



Anaheim Transportation Network Board of Directors Meeting

Wednesday, March 27, 2019
3:00 P.M. – 5:00 P.M.

Anaheim Regional Transportation Intermodal Center

2nd Floor Conference Room
2626 East Katella Avenue
Anaheim, CA 92806

AGENDA

BOARD OF DIRECTORS:

Paul Sanford
Chairperson

Fred Brown
Vice Chair

Charles Harris
Director

Ian Gee
Director

Ronald Kim
Director

Dan Lee
Director

Matt Hicks
Director

Bharat Patel
Director

Bhavesh "Bo" Patel
Director

Jeffrey Runsten
Director

Shaheen Sadeghi
Director

Brian Sanders
Director

Merit Tully
Director

John Woodhead
Director

Vacant
Director

Diana Kotler
Executive Director

ATN Board Members in Attendance:

Paul Sanford, Westin Anaheim Hotel
Ian Gee, Sheraton Park
Ron Kim, Prospera
Jeffrey Runsten, Hilton Anaheim
Charles Harris, Visit Anaheim
Shaheen Sadeghi, LAB Holdings
Bo Patel, Anaheim Marriott
Dan Lee, City of Anaheim
Fred Brown, Desert Palms

ATN Staff Present

Diana Kotler, ATN
Belinda Trani, ATN
Lynn Keller, ATN
Jim Appleby, ATN
Jacquelyn Sutterman, ATN
Paula Eberhardt, ATN

Members of the Public Present

Hector Fuentes, Trans Dev
Linda Johnson, City of Anaheim
Fred Whitaker, Cummins & White
Jonathan Thompson, OCTA

Call to order ATN Board of Directors meeting at 3:02 PM

Welcome & Introductions – Director Diana Kotler welcomed the ATN Board of Directors to our March 2019 Board Meeting.

Additions and/or deletions to the meeting agenda – None

Public Comments -- None



SPECIAL CALENDAR:

1. Director Diana Kotler: Invited the Staff to make a special recognition of and Presentation of Resolutions to:

Operator of the Month for January 2019 – Alberto Lopez

Operator of the Month for February 2019 – Jake De Los Santos

Director Kotler commended the Operators of the months chosen by Management and the Operations Team, unfortunately the Operators were not able to attend this meeting. She commended them on their loyalty to the guests, community and to ART.

CONSENT CALENDAR:

1. Items 2- 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:
2. Receive and approve minutes of the ATN Board of Directors meeting held on Wednesday, January 30, 2019
3. Receive and file status report pertaining to the Anaheim Transportation Network operations ATN Focus Area Reports – January through February 2019
4. Receive and file ART Operating Reports for January through February 2019
 - a. Maintenance: Mileage & Road Call Reports
 - b. Safety & Training: Safety & Security Report
 - c. Operations Contract Penalty Report
 - d. Operational Performance Reports
5. Receive and file customer service summary report for January through February 2019
6. Receive and file ATN Financials Statements for January 2019. Approve credit card payment for January through February 2019
7. Receive and file sales report summary for January through February 2019
8. Receive and file ATN membership report for January through February 2019
9. Authorize Executive Director to execute agreement with Brown Armstrong CPA for auditing services for an amount not to exceed \$80,000 for a period of three (3) years.



10. Authorize Executive Director to execute an agreement with Vehicle Technical Consultants for in-plant bus manufacturing inspection services for an amount not to exceed \$126,000 for a period of one (1) year with an option to renew for a maximum of one (1) additional twelve (12) month period

By Motion Sanford/Harris, moved to accept items 2-10 on the Consent Calendar. Items passed by a single motion.

YEAS: Gee, Kim, Runsten, Sadeghi, Patel, Lee, Brown

NAYS: NONE

ABSTAIN: NONE

RECUSED: NONE

OPERATIONAL REPORT:

11. ART Operational Update – Monthly report provided by Transdev Transit Services, Inc. Hector Fuentes, General Manager, Transdev

Hector Fuentes, General Manager of Trans Dev addressed the challenges of staffing. Mentioning they have on going recruitment, as of today we have 26 trainees. Waiting on Union approval of benefits and on the 16th we will counter on wages Federal Mediator waiting for counter offer.

