



**Anaheim Transportation Network
Board of Directors Meeting Minutes
Wednesday, February 24, 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
Mindy Abel, Visit Anaheim
Ron Kim, Prospera Hotels
Dan Lee, City of Anaheim
Fred Brown, Desert Palm Springs
Bill O'Connell, Stovall Properties
Todd Ament, Anaheim Chamber of Commerce
Merit Tully, The Honda Center
Mark Ochoa, The Anaheim Marriott

ATN Staff Present:

Diana Kotler, ATN
DeAndre McCall, ATN
Cristina Montoya, ATN

ATN Legal Counsel:

Fred Whitaker, Cummins & White, LLP
Todd Priest, Curt, Pringle & Associates

Members of the Public Present:

Rick Baligalcupo, OCTA
Kevin Kidney, Kevin & Jody
Sue Zuhke, OCTA
Linda Johnson, City of Anaheim
Felicia Adams, First Transit
Jan Strickland, First Transit



The ATN Board of Directors meeting was called to order at 3:00 pm

WELCOME & INTRODUCTIONS

ADDITIONS/DELETIONS TO THE AGENDA

No additions/deletions to the Agenda

PUBLIC COMMENTS

None

SPECIAL CALENDAR:

1. Presentation of Resolutions to:

Yvette Flag January 2016 Operator of the Month

She has been an exemplary attitude and her positivity is contagious. She has been with First Transit since June 2014. Outside of work, she focuses on her Ministry. She has been involved in Ministry work for years and attributes her being positive.

CONSENT CALENDAR:

Items 2-8 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 held on Wednesday, January 27, 2016
3. Receive and file status report pertaining to the Anaheim Transportation Network operations -- ATN Focus Area Reports – January 2016
4. Receive and file ART Operating Reports:
 - a. Maintenance: Mileage & Road Call Reports for January 2016
 - b. Safety & Training: Safety & Security Report for January 2016
 - c. Contract Payment Adjustments: Liquidated Damages Report for December 2015
5. Receive and file ATN membership report for January 2016
6. Receive and file financial reports for the period of December 2015 and approve electronic payments for the period of January 2016.
7. Receive and file customer service summary for January 2016
8. Receive and file sales report summary for January 2016

END OF CONSENT CALENDAR



By motion, Brown, Consent Calendar items 2-8 were passed by a single motion.

Yeas: Amend
Noes: None
Abstain: None

OPERATIONAL REPORT:

9. ART Operational Update – Monthly report provided by First Transit, Inc. *Jan Strickland, General Manager*

Monthly operational report to the ATN Board of Directors was provided by ATN contractor, First Transit. Jan Strickland, General Manager at the Anaheim location made a presentation informing ATN Board of Directors that recruiting efforts are still on going. Jan Strickland recapped to the Board of Directors that the past Saturday, February 20th, First Transit had a special event, where Management interviewed an array of candidates. The team believed it was very successful and will do it again. Union negotiations continue, and the next meeting will be on March 23rd. The preparation for Natural products has begun, and a schedule has been put into place.

Vice Chair Fred Brown expressed his concern about how efficient the recruiting efforts have been, and hopes that with the new contracts coming into place in the near future, the retention rates and quality of service increase.

ACTION CALENDAR:

10. Approve Resolutions of Anaheim Transportation Network for candidate projects to Orange County Transportation Authority Measure M Project V Program Community Based Transit/Circulators:

Resolution #2016-001 -- ARTIC/CtrCity Anaheim Circulator
Resolution # 2016-002 – Anaheim Resort/ARTIC/Costa Mesa Circulator

Executive Director Kotler: On November 23, 2015, the Orange County Transportation Authority (OCTA) Board of Directors approved 2016 Community Based Transit Circulators Program (Project V) Call for Projects. Project V allocates up to \$20 million in Measure M2 funds to local agencies to fill service gaps in the areas not adequately served by regional transit.

The Project V is a competitive program. Measure M2 funds allocated through this program can be used to operate Community-Based Circulators/Shuttles. Applications for funding are due to OCTA by February 29, 2016.



