



**Anaheim Transportation Network
Board of Directors and General Membership
Meeting Minutes
Wednesday, November 20, 2013
3:00 P.M. – 5:00 P.M.**

**Anaheim Convention Center
Mezzanine Conference Room
800 West Katella Avenue, Anaheim, CA 92802**

Board members in attendance:

Jerry Alder, Anaheim GardenWalk
Marcus Borman, Anaheim Marriott
Fred Brown, Desert Palms Hotel
Grant Dawdy, Walt Disney Company
Tom Morton, City of Anaheim
Bill O'Connell, Best Western Hotels
Sergio Bocci, Hilton Anaheim

ATN Staff Present:

Diana Kotler, ATN
Barbara Adams, ATN
Lita Aguilar, ATN
Belinda Trani, ATN

ATN Legal Counsel:

Fred Whitaker, Cummins & White, LLP

Ex-Officio Members:

Robert Johnson, MV Transportation

ATN Members Present:

None

Members of the Public Present:

Ron Kim, Propsera Hotels, Inc
Linda Johnson, City of Anaheim
Alfredo Lopez, MV
Todd Priest, CP&A
Alyson Price, CP&A
Nancy Rincon, National Express
Emilio Vazquez, MV Transportation
Sue Zulke, OCTA



AGENDA

Public presentation to recognize outstanding achievement of the ATN employees began at 3:12 pm. The ATN Board of Directors meeting was Called to Order at 3:25 pm.

WELCOME & INTRODUCTIONS

BOARD WORKSHOP:

Agenda Item #1. Quarterly update on Anaheim Transportation Projects – *Presentation by Todd Priest of Curt Pringle & Associates*. The ATN Board of Directors was advised that the deliberations in regard to the ARC project development will begin with a scoping meeting to consider all public comments as part of the EIR process is scheduled of January 14, 2014 at the Anaheim Convention Center. Public hearings will be conducted throughout 2014 with the final EIR release and project approval slated for 2015. Based on the current project schedule, construction is planned to begin in 2016 with opening planned for 2018. The current EIR is being prepared based on the at-grade preferred alternative and alignment, as approved by the Anaheim City Council to transport passengers between the Anaheim Resort area, Platinum Triangle and ARTIC. With the completion of the ARTIC construction at the end of 2014, ATN will begin discussions pertaining to the space lease and responsibilities shortly. An RFP for the ARTIC naming rights will be released by the City of Anaheim in the near future.

INFORMATIONAL ITEM. RECEIVE AND FILE – NO ACTION REQUIRED

SPECIAL CALENDAR

Agenda Item 2. Presentation of a Resolution to Alfredo Lopez for the Anaheim Resort Transportation Operator for the Month of October 2013.

ADDITIONS/DELETIONS TO THE AGENDA – None

PUBLIC COMMENTS

None

AT 3:26 pm the ATN Board of Directed recessed the Anaheim Transportation Network Board of Directors meeting and called to order Annual meeting of the Anaheim Transportation Network General Membership

ATN GENERAL MEMBERSHIP MEETING:

Agenda Item 3. Review of the ATN Work Program for 2014

Staff provided an overview with the activities planned for 2014. Nine (9) primary initiatives will be undertaken by staff. These initiatives are listed below:



I. ARTIC – Evaluation of ATN location

ATN will need to ascertain its needs and responsibilities associated with the opening of the Anaheim Regional Transportation Intermodal Center (ARTIC). Discussion pertaining to space needs, operations, luggage concierge service and other functions will need to be fully vetted, funded and negotiated.

II. Ticketing Infrastructure

The travel industry is implementing more comprehensive levels of electronic ticketing options such as bar- and QR-codes. ATN's ticketing infrastructure is based on a magnetic stripe technology. In 2014, ATN needs to survey and determine options for moving forward with electronic ticketing alternatives. This task will require the ATN to update its current in-bus technologies, discuss ticketing initiatives with wholesale and theme park partners and select a ticketing vendor suitable to meet our future needs.

III. ARC – Monitor Progress and Discussions

Over the next several years, ARC project development will take shape. It is imperative that the ATN is represented to be a vital participant in the development and implementation processes.

IV. Move ATN Facilities With Expanded Maintenance Responsibilities

Upon completion of tenant improvements, ATN will need to re-locate its operations and maintenance facilities to 1354 South Anaheim Blvd., Anaheim. In addition to the physical relocation of the administrative facilities, ATN's fleet maintenance functions will double in size and complexity. With the acquisition of 35 LNG buses from OCTA, ATN will need to ensure that its maintenance, fueling and operational capabilities continue at the highest level.