Chairman Paul Sanford inquired what employees are represented at ATN. Hector Fuentes responded that only TransDev operators belong to Teamsters Local 952. The contention in negotiation and agreement to enter into a labor agreement resides with funding of retirement benefits through Teamsters pension plan.

Chairman Paul Sanford asked if ATN staffing is represented and how it relates to total ATN staff, contracted and directly hired?

Director Diana Kotler stated we have 101-102 Operator positions. The contract with TransDev calls for 147 FTEs – these positions are represented. Operators retained through CPA and NT contracts, are not represented. All ATN hourly staff is also not represented.

Chairman Paul Sanford inquired if we have ever done a wage analysis and compare to Los Angeles and other Metropolitan agencies for pay? Also, pay plus benefits?

Director Kotler mentions that ATN did complete a wage analysis as a service provided by ADP. Wages were adjusted to reflect recommendations for hourly personnel and ATN is in line with current compensation in the region and in Orange County. As part of the annual budget presentation to the Board, staff will provide an organizational chart and wage analysis to confirm request staffing compensation.

BOARD WORKSHOP:



12. Proposed Service Changes for Anaheim Resort Transportation (ART)

Effective date - June 1, 2019

- a. Proposed Route and Stop Revisions
- b. ART Service Agreement Amendments
- c. Assessment Rate Structure & Cost Allocation Models for all ART operating areas
Anaheim Resort, Platinum Triangle, Center City
- d. ART Fare Increase

BOARD WORKSHOP – INFORMATIONAL ITEM ONLY:

Director Kotler stated that this item is presented to provide opportunity for a robust conversation to determine future fare, route and assessment structure and to provide staff with direction for development of these core services for the future of ART service. Even though no action is required, discussion items will be used for preparation of policy documents.

This discussion is necessary to help ART staff plan for new development projects coming to fruition in 2019 and 2020 and their impacts to the Anaheim Resort Transportation (ART) services from operational and institutional perspectives. Through the discussion with the Executive Committee, staff identified five areas in need of further consideration. Each of the subject areas is identified and discussed below.

1. ART ROUTE PERFORMANCE & RE-ALIGNMENT

As a result of the new hotel and theme park developments, ATN projects increase in operating costs due to anticipated increase in demand for service and corresponding increase in ridership to offset some operating costs. To accommodate demand for ART services, while maintaining service standards, staff reviewed all core ART routes and recommends re-alignment of these routes.

The goal is to complete ART service re-alignment process by June 1, 2019, and to maintain the same system of routes in 2020 to accommodate new hotel developments.

ATN's Title VI, Public Participation Plan (PPP) and Equity Analysis will be conducted to seek public input for these changes and changes discussed further in this Staff Report.

2. ART OPERATING AGREEMENT

ATN Executive Committee reviewed the enclosed draft ART Operating Agreement, as prepared by the ATN legal counsel. This agreement, first and foremost, is updated to coincide with the ATN approved by-laws and definitions. In addition to incorporation of by-law language, ART Service Agreement needs to:

1. Incorporate new ATN membership definitions;



2. Update assessments rate structure to coincide with the ATN by-laws;
3. Remove ART pass rates from the body of the agreement and include it as an attachment, thus allowing ATN Board flexibility to change ART Pass rates and included digital ticketing;
4. Define assessment rate structure based on the Cost Allocation Model formula as approved by the ATN Board on annual basis during the ATN Operating Budget deliberation and approval process; and
5. Concur with the applicable Specific Plans requirements and approved Will Serve Process.