Projects approved by OCTA would fund locally submitted projects up to the following project limits, per project:

- Capital Costs – Up to \$550,000 annually
- Operating Costs – Up to \$550,000 annually for seven years up to \$3.85 million per project
- Marketing - \$25,000 startup; up to \$10,000 annually for the remaining grant period
- Planning – Up to \$50,000 per agency

Eligible capital expenditure include bus and vehicle purchase and leases, bike racks, software, communication equipment, fare collection, bus stop improvements, maintenance facilities and fueling stations required for new service. Eligible operating cost include operations related to the new or expanded eligible service for fixed Route, deviated fixed route, demand responsive, seasonal community shuttles and other flexible and innovative service models; parking leases needed for new eligible service and marketing efforts within allowable funding cap.

Project evaluation will be conducted through March 2016 with staff recommendation to the OCTA Technical Advisory Committee in April/May 2016. Final staff recommendations will be forwarded to the OCTA Board of Directors in June 2016. Once projects are approved, implementation must commence in 2017.

Anaheim Transportation Network partnered with two local jurisdictions – City of Anaheim and City of Costa Mesa – to develop and implement community based transit circulator programs. Each proposed grant application is discussed in detail below.

ARTIC/CTR CITY ANAHEIM CIRCULATOR

The City of Anaheim, in partnership with the Anaheim Transportation Network (ATN) proposes to create a new Anaheim Resort Transportation (ART) route to provide service between ARTIC and Downtown “CtrCity” Anaheim using two 30-passenger buses. The service will operate from Monday – Friday during AM and PM commute hours. In addition to the daily service, evening service on Fridays and Saturdays will be available between Downtown “CtrCity” Anaheim and ARTIC for all home Major League Baseball and National Hockey League games.

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ARTIC/CtrCity ANAHEIM Circulator



The new ART service route will originate at ARTIC with 11 stops at the following locations:

1. ARTIC
2. State College Boulevard/Katella Avenue
3. Vermont Avenue/Olive Street
4. Anaheim Boulevard/Vermont Avenue
5. Anaheim Boulevard/South Street
6. Anaheim Boulevard/Santa Ana Street
7. Center Street Promenade at CtrCity
8. Anaheim Boulevard/Santa Ana Street
9. Anaheim Boulevard/South Street
10. State College Boulevard/Katella Avenue
11. ARTIC

The proposed route will allow residents and employees in Downtown CtrCity Anaheim to reach ARTIC, either to commute to jobs outside of the city or to other points of interest near ARTIC, such as the Angel Stadium of Anaheim or the Honda Center and allow residents in The Platinum Triangle™ to reach Downtown CtrCity Anaheim. Current population density per square mile within a ¼ mile of the route is estimated at 6,391 persons, while current employment density per square mile within a ¼ mile of the route is estimated at 8,287 jobs. The new ART Line will be carefully coordinated with the existing regional and local services, aligning our schedules directly with Metrolink and Amtrak trains in the AM and PM commute hours. The route will connect to over 17 fixed route bus/rail connections within a quarter mile of the route:

Metrolink/AMTRAK:

- AM Trains: 601 N/B; 603 N/B; 605 N/B; 682 S/B & 683 N/B; 607 N/B; 685 N/B & 600 S/B.
- PM Trains: 686 S/B & 609 N/B; 604 S/B; 688 SB & 689 NB; 643 NB & 606 SB

OCTA:

- Bus lines: 53, 153, 430, 57, & 47

ART:

- Bus lines: Katella Avenue Line -9; Downtown/Packing District Line – 10; Ball Road -Line11; and ARTIC/Sports Complex Lines 14 & 15; Buena Park Line 18; and Costa Mesa Line – Route 22

Total cost to implement the proposed ARTIC/CtrCity Anaheim route is estimated at \$1,285,309. This includes \$220,000 for the purchase of a 30-passenger bus, plus real-time passenger information signage. Operations & Maintenance (O&M) costs for seven years is estimated at a



total of \$1,065,309. The City is requesting \$1,122,556 in funding from OCTA, and will provide an 11% local match of \$114,429 from the Anaheim Tourism Improvement District (ATID) as well as \$48,324 from AB 2766 funds. Exhibit 1 below outlines total project costs and funding sources:

