Clemente to see how we can utilize ARTIC to get people moved to the Beach Communities.

Todd Priest said we can partner with others to get people to the beach communities. He also said that ATN is considering a survey for guests asking them “where do you want to go?”

Director Alder asked how the miles are calculated for the miles outside of Anaheim. Executive Director Kotler responded that it has to do with total Revenue Miles operated through ART service and based on the reporting by ATN to the National Transit Database.

Vice Chair Brown asked about potential routes to Fullerton. Executive Director Kotler responded that there are many other options, including comprehensive transit services provided by OCTA and that at this time, ATN does not want to compete with the services offered and available through OCTA.

Vice Chair Brown closed the Public Hearing at 3:22 pm and resumed regular ATN Board of the Directors meeting.

SPECIAL CALENDAR:

2. Presentation of a Resolution to:
 - a. Dave Barlow – Operator for the Month of January 2015

CONSENT CALENDAR

Items 3 – 9 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, January 28, 2015
4. Receive and file status report pertaining to the Anaheim Transportation Network operations
ATN Focus Area Reports – January 2015
5. Receive and file ART Operating Reports through January 2015
6. Receive and file ATN membership report for January 2015
7. Receive and close financial reports for the period of December 2014 and electronic payment for February 2015



8. Receive and file customer service summary for January 2015
9. Receive and file sales report summary for January 2015

By motion, Brown/Morton, the ATN Board of Directors approved the consent calendar

Ayes: Abel, Alder, Brown, Kim, Morton, O'Connell, Ochoa, Thorson

Noes: None

END OF CONSENT CALENDAR

OPERATIONAL REPORT:

10. ART operational update – monthly report provided by First Transit, Inc.

Robert Johnson, General Manager for First Transit stated that First Transit is continuing to recruit and train new drivers. First Transit has 47 people in training, including 14 just who started this week. He expects to have adequate staffing levels for peak ART service during Spring Break and upcoming Natural Products Expo.

Vice Chair Brown asked what is the biggest reason for losing drivers? Mr. Johnson responded that there are five (5) other companies competing for drivers here in this area. Vice Chair Brown further inquired if the retention rate with the new operators is better than it was with MV Transportation. Mr. Johnson replied that improvements have been made due to more competitive wage structure.

ACTION CALENDAR:

11. Authorize Executive Director to submit Anaheim Resort Transportation non-exclusive franchise update to the City of Anaheim for Calendar Year 2014 for public transit operations in The Anaheim Resort® and surrounding Anaheim Resort Transportation services areas

Executive Director, Kotler provided an overview of the franchise agreement between the ATN and the City of Anaheim. As background information, the ATN Board of Directors was informed that the franchise agreement was originally approved in 2004, the Anaheim Transportation Network (ATN) was awarded a non-exclusive franchise by the City of Anaheim for the operation of Anaheim Resort Transportation (ART) services. The City of Anaheim approved franchise renewal in 2011 for seven (7) years, through May 26, 2018.



This franchise, which is codified as Ordinance 5911 and Ordinance 6219, provides operating standards for provision of transportation services within limits of the City of Anaheim, including The Anaheim Resort, the Platinum Triangle, the downtown Anaheim area, and other areas as designated by the City Manager.

ATN operations in the City of Anaheim are governed by two guiding principles: 1) Specific Plan Requirements and 2) Franchise Standards. Under Specific Plan guidance, local business establishments are obligated to comply with the Mitigation Monitoring Plan requirements if they meet certain development thresholds. Franchise standards provide uniform guidelines for intra-city transportation operations to ensure safety and consistency of transportation services. Businesses not covered by the Specific Plan Mitigation Monitoring Program may provide their own transportation services with the contingency that they apply and received a franchise award.

These franchise standards award may meet, or exceed, existing franchise standards:

- Service Territory
- Service & Operations
- Hours and Frequency of Service
- Capacity Management
- Complaint Resolution
- Environmental Compliance
- Fleet Requirements
- Personnel Appearance & Qualifications
- Safety & Training

On an annual basis, the ATN confirms fulfilment of these pre-established requirements, as well as provides an operating summary, which includes Performance Indicators, ART Fleet Information and Summary of Accomplishments.

