



**Anaheim Transportation Network
Board of Directors Meeting Minutes
Wednesday, October 23, 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
Todd Ament, Anaheim Chamber of Commerce
Kevin Anderson, The Catch
Marcus Borman, Anaheim Marriott
Fred Brown, Desert Palms Hotel
Tony Bruno, Sheraton Park Hotel
Grant Dawdy, Walt Disney Company
Tom Morton, City of Anaheim
Bill O'Connell, Best Western Hotels
Paul Sanford, Anabella Hotel

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:

Rich Bacigalupo, OCTA
Darlene Cochran, Grayline / Pacific Coast Anaheim
Pamela Ervin, MV Transportation
Joe Escobedo, MV Transportation
James Hetrick, MV Transportation
Jamie Lai, City of Anaheim
Maribel Leon, Grayline / Pacific Coast Anaheim
Todd Priest, CP&A
Nancy Rincon, National Express
Sue Zulke, OCTA

AGENDA

Call To Order Anaheim Transportation Network Board of Directors Meeting at 3:01 pm.

WELCOME & INTRODUCTIONS

SPECIAL CALENDAR

1. Presentation of a Resolution to Pamela Ervin for the Anaheim Resort Transportation Operator for the Month of August and Terry Davis for the Anaheim Resort Transportation Operator of the Quarter.

ADDITIONS/DELETIONS TO THE AGENDA

None

PUBLIC COMMENTS

None

CONSENT CALENDAR

2. Receive and approve minutes of the ATN Board of Directors meeting held on Wednesday, September 25, 2013
3. Receive and file status report pertaining to the Anaheim Transportation Network operations
ATN Focus Area Reports – September 30, 2013
4. Receive and file ART Operating Reports through September 30, 2013
5. Receive and file ATN membership report for September 30, 2013
6. Receive and close financial reports for the periods of August 31, 2013. File draft financial reports for the period of September 30, 2013
7. Receive and file customer service summary for September 30, 2013
8. Receive and file sales report summary for September 30, 2013

END OF CONSENT CALENDAR

By motion (Sanford/Ament) Items 2 – 8 on the Consent Calendar were acted on and approved by one roll call vote.

AYES: 10

NOES: 0

ABSTAIN: 0

OPERATIONAL REPORT:

9. ART operational update – monthly report provided by MV Transportation, Inc., Robert Johnson, General Manager. James Hetrick was introduced as the newly hired MV Training and Safety Manager.

INFORMATIONAL ITEM. RECEIVE AND FILE – NO ACTION REQUIRED

ACTION CALENDAR:

10. Approve 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.

Staff reviewed service provision parameters for the Circulator Services. These service parameters were presented to the ATN Board of Directors at the August 28th and September 25th, 2013 meetings and have remained unchanged for the purposes of development of the final operating methodology:

1. Existing Route 20 – Toy Story;
2. The Anaheim Convention Center;
3. GardenWalk; and
4. Pumbaa Parking facilities

Existing ART service routes will continue to operate based on the current service delivery methodology. Should future service needs dictate a necessity to add ART routes, change proposed assessment structure, modify ART stops, or other service parameters, ATN Board of Directors approval will be necessary and a public hearing may be required.

Staff indicated that ATN's current fleet of Liquefied Natural Gas (LNG) buses will be used for the circulator service. A fleet of 35 LNG buses will be needed to meet adequate demand for services and will be acquired from the Orange County Transportation Authority (OCTA). Terms and conditions for the acquisition of 35 LNG buses will be developed and presented to the ATN Board of Directors in early 2014.

Upon completion of tenant improvements at 1354 South Anaheim Blvd., Anaheim, all current operations out of the Anaheim Base will be moved to the 1354 South Anaheim Boulevard facility. The ATN has confirmed with the City of Anaheim a satellite parking facility to accommodate additional bus parking over flow. The ATN will submit and operations plan to develop a lease agreement with the Anaheim Sports Center. This operations plan will need to be consistent with the approved Condition Use Permit uses. The City of Anaheim should be able to approve additional use administratively and based on the existing Condition Use Permit.

In calculation of the assessment rates, the costs associated with the contracted operations through MV Transportation were assumed through July 29, 2014 based on the current operating rate structure as well as anticipated contracted operating costs starting on August 1, 2014. Contracted services through OCTA were incorporated for 30 LNG buses through the to-be-negotiated term of the maintenance service agreement.

ATN administrative, overhead and operating costs (dispatch and road supervision) are included in the assessment structure for 110,000 hours, fully-burdened hours. Once ATN has provided 110,000 hours of revenue service, the assessment rates are reduced to include only actually operating costs such as dispatch and road supervision, driving personnel and maintenance. All fueling costs will be a direct pass through to reduce the ATN's risk on fuel volatility.

ASSESSMENT RATES

Budget Line Item	30 Dedicated LNG buses OCTA Maintenance Program	30 Dedicated LNG buses ATN Maintenance Program	35 Dedicated buses with Electric Bus Fleet ATN Maintenance Program
Rolling Stock	392,700	178,000	120,000
Facility	N/A	60,000	60,000
Dispatch (ATN)	203,680	280,680	280,680
Driving Personnel (Contractor)	3,045,000	3,137,460	3,137,460
Administration (ATN)	125,000	125,000	125,000
Maintenance Costs (Fixed_OCTA)	892,500	N/A	N/A
Maintenance Costs (Parts/Supplies)	344,000	320,000	260,000
Maintenance Personnel (ATN)	N/A	450,000	450,000
Burden	39,170	187,550	187,550
Insurance	53,200	53,200	53,200
ATN Overhead	125,000	125,000	125,000
Total Operating Costs Excluding Fuel	5,220,816	4,891,890	4,773,890
Vehicle Revenue Hours	110,000	110,000	110,000
Hourly Operating Rate_2014		N/A	N/A
Fully Burdened Assessment	\$44.73		
Variable Rate Assessment	\$34.32		
Hourly Operating Rate_2015		\$41.91	N/A
Fully Burdened Assessment		\$36.53	
Variable Rate Assessment			
Hourly Operating Rate_2016		\$43.17	\$42.13
Fully Burdened Assessment		\$37.63	\$36.59
Variable Rate Assessment			
Hourly Operating Rate_2017		\$44.46	\$43.39
Fully Burdened Assessment		\$38.75	\$37.86
Variable Rate Assessment			
Hourly Operating Rate_2018		\$45.80	\$44.69
Fully Burdened Assessment		\$39.92	\$39.16
Variable Rate Assessment			