Exhibit 1 Total Estimated Project Costs

City of Anaheim Total Project Costs	Capital	O&M	Total Project Cost	OCTA Requested Funding	AB 2766 Local Match Funding	ATID Local Match Funding
Total CAPITAL and O&M	\$ 220,000	\$ 1,065,309	\$ 1,285,309	\$ 1,122,556	\$ 48,324	\$ 114,429

Exhibit 2 Total O&M Costs

O&M Costs For Bus #1 and #2	Yr 1 2017	Yr 2 2018	Yr 3* 2019	Yr 4 2020	Yr 5 2021	Yr 6 2022	Yr 7 2023	Total Project Cost
Marketing Costs /Public Outreach**	\$ 25,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 85,000
Planning Costs	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000
Operating Costs***	\$ 115,988	\$ 120,628	\$ 132,690	\$ 137,998	\$ 143,518	\$ 149,259	\$ 155,229	\$ 955,309
Total	\$ 165,988	\$ 130,628	\$ 142,690	\$ 147,998	\$ 153,518	\$ 159,259	\$ 165,229	\$ 1,065,309
*Change in Contractor.								
**Project V contributions for marketing will be capped at \$25,000 for startup and \$10,000 annually thereafter for remaining grant period.								
***Operating costs increase by 4% each year except for Year 3 (10% increase due to new contractor).								

The funding request from OCTA for capital costs is \$195,800 with the remaining local match provided by ATID funding at \$24,200 (or 11%) of capital costs. Total costs for O&M are estimated at \$1,065,309, with an AB 2766 local match of \$48,324 in Years 1-3, and an ATID local match of \$90,229 for Years 1, 4-7. The remaining funding is requested from OCTA in the amount of \$926,756. Please see Exhibit 3 below for O&M funding sources:

Exhibit 3 O&M Funding Sources

Funding Source For O&M	Yr 1 2017	Yr 2 2018	Yr 3 2019	Yr 4 2020	Yr 5 2021	Yr 6 2022	Yr 7 2023	Total Funding Source
Anaheim Tourism Investment District (ATID) - 11%	\$ 21,369	\$ -	\$ -	\$ 16,280	\$ 16,887	\$ 17,518	\$ 18,175	\$ 90,229
AB 2766 - 11%	\$ 18,259	\$ 14,369	\$ 15,696	\$ -	\$ -	\$ -	\$ -	\$ 48,324
OCTA Incentive***	\$ 126,360	\$ 116,258	\$ 126,994	\$ 131,718	\$ 136,631	\$ 141,740	\$ 147,054	\$ 926,756
Total	\$ 165,988	\$ 130,628	\$ 142,690	\$ 147,998	\$ 153,518	\$ 159,259	\$ 165,229	\$ 1,065,309

The City of Anaheim, in partnership with the ATN, proposes to create a new circulator route to provide a one-seat service option between ARTIC and Downtown "CtrCity" Anaheim.

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The City of Costa Mesa, in partnership with Anaheim Transportation Network (ATN), South Coast Plaza and the Costa Mesa Convention & Visitors Bureau, are proposing Inter-City Transit Project to provide visitors, employees and residents a convenient alternative to automobile travel between the various attractions and destinations in Costa Mesa and Anaheim. The proposed service will reduce stops within the Anaheim Resort area to six, leaving all stops in Costa Mesa intact, while adding Lab/Camp shopping area to the route. Currently scheduled arrivals and departures during the morning and afternoon/evening periods will be maintained with addition of a new mid-day service.



New Destinations On Costa Mesa Line
Anton-Park Center
Experian
Segerstrom Center
South Coast Plaza
The Camp/The Lab

The goal of the proposed Project V transit project is to provide a convenient, attractive public transit alternative to the use of individual vehicles when accessing the various attractions and destinations in the cities of Costa Mesa and Anaheim and to increase the ease of use of public transit services.

This proposed project will utilize existing bus stop location to provide direct connections to existing OCTA bus lines 47a, 51, 55, 57, 76, 83, 153, 173, 178, 213, 264 and connections to multi-modal facilities in Anaheim such as ARTIC and Disneyland Resort Main Transportation Center.

Capital costs include signage, both static and real-time, as well as furniture and shelter upgrades. Real-time interactive signage will be installed at four high-traffic locations. Bus stop improvements including furniture and shelter is proposed for two new stop locations.