In addition to the operational synopsis, a summary of changes for the previous year, as well as the anticipated modifications for the upcoming year, are provided to the City of Anaheim:

- | | |
|----------------------------|--|
| 1. Service Territory | Consideration of service expansion to Costa Mesa |
| 2. Service Parameters | Change in ART Transportation Service Agreement
Assumption of Fleet Maintenance Responsibilities
Customer Service Performance |
| 3. Environmental Standards | Relocation of the Liquefied Propane Gas (LPG) Station
Installation of Liquefied Natural Gas (LNG) Station |
| 4. Fleet Maintenance | Assumption of Fleet Maintenance Responsibilities for 35
LNG buses |



Franchise updates must be submitted to the City of Anaheim on an annual basis with the payment of the annual Franchise Fee.

Director O'Connell asked if anyone else has the same agreement? Executive Director Kotler replied that no one else in Anaheim obtained a franchise, or expressed interests in a franchise for transportation services. However, the Candy Cane Inn and Sheraton Anaheim are operating their own transportation services that had been grandfathered in.

Vice Chair Brown asked can get more miles added to our new agreement? Executive Director Kotler replied that miles under the franchise agreement are determined by a PUC code and not the City of Anaheim. The only way to address mileage restriction would be through governance changes to the ATN which will be discussed as part of the upcoming Capacity Building Study.

By motion, Brown/Kim, to authorize Executive Director to submit Anaheim Resort Transportation non-exclusive franchise update to the City of Anaheim for Calendar Year 2014 for public transit operations in the Anaheim Resort® and surrounding Anaheim Resort Transportation services area.

Ayes: Abel, Alder, Brown, Kim, Morton, O'Connell, Ochoa, Thorson
Noes: None

12. Approve proposed amendments to the ATN Finance and Accounting Policy to include new provisions for signatory limits and electronic payment processing procedures

Executive Director Kotler, submitted for the Board's review and consideration updates to ATN Finance and Accounting Policy. ATN Finance and Accounting Policy was updated in May 2013, in order to incorporate Federal Transit Administration (FTA) requirements and to strengthen segregation of duties.

The primary purpose for the ATN Finance and Accounting Policy remain unchanged – the goal is to maintain meaningful and well-considered policies as part of ATN's financial management system, establish ATN's internal controls for compliance regulatory standards and fiscal control, as well as to clarify internal roles and responsibilities to safeguard ATN's financial data integrity for organizational decision-making.

The proposed amendments to the ATN Finance Policies and Accounting Procedures represent two (2) amendments relative to the vendor payment processing procedures, which would help ATN adopt to the changing industry standards and to streamline approval processes:

1. Amend signatory authority of the Executive Director from the current limit of \$1,000 to the proposed new limit of \$5,000 (Finance Policy -- Sec. II, Pg. 3; Sec. XII, Pg. 8; Accounting Procedures – Sec. VII, Pg. 22); and



- 2. Adopt new Accounting Procedures for processing of electronic payment transactions (Accounting Procedures – Sec VI, Pg. 23)

ATN staff discussed the increase of signatory authority with the current auditing team, MGO LLP, to confirm that the proposed increase in signatory authority is consistent with other organizations of similar size.

Signatory Limit	One Signature	Duration	ATN Annual Operating Budget
\$500 or under		1995 – 2012	\$8 million
\$1,000 or under		2012 – 2015	\$12 million
Proposed			
\$5,000 or under		Effective 3/1/15	\$15 million

Vice Chair Brown stated that he just worked with another non-profit to increase the signatory authority and it is not the matter of the budget but rather the Executive Director’s comfort level with the increased responsibility. He asked if there is a standard for going to \$5,000? Executive Director Kotler responded that there is no standard. She talked to our auditors and that they recommended \$5,000. Additionally, these invoices are not paid until the Board meeting so there might not be paid on time.

Director O’Connell said let’s raise the limit and have Counsel Whitaker review insurance related to Board of Directors and Crime limits.