3. COST ALLOCATION MODEL

Starting with Fiscal Year 2018, ATN Board approves an amount of annual assessment based on the methodology developed in the *ATN 2035 and Beyond Vision Plan Cost Allocation Model* with a maximum assessment amount not to exceed \$.55/room/day.

Over ten years ago, ATN Board established retail fees of \$500.00 per month per retail establishments. In 2017, when ATN assessment fees were increased, ATN Board approved an increase of all retain fees to \$550.00 per month per retail establishment. ATN Executive Committee recommends the following revised rate structure to all retail establishments:

Stand Alone Retail	\$.75/per square foot per year
Attached Retail	\$.55/square foot per year

Revised and proposed retail fees for The Anaheim Resort establishment would be consistent with the assessment fees proposed for Center City developments.

Prior to the recommendation of these fees, ATN staff conducted a study to similar systems nation-wide. Even though similar fees are assessed in other areas, these fees are assessed as part of the utility bills and are charged as traffic and/or parking mitigation fees. The only other similar fee process is done by Golden Gate Natural Park Conservancy and the are \$4.95 per square foot.

Based on the discussion, ATN Executive Committee recommended to establish the same fee structure for all assessed retail businesses – located in all parts of the City.

With the update to the ART Service agreement, ATN will be able to accurately represent to developers and ownership assessment structure commensurate with the development type.

4. ART FARES ADJUSTMENTS



ATN Executive Committee reviewed several options to the proposed ART fare adjustment and recommends increasing ART fares by \$0.50 per for all fare denominations. New fares would be effective June 1, 2019.

The proposed ART fare increase is proposed in advance of anticipated increase in contracting costs, which are estimated at \$700,000 - \$900,000.

Staff recommendation is to proceed with evaluation of tiered ART pass rate increase. For Fiscal Year 2019/20 an increase of \$0.50 and the same increase for Fiscal Year 2020/21. Bring ART Pass Rate to \$6.00 for a one-day ART Adult pass by July 2021.

5. PUBLIC PARTICIPATION PROCESS

Even through the proposed ART service changes do not prompt requirements for Public Participation Process (PPP), recommended changes to ART service agreement, Cost Allocation model and ART Passes, trigger Title VI Equity Analysis as required by the ATN's PPP and Fare Increase Policy. Staff suggests setting a public hearing date for May 22, 2019, to overlap with ATN operating budget approval for Fiscal Year 2019/2020.

Proposed ART Fare Increase

CURRENT ART PASS FARES		
1 Day A	\$5.50	\$6.00
3 Day A	\$14.00	\$16.00
5 Day A	\$23.00	\$25.00
15 Day A	\$49.00	\$51.00
30 Day A	\$69.00	\$72.00
1 Day C	\$2.00	\$2.50
3 Day C	\$3.00	\$3.50
5 Day C	\$5.00	\$5.50
1 Day R	\$2.00	\$2.50
3 Day R	\$5.00	\$5.50
5 Day R	\$8.00	\$5.50
Average Increase		12.13%
ART CASH FARES		
Regular Adult (Ages 10+)	\$3.00	\$4.00
Regular Child (Ages 3-9)	\$1.00	\$1.50
Senior Citizen	\$1.00	\$1.50
Disabled	\$1.00	\$1.50
Companion	\$1.00	\$1.50
Personal Care Attendant	\$3.00	\$3.50
Average Increase		44.33%

Anaheim Resort Transportation

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ART WHOLESALE FARES EFFECTIVE JANUARY 1, 2020		
WDTC Adult (5-day)	\$12.00	\$15.00
WDTC Child (5-day)	\$2.00	\$2.50
3 Day Getaway Adult	\$9.00	\$12.00
5 Day Getaway Adult	\$12.00	\$15.00
3 Day Getaway Child	\$2.00	\$2.50
5 Day Getaway Child	\$3.00	\$3.50
Average Increase		25.00%

Discussion:

Director Kotler presented to the Board the proposed service changes to begin June 1, 2019. She explained with theme park expansion and addition of new hotels properties, ATN is planning to align certain ART routes to prepare for increase in demand for service.