Capital Costs	Yr 1 2017	Yr 2 – 7 2018 -2023	Total Cost
Real Time Signage Program	\$40,000	\$0	\$40,000
Static Stop Signage	\$3,500	\$0	\$3,500
Stop Improvements	\$8,000	\$0	\$8,000
Total Capital Cost	\$51,500	\$0	\$51,500

Project	Yr 1	Yr 2	Yr 3*	Yr 4	Yr 5	Yr 6	Yr 7	Totals
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Funding	2017	2018	2019	2020	2021	2022	2023	
Total Project Cost	\$446,725	\$365,582	\$454,478	\$467,812	\$481,546	\$495,693	\$510,264	\$3,222,100
Requested Funding	\$371,016	\$329,024	\$409,030	\$421,031	\$433,392	\$446,124	\$459,237	\$2,868,853
Local Match	\$75,709	\$36,558	\$45,448	\$46,781	\$48,155	\$49,569	\$51,026	\$353,247
Match Percentage	16.95%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.96%

Should the cities of Anaheim and/or Costa Mesa receive requested funding, the ATN Board of Directors would have an opportunity to review proposed service expansion plans. Operating agreements would be required between respective cities and ATN. Upon receipt of grant applications approval, with consent by the ATN Board of Directors, ATN will be also required to prepare Equity Analysis and conduct public workshops and a public hearing prior to service implementation.

Linda Johnson corrected the presentation and shared that \$215,000 was being requested for the entire 7 years.

By motion, Brown, the ATN Board of Directors authorized Executive Director to submit on behalf of Anaheim Resort Transportation the candidate projects to Orange County Transportation Authority Measure M Project V Program -- Community Based Transit/Circulators:

Yeas: Bharat
Noes: None
Abstain: None

11. Increase Anaheim Resort Transportation (ART) vendor and distributor program through approval of a template ART Service Agreement for participants located in the Disneyland® Resort Specific Plan. Authorize Executive Director to execute agreement, as appropriate

Executive Director Kotler: The Anaheim Transportation Network (ATN), a local transportation management association, was created in May 1995 in conjunction with the adoption of the Anaheim, Disneyland and Hotel Circle Specific Plans' Mitigation Monitoring Programs. The primary goal of the Mitigation Monitoring Program was, and still is, to reduce air quality impacts and traffic congestion. Specific mitigation measures call for financial participation in the Anaheim Resort Transportation (ART) service and apply only to the new and/or expanding developments located in the Anaheim, Hotel Circle Specific Plans, as well as subsequent Specific Plans for Platinum Triangle and Anaheim Canyon.



In May 2002, when ATN began to operate Anaheim Resort Transportation (ART) service along eight routes with 22 vehicles, the policy direction of the ATN Board of Directors was to ensure that ATN had sufficient operating funds to sustain ART service and equitably distribute cost of participation among all mandatory, and voluntary, properties. An assessment fee structure of \$.48/room/night was established for all participating lodging establishments. Separate assessment rates were established for restaurant and retail businesses.

Since the Anaheim and Hotel Circle Specific Plans mitigation requirements did not apply to the business establishments located within geographic designation of the Disneyland Resort Specific Plan, these businesses chose not to financially participate in the ART system. In addition, the ATN Board of Director's policy does not allow sale of ART passes and/or distribution of ART marketing materials at the properties that do not financially participate in the ART system. This policy applies to businesses located in Disneyland Resort Specific Plan; therefore purchase of ART passes is available at Ticket Vending Machines (TVM), on a pre-arrival basis, through the website or on a mobile app.

At this time, ART operates 21 routes, with 82 vehicles serving not only Anaheim destinations, but destinations throughout Orange County cities such as Buena Park, Orange, Costa Mesa, Santa Ana and with reach as far as beach community of San Clemente. Increase in the number of sales locations, and distribution points for ART's collateral materials, among a defined geographic area, would potentially increase ART pass sales and improve passenger experience.