By Motion, Brown/O’Connell, approve proposed amendments to the ATN Finance and Accounting Policy to include new provisions for signatory limits and electronic payment processing procedures

- 1. Amend signatory authority of the Executive Director from the current limit of \$1,000 to the proposed new limit of \$5,000 and
- 2. Adopt new Accounting Procedures for processing of electronic payment transactions, as amended that Board approval is required for electronic payments over \$,5000.

Ayes: Abel, Alder, Brown, Kim, Morton, O’Connell, Ochoa, Thorson
 Noes: None

- 13. Retroactively, authorize Executive Director to submit a grant application to the California Energy Commission for \$2.4 million to acquire two (2) Build Your Dreams (BYD) articulated zero emission buses in partnership with the City of Anaheim Public Utilities

On Friday, February 20, 2015, the ATN submitted a grant application to the California Energy Commission (CEC) for two (2) zero-emission battery electric articulated buses (60’ in length), to be demonstrated along a heavily traveled 4.4-mile circulator route Toy Story Line. This ART public transit service was selected for



demonstration as it services over 3 million passengers per year traveling between the Disneyland® Resort, Disney California Adventure®, Anaheim Convention Center, GardenWalk, and a variety of other establishments.

The ATN submitted this grant application to CEC in partnership with the City of Anaheim's Public Utilities Department and The Walt Disney Company (TWDC). If awarded, to assist ATN with technical support and data reporting, project deployment and public outreach, a team of qualified consulting partners will consist of Center for Transportation and the Environment (CTE), Curt Pringle & Associates, and Michelle Kirkhoff Consulting, LLC.

This demonstration project proposes to deploy two (2) Build Your Dreams (BYD) zero-emission 60-foot articulated electric buses. These buses would operate using overnight garage charge technology with an operating range of 110 miles. No on-route charging infrastructure installations are proposed in this grant application. Three (3) charging units would be installed at the ATN facilities. ATN requested \$2,438,400 million in grant funding. Local matched by \$1,311,875 million in local funding. Local match is comprised of in-kind staff time and financial contribution by the City of Anaheim Public Utilities Department of \$500,000. If awarded, project implementation would begin in July 2015 with bus delivery slated by April 2017.

Executive Director Kotler stated that this grant had to be submitted as quickly as possible to meet the deadline for submission. She thanked the City of Anaheim and The Walt Disney Corporation for their quick response to ATN's requests.

Todd Priest mentioned that the CEC wants to get as much exposure as possible when they award this grant. The ATN proposal in conjunction with Disney provides this exposure.

Executive Director Kotler said that we are permitted to go sole source on this proposal because BYD is the only company to manufacture a 60' articulated bus.

Director Morton asked if ATN subject to any financial exposure as a result of this proposal submission. Executive Director Kotler stated that there is no financial exposure.

Director Alder inquired if we will need any weight variances that the ATN needs to be concerned if we are awarded this grant? Executive Director Kotler stated that most likely the ATN will need to hold a public hearing recognizing weights concerned. This action will be necessary only if the weight limitation issues is not addressed by the state legislature.

By motion, Brown/O'Connell, retroactively, authorize Executive Director to submit a grant application to the California Energy Commission for \$2.4 million to acquire two (2) Build Your Dreams (BYD) articulated zero emission buses in partnership with the City of Anaheim Public Utilities.



Ayes: Abel, Alder, Brown, Kim, Morton, O'Connell, Ochoa, Thorson

Noes: None

14. Authorize Executive Director to execute an agreement with the City of Anaheim to defray costs for additional Anaheim Resort Transportation resources necessary to absorb additional public transportation demand during the Anaheim Convention Center Expansion Project along existing ART public routes

Executive Director reported a need to execute an agreement with the City of Anaheim as the result of the Anaheim Convention Center seventh expansion, which will add 200,000 square feet of additional convention space, approximately 1,100 parking spaces. Car Park 1, will not be unavailable during construction, thereby impacting Anaheim Resort Transportation's (ART) public transit services. Construction will begin in April 2015 and should be completed in 2017.

Construction activities at the Convention Center, and on the surrounding street network, will result in limited accessibility to public stop locations, reduced parking availability, traffic congestion, and other unforeseen construction-related activities. To minimize these construction impacts, alternate parking facilities at the Anaheim GardenWalk and Anaheim Stadium will be utilized by the City of Anaheim/Convention Center. Connectivity to these facilities is available through the existing network of ART fixed routes and public bus stop locations.