V. ART Contract Transition and Agreement Negotiations

ATN's current agreement for ART transportation services with MV Transportation Inc. will terminate on July 29, 2014. ATN needs to complete procurement process for ART transportation services and ensure a smooth contractual and service transition.

VI. ATN Advertising Policy Direction and RFP

ATN's agreement with Victory Communication for Advertising Sales will expire on June 30, 2014. ATN will need to solicit consulting services for Advertising Sales and establish an advertising policy that is consistent with the needs of the Anaheim Resort community and federal requirements.



VII. Refinancing of the Real Estate and Tenant Improvement Loan

Upon taking occupancy of the new administrative and maintenance facility, ATN will need to begin negotiations to refinance its land/property acquisition and tenant improvement loans into one conventional long-term instrument.

VIII. Service Parameters to Other Cities

Establish a policy for service expansion to surrounding cities – beach communities, Garden Grove, Fullerton, etc.

IX. New Anaheim Hospitality Developments – Incorporation Into Existing Services

As construction of new hospitality establishments is completed and new developments begin to operate in the Anaheim Resort, ATN will need to ensure that ART service incorporates these properties taking into consideration route re-alignments, additional bus stop requirements, scheduling and all other operating needs.

Agenda Item 4. 2014 ATN Board of Directors Nominations and Election of ATN Board of Directors

- a. Nominations from the floor – None
- b. New & Incumbent Board Member Self – Introduction

Ronald Kim, ATN Board of Directors nominee provided a self-introduction and qualifications for the service on the ATN Board of Directors.

- c. Conduct vote for 2014 ATN Board of Directors

ATN General members in attendance conducted a vote for the 2014 ATN Board of Directors. Due to a tie for the position on the 2014 ATN Board of Directors and by motion (Brown/Borman), the ATN Board elected to elect incumbent and new Board members based on the timing of the submission of a nomination to serve on the Board. Upon approval the last person nominated for the board will serve a one-year term.

AYES: 7
NOES: 0
ABSTAIN: 0

Agenda Item 5. Upon completion of the election process, the following members will serve on the 2014 ATN Board of Directors:



Board Member	Organization	Board Position	Term Length
Diana Kotler	ATN	Executive Director	
Fred M. Whitaker	Cummins & White LLP	Legal Counsel	
Kevin Anderson	The Catch Restaurant	Director	December 2015
Todd Ament	Anaheim Chamber of Commerce	Director	December 2014
Jerry Alder	Anaheim GardenWalk	Director	December 2015
Sergio Bocci	Hilton Anaheim	Director	December 2015
Marcus Borman	Anaheim Marriott	Secretary	December 2015
Fred Brown	Desert Palm Hotel & Suites	Vice Chair	December 2014
Tony Bruno	Sheraton Park	Director	December 2014
Jay Burress	Anaheim/Orange County Visitor and Conventions Bureau	Director	December 2014
Ronald Kim	Prospera Hotels	Director	December 2014
Tom Morton	City of Anaheim	Director	December 2015
Bill O'Connell	Stovall Properties	Director	December 2015
Kyndell Paine <i>Grant Dawdy*</i>	Walt Disney Company	Director	December 2015
Paul Sanford	Anabella Hotel	Chairman	December 2014

Upon completion of the Adjourn Anaheim Transportation Network General Membership Meeting, the ATN Board of Directors reconvened the regular Anaheim Transportation Network Board of Directors Meeting

CONSENT CALENDAR

Agenda Item 6. Receive and approve minutes of the ATN Board of Directors meeting held on Wednesday, October 23, 2013.

Agenda Item 7. Receive and file status report pertaining to the Anaheim Transportation Network operations *ATN Focus Area Reports – October 31, 2013*

Agenda Item 8. Receive and file ART Operating Reports through October 31, 2013



Agenda Item 9. Receive and file ATN membership report for October 31, 2013

Agenda Item 10. Receive and close financial reports for the periods of September 30, 2013. File draft financial reports for the period of October 31, 2013

Agenda Item 11. Receive and file customer service summary for October 31, 2013

Agenda Item 12. Receive and file sales report summary for October 31, 2013

By single motion (Brown/Morton) items 6 – 12 on the Consent Calendar were acted on and approved by one roll call vote.

AYES: 7

NOES: 0

ABSTAIN: 0

Agenda Item 13. ART operational update – monthly report provided by MV Transportation, Inc., Robert Johnson, General Manager.

Mr. Johnson reported that MV has 35 days accident free. He also informed the Board that MV has been diligently working to recruit additional staff in preparation for the upcoming holiday and vacation season. MV Transportation is on track to have adequate and trained personnel.