The proposed agreement would be applicable only to the business establishments located in the Disneyland Resort Specific Plan. General service terms of the agreement remain unchanged; however, payment terms are modified as follows:

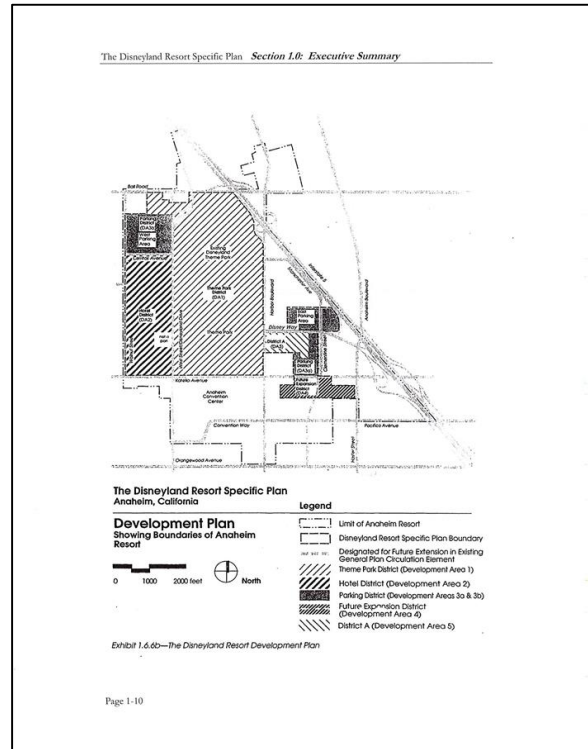
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1. Flat rate monthly payment of \$.48/room/night does not apply
2. Discounted wholesale rate of 11% is not available. All passes must be purchased at a Face/Retail rate
3. Hotel Credits program is not available
4. Hotel Benchmark program is not available
5. Additional ART bus stops will not be added
6. Annual membership fees apply
7. ART passes and marketing materials available for convenience of passengers and customer service functions



The proposed agreement would be available only to the 11 business establishments listed below:

1. Fairfield Inn Anaheim Resort
2. Camelot Inn & Suites Anaheim Resort
3. Tropicana Inn & Suites Anaheim
4. Best Western Plus Park Place Inn – Mini Suites
5. Anaheim Desert Inn & Suites
6. Best Western Plus Anaheim Inn
7. Carousel Inn & Suites
8. Ramada Anaheim Maingate at Anaheim Resort
9. Anaheim Plaza
10. Castle Inn & Suites
11. Del Sol Inn

Should future development(s) cause the property into compliance with other applicable Specific Plans, this agreement could not be grandfathered-in and requirements of Anaheim and/or Hotel Circle Specific Plans would supersede the agreement.



Director Todd Ament briefly left the conference room at 3:33 pm. Returned at 3:37

Executive Director Kotler explained that this topic was brought up from a guest service perspective, ability to increase revenue in sales, and add to the convenience to the guest

By motion, Ament, the ATN Board of Directors authorized Executive Director to research the Anaheim Resort Transportation (ART) vendor and distributor program through approval of a template ART Service Agreement for participants located in the Disneyland® Resort Specific Plan. Authorize Executive Director to execute agreement, as appropriate

Yeas: Tully
Noes: None
Abstain: None

12. Authorize Executive Director to execute inter-agency fare transfer agreement with LOSSAN Rail Corridor Agency for Intercity Rail Capital Program to initiate Pacific Surfliner transit transfer program

The LOSSAN is a 351-mile rail corridor that includes Los Angeles – San Diego – San Luis Obispo (LOSSAN Corridor) that travels through a six-county coastal region in Southern California and is the second busiest intercity passenger rail corridor in the United States. The LOSSAN Corridor service includes 41 stations and more than 150 daily passenger trains, with an annual ridership of more than 2.7 million on Amtrak Pacific Surfliner intercity trains and 4.5 million on Metrolink and COASTER commuter trains.

The LOSSAN Rail Corridor Agency is a joint powers authority that administers coastal rail line between San Diego, Los Angeles and San Luis Obispo. It is governed by an 11-member Board of Directors composed of elected officials representing rail owners, operators, and planning agencies along the rail corridor. The LOSSAN Agency is staffed by the Orange County Transportation Authority (OCTA).