ART services to Anaheim GardenWalk is provided by Harbor Boulevard, Grand Plaza and Hotel Circle/Clementine lines. Fixed route service to the Anaheim Stadium is provided via ARTIC/Sports Complex Line. During the Anaheim Convention Center Expansion Project, ART personnel will closely monitor these ART service lines, within existing ART's operating procedures, in order to accommodate additional passenger load to/from Anaheim GardenWalk and Anaheim Stadium facilities. Both the City of Anaheim and ART anticipate an increase in passenger loads due to the elimination of the 1,100 parking spaces. In preparation, ART will meet the demand for service through; 1. Increase in service frequency; 2. Delivery of additional bus capacity; 3. Publication of route deviations; 4. Provision of accessible public bus stop locations; and 5. Increased management of passenger load factors

As a recipient of federal funds, ART service deviations must adhere to the Federal Transit Administration (FTA) regulations. FTA requires evaluation of the proposed service changes to determine whether the proposed change may disproportionately affect minority and/or low income populations. Service change is defined as a numerical standard, as expressed by the distribution of routes and as measured against the existing level of service. For the route-level service change, increase or decrease in level of service, within a 12-month period, would constitute a need for public participation.

The ATN Board of Directors adopted a Service and Fare Change Evaluation Policy. This policy states that public participation would be required if:



1. Weekday Service is increased or decreased by 25% or more of annualized Vehicle Revenue Hours; or
2. Weekend Service is increased or decreased of 25% or more of annualized Vehicle Revenue Hours.

It has been determined that the proposed route-level service change is below the 25% threshold. Therefore, public participation for the proposed ART fixed route service deviations; to accommodate construction impacts associated with the upcoming Anaheim Convention Center Project is not required.

Payment for ART service is based on the current assessment rate structure established by the ATN Board of Directors, commensurate with the similar public transportation services provided in The Anaheim Resort. Payments will defray ART operating costs to facilitate additional demand for public transit service. The agreement between the City of Anaheim and ATN outlines the terms for ART service and will begin on April 1, 2015, and will continue through June 30, 2017. The term may be extended for one (1) year from July 1, 2017 to June 30, 2018. Compensation for rendered public transportation services, for the initial term of the agreement, shall not exceed \$300,000. This agreement will go to the City Council on March 17, 2015.

Director Morton abstained from discussion and vote on this agenda item.

Director O'Connell asked if these costs will be paid by the Convention Center's budget. Executive Director Kotler affirmed this information.

Director O'Connell asked if the conventioner parking at the Stadium must pay the Stadium? Executive Director Kotler, responded that it depends on the type of service. If the payment for ART services is included in the parking fees, no additional ART fares are required.

Vice Chair Brown asked if the amount is based on anticipated costs? Executive Director Kotler said yes. Vice Chair Brown then asked what happens if the Convention Center books another large convention that is not anticipated in the agreement? Executive Director Kotler said in that case we will have to amend the agreement. In addition, the ATN has a responsibility to track ART usage and revenue hours delivered for services. Once the ATN approached 75% of the cost of the ART service, notification shall be sent to the Convention Center to amend the agreement and/or re-allocated funds.

By motion Brown/O'Connell,

1. Authorize Executive Director to execute an agreement with the City of Anaheim to defray costs for additional Anaheim Resort Transportation resources necessary to absorb additional public transportation demand during the Anaheim Convention Center Expansion Project along existing ART public routes, and



2. Record a determination that the ATN Board of Directors reviewed the data and no change in usage average annual revenue miles and/or hours required law this should require a public hearing.

Ayes: Abel, Alder, Brown, Kim, O'Connell, Ochoa, Thorson.

Abstain: Morton

Noes: None

15. Other Business

Executive Director Kotler mentioned that she wanted to make the Board aware that we are seeing an increase in union activity. She said that First Transit is responsible for their employee, but the union may be targeting ATN Dispatchers and Maintenance staff.

The Board of Director's meeting was adjourned at 4:15 pm.