ART staff also had to take into consideration operations limitation of buses, i.e. we cannot make U turns, back up or make unprotected left turns, as well as take into consideration that in 18 months ATN will be operating 60-foot buses. Staff evaluated each routes ro ensure its cost effectiveness.

Director Hicks asked if this presentation included convention ridership. Director Kotler answered that, yes, all ridership regardless of the destination or origin.

Director Diana Kotler continues discussion on Clementine area hotels and the need to spilt this Line in order to include the new Radisson Blue hotel. New stops will be requested from the City of Anaheim to accommodate on-street stops for La Quinta and Extended Stay.

Director Matthew Hicks inquires if Radisson Blue must join ART? Director Diana Kotler responds yes, they do, or they need a franchise to operate their own to Disneyland Resort.

Another challenge is our Katella Line. We cannot make a u-turns anywhere on Katella Avenue and current make a 3-point turn on Walnut Avenue. Director Harris reminded all members at Visit Anaheim scheduled meetings with Garden Grove mayor and hotels on April 11th or 12th and will discuss this issue to support ART operations.

Chairman Paul Sanford inquires if we plan to provide West Anaheim service? Director Diana Kotler mentioned that plans are underway to begin to think of funding options to develop on-demand service deviated routes service.

Discussions moved to the draft ART services agreement. Presentation of the agreement was done by ATN Vice Chair Fred Brown and ATN legal counsel Fred Whitaker. Changes to the agreement were highlighted:

Inclusion of a CPI adjustment of up to 5% automatically



Removal of ticket vending machines (TVM)
Definition of fare media to include digital ticketing
Removal of rate structure from the body of the agreement to attachments
And inclusion of Center City
And update of retail assessment fees.

Director Matthew Hicks asks if the City of Anaheim pays for FRAN? Director Diana Kotler informed the Board that currently TIRCP grant covers the cost of FRAN operations and staff is working with City to develop a long-term sustainable financial structure to include advertising, assessment and parking. City of Anaheim is a member of downtown merchants association and through association will pay for \$50,000.00 in advertising \$38,000.00 through assessment fees.

Director Shaheen Sadeghi comments this is very expensive for Center City retail merchants. Director Diana Kotler responded that currently CtrCity Line is funded by the hotel community and CtrCity properties do not pay for ART service.

Director Shaheen Sadeghi says the volume of people and attendance and topography should be considered in the fee setting discussions. Director Shaheen Sadeghi also inquired if the City pays for ART service?

Director Diana Kotler explained history of ART service and offered to reschedule ART 101 briefing to provide background on ART and ATN services. Chairman Paul Sanford reminded everyone that the underlining purpose for ART and ATN is to reduce emissions and traffic congestion.

Discussion further insuit to discuss ART fees and services. In conclusion, Director Kotler summarized next steps in the process:

1. Proceed with ART fare increase and corresponding Title VI analysis for June 1, 2019 change;
2. Proceed with ART Line adjustments starting June 1, 2019;
3. Proceed with ART Service Agreement amendments;
4. Bring back for further discussion and consideration retail fee charges for all ART members and entire family of ART services.

ACTION CALENDAR:

13. By Resolution, authorize Anaheim Transportation Network to prepare Title VI Report and Equity Analysis, in compliance with agency's Public Participation Plan, to seek public input related to the proposed Anaheim Resort Transportation (ART) services changes, assessment rates and fare structure

RECOMMENDATION:



By Resolution authorize Anaheim Transportation Network to prepare Title VI Report and Equity Analysis, in compliance with agency's Public Participation Plan, to seek public input related to the proposed Anaheim Resort Transportation (ART) services changes, assessment rates and fare structure

Director Kotler provided a report that a public transportation service provider, Anaheim Transportation Network (ATN) is required to conduct public outreach and seek public participation in order to changes its fares, fees and operating agreement structure. These processes are outlined in the enclosed Public Participation Plan and Fare Change Policy documents.