In June 2015, LOSSAN Rail Corridor Agency (LOSSAN) applied for grant funding to the California State Transportation Agency and was awarded \$1.675 million in Transit and Intercity Rail Capital Program grant funds to support Pacific Surfliner Transit Transfer Program. The California Transportation Commission approved the allocation. The awarded grant funds will allow Pacific Surfliner passengers to transfer to connecting transit service free of charge with a valid Pacific Surfliner ticket.



Pacific Surfliner trains stop at Anaheim Regional Transportation Intermodal Center (ARTIC) approximately every hour. Eleven northbound and eleven southbound trains operate daily through ARTIC. Two daily southbound and northbound trains stop at San Clemente Pier. Operating schedule and destinations for the Pacific Surfliner are provided in Table #1.

**Table 1
Pacific Surfliner Train Schedule & Destinations**

Southbound Pacific Surfliner Trains	Daily Operating Schedule	Northbound Pacific Surfliner Trains	Daily Operating Schedule
San Louis Obispo		San Diego	
Santa Barbara		Oceanside	
Ventura		San Clemente	
Los Angeles		San Juan Capistrano	
Fullerton		Irvine	
Anaheim	6:44 AM – 10:40 PM	Anaheim	8:04 AM – 11:06 PM
Irvine		Fullerton	
San Juan Capistrano		Los Angeles	
San Clemente		Ventura	
Oceanside		San Barbara	
San Diego		San Luis Obispo	

Anaheim Transportation Network (ATN) staff is working with OCTA staff to execute a cooperating inter-agency fare transfer agreement (Attachment 1). This agreement outlines the parameters of the Pacific Surfliner Transit Transfer Program, including invoicing requirements, joint marketing efforts, liability, and indemnification and reimbursement rates. The Pacific Surfliner Transit Transfer Program is planned to for launch in Spring 2016.

The Pacific Surfliner Transit Transfer Program will function in the same manner as the current program that ATN operates in partnership with the Southern California Regional Rail Authority (Metrolink) for all Metrolink trains and passengers using Anaheim Resort Transportation (ART) service at the Anaheim Canyon Metrolink Station and ARTIC. ART operators track rail passengers upon boarding and then invoice Metrolink \$2.00 per trip for each passenger. The Pacific Surfliner Transit Transfer Program will provide equity among all rail services through a seamless transfer program between all public transit services throughout the region.



The interagency fare transfer agreement between ATN and LOSSAN will function in the same manner. ART operators will keep track of all Pacific Surfliner passengers using ART service to/from ARTIC and then invoice LOSSAN/OCTA for the provided trips.

Average monthly ridership on ART's ARTIC/Sports Complex Line is 16, 414 passengers, or 538 passengers/day. Based on the ridership assumptions approximately eight percent of the total ridership board ART service at ARTIC. At this time, all Pacific Surfliner passengers either purchase an ART pass or pay an on-board one-way fare of \$3.00 for adult and \$1.00 for child. Trips on the rest of ART system will require a valid ART pass. The interagency fare transfer agreement will only cover trips to/from ARTIC

The LOSSAN Rail Corridor Agency, concurrently, is working on the development of a business plan for Fiscal Years 2016/17 and 2017/18. The business plan establishes capital improvement program, ridership goals, fares, marketing and operating strategies designed to meet performance standards and increase ridership on the LOSSAN Corridor. The enclosed Attachment 2 outlines in further detail proposed business plan assumptions.

The ATN was requested to participate in this program, as ART service ARTIC/Sport Complex Line, as well as the new enhanced service planned for July 1, 2016, which will mirror the proposed Anaheim Rapid Connection (ARC) alignment, provide a one-seat ride to/from ARTIC and The Anaheim Resort® destinations. In addition, numerous marketing and packaging opportunities will be available to the ATN and Anaheim Resort community to encourage travel to and stay at Anaheim. ATN will work in partnership with Visit Anaheim and LOSSAN to develop and implement a robust marketing/outreach program and to promote these services to the hospitality, wholesale and convention planning markets.