INFORMATIONAL ITEM. RECEIVE AND FILE – NO ACTION REQUIRED

ACTION CALENDAR:

Agenda Item 14. Review and approve ATN Membership Investment Rates for Calendar Year 2014

ATN Membership Investment Rates must be approved each year by the ATN Board of Directors. Based on staff recommendations and considering limited impact on the overall budget of the ATN of \$50,000 per year, staff proposed to keep 2014 ATN membership investment rates at the same level as for 2013. The ATN Bylaws dictate that all Voting and Associate Members shall pay annual investment rates as established by the Board pursuant and set annually by a two-thirds vote of the ATN Board of Directors. The ATN membership structure includes the following categories:

1. Hotels and Motels;
2. Employers not operating as Hotels or Motels;
3. Event Centers;
4. Associates;



- 5. Multiple Properties in Same Category – Identical ownership structure and with more than one business in a certain category; and
- 6. Multiple Properties in Different Categories – Owners with identical ownership structure and with more than one business in separate categories (i.e. one hotel and one employer)

Membership rates are established by categories and are as follows:

Membership Category	Membership Rate	Minimum Rate per Year	Maximum per Year
Lodging Establishments	\$1.75/room/year	\$300	\$1,500
Employers	\$1.50/employee/year	\$300	\$3,250
Major Event Centers	\$65/one million visitors/year	\$300	\$650
Associate Members	\$300/member	N/A	N/A

By motion (Brown/Dawdy) board approved ATN Membership Investment Rates for Calendar Year 2014

AYES: 7
NOES: 0
ABSTAIN: 0

Agenda Item 15. Approve ATN Board of Directors Meeting Calendar for 2014.

ATN Board of Directors meets at the Anaheim Convention Center Mezzanine Conference Room 800 West Katella Avenue, Anaheim. All meetings begin at 3 p.m. on the fourth Wednesday of each month (unless noted otherwise). November 2014 ATN Board of Directors meeting will be held on the third Wednesday, November 19th due to a Thanksgiving Holiday. ATN Board of Directors does not meet in December.



2014 ATN Board of Directors Meeting Schedule

<p><i>ATN Board of Directors meetings are held at the Anaheim Convention Center Mezzanine Conference Room 800 West Katella Avenue, Anaheim All meetings begin at 3 p.m. on the fourth Wednesday of each month (unless noted otherwise)</i></p>	
Wed., January 22	Installation of the New Board and Election of Executive Committee
Wed., February 26	
Wed., March 26	Begin 2014/15 Budget Discussions
Wed., April 23	
Wed., May 28	General Membership Meeting
Wed., June 25	Adopt 2014/15 ATN Operating and Capital Improvement Budgets
Wed., July 23	
Wed., August 27	
Wed., September 24	
Wed., October 22	
Wed., November 19 <i>3rd Wednesday due to Thanksgiving Holiday</i>	General Membership Meeting & Board Elections
December	No Meeting

By motion (Morton/Brown) board approved ATN Board of Directors Meeting Calendar for 2014.

AYES: 7

NOES: 0

ABSTAIN: 0

Agenda Item 16. Approve extension of the agreement with the Walt Disney Company and set assessment rates for the provision of transportation services for Route 20 and other transportation services along ATN's Anaheim Resort Transportation (ART) public routes through January 2014. – *Continues from Special Meeting of the ATN Board of Directors on November 12, 2013.*

The ATN received the agreement from the Walt Disney Company regarding the provision of transportation services for Route 20 and other transportation services along ATN's Anaheim Resort



Transportation (ART) public routes. The final discussions of this agreement had been primarily centered on the cost allocation of the associated fuel expenses. At the ATN Board of Directors meetings on September 25 and special meeting of the Board on November 12, 2013, the ATN staff reported on discussions between the ATN and Walt Disney Company procurement staffs pertaining to negotiations for final determinations of operating costs and applicable assessment rate for all transportation operation parameters associated with the transportation services for Route 20 and other transportation services along ATN's Anaheim Resort Transportation (ART) public routes. These final discussions were primarily centered on the cost allocation of associated fuel expenses.

The ATN administrative, overhead and operating costs were calculated without inclusion of fuel. In the ATN proposal, the associated fuel costs were included as a direct pass-through, above and beyond the assessment rate. Walt Disney Company conducted further analysis of the fuel cost associated with service provision. ATN staff was asked to provide historic fuel cost information, starting in 2011 through present, as well as the anticipated fuel cost as represented by the new agreement between Orange County Transportation Authority and their new fuel supplier. Based upon final discussion, the agreement between the ATN and Walt Disney Company will be based upon Plan B rate structure, which includes an hourly billing rate, without fuel costs, and a separate fuel direct pass through to reimburse ATN for the incurred fuel costs.