In addition, ATN must update its Title VI Equity Analysis to ascertain if any impacts exist from the proposed fare and assessment changes on minority, low income and other vulnerable populations. Should finding indicate an undue impact, ATN must develop mitigating strategies to off-set or reduce anticipated impacts on the minority, low income and other vulnerable populations

By Resolution, the ATN Board of Directors is authorizing staff to begin public participation process based on the following schedule:

- Public Workshop -- ATN Board of Directors meeting on March 27, 2019
- Community Workshop #1 -- April 25 3:00-5:00 PM
- Community Workshop #2 -- May 9 5:00-7:00 PM
- Deadline for written Comments -- May 15, 2019
- ATN Board of Directors Approval -- May 22, 2019
- Changes go into effect -- June 1, 2019

Title VI analysis, comments and input from community workshops, written comments and any other related communications will be presented to the Board at is May 2019 meeting. Fees and assessment changes will be incorporated into Fiscal Year 2019/2020 operating budget.

Executive Director Diana Kotler described to the Board Title VI revisions, ART service Agreement Amendments, Fare Increase and Assessment Rate structure including Cost Allocation Model for ART operating area. I have authorized my staff to talk with the Hotels and bring back findings in May.

Director Ron Kim requested additional discussion and of retail fees and requested to bring additional analysis of retail fees. Director Diana Kotler indicated that we will bring back information based on membership data and the proposed assessment fee structure versus current flat rate of \$550 per retail space. Director Kim indicated that most customers using retail are guests to Disneyland Resort and expressed concerns with charges to retail. Director Kotler stated that ART is not simply a shuttle to Disneyland Resort, that ART serves destination beyond Disneyland and fee structure needs to reflect our service territory and demography.



Director Ron Kim requested to postpone retail fee discussion to after May.

By Motion Sanford/Hicks moved a motion to authorize Resolution #2019-001 Anaheim Transportation Network to prepare Title VI Report and Equity Analysis, in compliance with agency's Public Participation Plan, to seek public input related to the proposed Anaheim Resort Transportation (ART) services changes, fare structure and remove assessment rates.

YAYS: Runsten, Harris, Patel, Lee, Gee, Kim, Brown

NAYS: NONE

ABSTAIN: NONE

RECUSED: NONE

OTHER UPDATES:

14. Legislative Initiatives Status Report – State and federal legislative and administrative visits

Director Diana Kotler updated the Board on visits to Washington DC and Sacramento.

15. FRAN start-up operations status report

Director Diana Kotler provide a report on FRAN—Free Rides Around the Neighborhood is doing FRANTastic, ridership is increasing every week. With the Packing House being the most popular stop.

16. Franchise approval status report

Director Diana Kotler stated that April 16, 2019, will be the first meeting by the Anaheim City Council to consider approval of ATN Franchise Application.

Anaheim Transportation Network Board of Directors meeting adjourned at 5:14PM.

CLOSED SESSION – 2 ITEMS

17. Conference with legal counsel - Anticipated litigation
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of California Government Code Section 54956.9: One potential case.
18. Conference with real property negotiators Executive Director Diana Kotler and Paul Simonds pursuant to Government Code Section 54956.8, concerning potential terms and conditions of acquisition and/or disposition of the property identified below:

Property Location: 1354 South Anaheim Blvd., Street, Anaheim, CA
Owner/Negotiating Party: ATN Asset Holding Company



19. Personnel Matter – Public Employee Performance Evaluation pursuant to Govt. Code § 5457(b)(1) Title: Executive Director

ATN Board of Directors Meeting reconvened at 5:34 PM with a report from ATN Legal Counsel, Fred Whitaker.

Next regular ATN Board of Directors meeting will take place at the Anaheim Regional Transportation Intermodal Center (ARTIC) 2nd Floor Conference Room 2626 East Katella Avenue, Anaheim, on Wednesday, May 22, 2019.