By motion (Sanford/Brown) board authorized 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. Director Dawdy abstained from the vote.

AYES: 9

NOES: 0

ABSTAIN: 1

11. Discuss and provide direction to staff and legal counsel in regard to the advertising strategy for the ATN's Anaheim Resort Transportation (ART) system for external and internal advertising opportunities.

ATN staff provided a historic overview with the ATN's advertising programs which began in 2005 with the permission from the City of Anaheim. The permission from the City of Anaheim applied only to the external advertising program on the ATN's Anaheim Resort Transportation (ART) fleet. All internal and collateral advertising were not subject to the City's permission.

At the same time, ATN staff met with the Walt Disney Company to discuss the proposed program and to ascertain appropriate potential corporate partnerships which would not impede with the mission of corporate partners and the Anaheim Resort community. A general consensus between all parties was reached:

1. ATN would refrain from external advertising of competing interests; and
2. Internal advertising, as well as advertising in the collateral materials, would be at the purview of the ATN.

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

Historically, ATN's advertising universe has been limited to the family-friendly markets, with no other restrictions on the internal and collateral advertising messages and non-competitive markets for external advertising. Advertising is available on:

1. ART buses – Bus Wrap Program
2. ART System Map
3. Internal Advertising Panels
4. ART Tickets
5. Rack Cards on Board ART Buses

In August 2013, the ATN Board of Directors authorized expansion of the ATN advertising program to include real-time advertising LED screens.

As the ATN continues to enhance its advertising program, and related revenue opportunities, several items need to be considered to ensure compliance with certain legal requirements:

1. Triennial Federal Review – Since advertising is sold on the federal assets, and based on the adopted ATN Procurement Guidelines, all advertising over \$100,000 has to go through a formal RFP process. Under the law, the ATN must promote “full and open competition” for the procurement of the advertising revenue. Categories may be established to weigh local and family-friendly advertisers more heavily, etc.
2. ATN’s agreement with Victory Communications terminates on June 30, 2014. ATN will need to issue an RFP for these services. Procurement responsibilities associated with the Triennial Federal Review maybe obligated to the consultant as part of the new contractual relationship between the ATN and to be selected contractor.

ATN Board members requested that staff further research advertising solicitation options by looking at advertising contracts at OCTA and the City of Anaheim. Upon review of the advertising structures at OCTA and City of Anaheim, staff was instructed to bring proposed new opportunities for the structure of the ATN’s advertising contract back to the Board for further discussion and consideration.

CURRENT ADVERTISING AGREEMENTS

Advertising Partner	Gross Advertising Rate	Term	Venue
Walt Disney Company_Disneyland Resort	162,500	10/2014	Bus Wrap
CityPass Program (CityPass)	80,000	10/2014	Bus Wrap
CityPass Program (Disney)	35,500	10/2014	Bus Wrap
Universal Studios	41,260	6/2014	Internal Ads, ART tickets & ART System Map
GardenWalk	6,000	7/2014	ART System Map
Aquarium of the Pacific	8,000	9/2014	ART System Map
The Outlets at Orange	12,500	9/2014	ART System Map
Medieval Times Dinner Tournament	4,000	9/2014	ART System Map and Rack Cards
McDonalds	19,985	9/2014	ART System Map, Internal Ads, Rack Cards
StarLine Tours	3,960	3/2014	ART System Map

South Coast Plaza	4,600	3/2014	ART System Map
Pirates Dinner Adventure	2,200	3/2014	ART System Map
Knott's Berry Farm	45,532	12/2013	Bus Wrap
House of Blues	2,200	9/2014	ART System Map
Ridemakerz	5,600	12/2013	ART Tickets
Tommy Hilfiger	4,500	3/2014	ART Tickets
Sea World	6,732	3/2014	Internal Ads
Westfield Malls	14,640	12/2013	Tail Wrap
LegoLand	17,870	6/2014	Tail Wrap
Panda City	2,080	6/2014	Rack Cards
Bowl 300	4,000	6/2014	Internal Ads

INFORMATIONAL ITEM. RECEIVE AND FILE – NO ACTION REQUIRED

12. Status Updates: - Informational Items only, no action was required.

- a. ATN Relocation and Tenant Improvements Update
 - i. Construction begins on Monday October 24, 2013 with move in to be March 2014.
- b. ART Services RFP #13-006 Update
 - i. There are no material changes to the documents. The final RFP will be released on October 30, 2013.

13. Other Business

Darlene Cochran, President of Grayline / Pacific Coast Sightseeing Anaheim, reported they have picked up the AMTRAK contract effective on November 4, 2013. This is a seven (7) year obligation to AMTRAK. They will be working out of ARTIC, which will include a bay for their Megabus.

ATN Board of Directors Meeting adjourned at 3:55 p.m.

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, November 20, 2013.