By motion (Morton/Brown) the ATN Board of Directors approved the agreement between the ATN and the Walt Disney Company and set assessment rates for the provision of public transportation services for Route 20 and other transportation services along ATN's Anaheim Resort Transportation (ART) public routes and set the Plan B Rate Structure. Director Dawdy abstained from the vote.

AYES: 6
NOES: 0
ABSTAIN: 1

Agenda Item 17. Authorize Executive Director, upon review and discussion of policy direction, to prepare a draft Request for Proposal for Advertising Sales on Anaheim Resort Transportation (ART) system.

Staff provided background information and history on the ATN's advertising program which began in 2005 when the ATN obtained approval from the City of Anaheim to begin its advertising program. Permission from the City of Anaheim was necessary, as advertising is restricted in The Anaheim Resort®. The approval from the City of Anaheim was only necessary for the external advertising program on the ATN's Anaheim Resort Transportation (ART) fleet. The city's restrictions on advertising within The Anaheim Resort® do not apply to inside advertisements and advertisements placed on ATN collateral materials.

In 2006, the ATN began advertising sales by awarding a consulting agreement to Victory Communications, Inc. The ATN continues, to this day, its relationship with Victory Communications, Inc.



The ATN's advertising revenues has continued to grow. The program originally provided ATN with approximately \$150,000 per year, but is now generating revenue of between \$250,000 - \$300,000. The advertising programs current gross sales are approximately \$500,000.

As discussed at the ATN Board of Directors meetings in September and October 2013, the ATN Board of Directors directed staff to evaluate future direction of the ATN advertising options and release a Request for Proposals to retain Advertising Sales consultant for solicitation of advertising opportunities on ART system. The ATN has several options for the development of a Scope of Work for advertising sales:

1. **Guaranteed Minimum Approach** – ATN selects a consultant who guarantees minimum payment terms to the ATN for the use of available advertising space. Should advertising sales exceed an agreed upon minimum amount, ATN receives commission on excess revenue. Consultant has full discretion, within broad parameters such as family friendly advertising, no tobacco/alcohol products, indecent, conflicting with traffic safety or injurious to public interest etc., to solicit advertising from interested parties. Consultant is responsible for all production, installation, collection, maintenance, contractual and scheduling functions;
2. **Licensing Approach** – ATN gives rights (license) to an advertising consultant for solicitation of advertising sales with payment to the ATN of a pre-determined commission rate for the right to use ATN property/assets. Broad parameters could be established, such as family-friendly messaging, no tobacco/alcohol products, indecent, conflicting with traffic safety or injurious to public interest, for solicitation of advertising sales. Consultant is responsible for all production, installation, collection, maintenance, contractual and scheduling functions; or
3. **Commission Based Approach** – Current advertising approach. ATN administers its advertising program and compensates advertising consultant, based on a pre-determined commission rate, for the sale of advertising. ATN is responsible for managing the production process, installation of advertisements, collection, maintenance, contractual and scheduling functions.

ATN's current agreement with Victory Communications, Inc. is scheduled to terminate on June 30, 2014. Based on the developed policy approach, the ATN will release a Request for Proposals. Staff recommended continuation of the existing commission-based approach for the solicitation of consulting services for advertising sales.

By motion (Brown/O'Connell) ATN Board of Directors authorized Executive Director to prepare a draft Request for Proposal for Advertising Sales on the Anaheim Resort Transportation (ART) system.

AYES: 7

NOES: 0

ABSTAIN: 0



Agenda Item 18. Other Business:

ATN Board of Directors was informed that on December 18, 2013, Build Your Dreams (BYD) bus manufacturer will be providing one electric zero emissions bus, as a demonstration project, to the ATN for operation in ART service. Bus will be tested by the ATN through the holiday season as well as Tinkerbell Marathon and NAMM events in January 2014.

Closed session convened at 4:45 p.m.

Conference with real property negotiator Executive Director Diana Kotler, pursuant to Government Code Section 54956.8, concerning potential terms and conditions of acquisition and/or disposition of the property identified below:

Property Location: 321 West Katella Avenue, Anaheim, California 92806
Owner/Negotiating Party: Anaheim Capital Partners LLC; dba Anaheim Retail Partners LLC
ACPL 399 Park Avenue, 6th Floor, New York, NY 10022

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

Adjourn Closed Session at 5:15 p.m. ATN legal counsel, Mr. Whitaker, made a report. No action to report.

Next regular ATN Board of Directors meeting will take place at the Anaheim Convention Center, Mezzanine Conference Room, 800 West Katella Avenue, Anaheim, on Wednesday, January 22, 2014.