By motion, Brown, the ATN Board of Directors authorized Executive Director to execute inter-agency fare transfer agreement with LOSSAN Rail Corridor Agency for Intercity Rail Capital Program to initiate Pacific Surfliner transit transfer program

Yeas: O'Connell
Noes: None
Abstain: None

13. Authorize Executive Director to execute Agreement Amendment #C-0-1424 between ATN and Orange County Transportation Authority (OCTA) for acquisition of forty (40) Liquefied Natural Gas (LNG) buses. Authorize and direct Executive Director to expeditiously process payment to OCTA for acquisition of 40 LNG buses



Agreement negotiations for the acquisition of forty (40) Liquefied Natural Gas (LNG) buses by Anaheim Transportation Network (ATN) from Orange County Transportation Authority (OCTA) began in the Summer 2015. At the October 2015, ATN Board of Directors meeting, staff received approval to proceed with the acquisition of forty (40) Liquefied Natural Gas (LNG) buses from OCTA (Attachment 1).

Several factors necessitated the need the buy-out of the LNG bus fleet:

1. Lease agreement between ATN and OCTA was expiring on November 30, 2015;
2. Temporary reprieve provided through litigation regarding issues associated with US Department of Labor and State of California Public Employee's Pension Reform Act of 2013 (PEPRA) expired and federal transportation funds, once again, were withheld from the transit agencies; and
3. The transition from lease to the buy-out was negotiated in lieu of receipt of withheld funds due to the ATN.

In November 2015, ATN staff was notified that OCTA's Finance Department was not agreeable to the terms discussed earlier, and ATN would need to continue with the current lease arrangement until PEPRA issues were resolved and federal funds released to OCTA. ATN was advised that a solution would be presented to the OCTA Board of Directors in December and ATN would be ready to proceed with the acquisition of the fleet in January/February 2016 timeframe. At January 27, 2016, ATN Board of Directors approved an extension of the lease agreement through February 29, 2016, in anticipation that the buy-out would occur shortly thereafter.

The extension to the agreement was supposed to be presented to OCTA Transit Committee and Board of Directors in the month of February. However, due to unforeseen complications associated, OCTA is requesting an extension to the agreement through May 31, 2016 (Attachment 2). Tentatively, the buy-out agreement is supposed to go to OCTA Transit Committee and Board of Directors in March 2016.

ATN is due to receive \$767,064 from OCTA. Once OCTA's administrative/compliance fees of \$64,577.73 and costs associated with Complementary Paratransit Transportation services of \$75,989.86 are deducted from the total apportionment, \$626,496.41 is due to the ATN (Attachment 3). The fair market and buy-out value for 40 LNG buses from OCTA is \$664,500 (Attachment 4).

Current monthly payment to OCTA for the lease of 35 LNG is \$36,175. ATN also pays an additional fee of \$3,743 per month for administrative oversight, for a monthly payment of \$39,918. Staff attempted to negotiate an alternative payment structure to allow for deduction



of the monthly payment amount from the total amount due for the duration of the extension, but this option is not available to the ATN, as it would result in a de facto financing of the fleet.

Taking into consideration additional delays in the receipt of federal funds and potential outlay of \$159,672 (\$39,918/month), assuming that PEPRA issues are resolved by May 31, 2016, with no direct benefit to the ATN, staff proposes to buy-out 40 LNG buses instead.

The proposed alternative is truly a cash-flow decision for the ATN Board of Directors. Staff proposes to use the following options to gather necessary cash to complete this transaction:

Three Months of Lease Payments	\$159,672
Funds to be Transferred FY 2015/16 Reserve	\$200,000
Alternative Fuel Tax Credit -- IRS	\$262,000
Alternative Fuel Tax Credit – Clean Energy	<u>\$ 42,000</u>
Total Available Cash To Complete Transaction	\$663,672
Total Amount Due To OCTA For 40 LNG Buses	<u>\$664,500</u>
Deficit	<u>(\$ 828)</u>

Once ATN receives \$626,496.41 due from OCTA, reserves and other cash accounts will be replenished.

Another option the ATN Board of Directors could consider is the buy-out of the 35 leased LNG buses at this time and acquisition of the addition five LNG buses at a later date, when funds due to the ATN are ready for allocation. Under this alternative, amount due to OCTA is \$590,500. The remaining amount for five LNG buses of \$74,000 could be deducted from the payment due to the ATN and once OCTA reaches a resolution between federal funding agencies and the State of California.

Director Kotler suggests/recommend option two as the best one.

By motion, Brown, the ATN Board of Directors authorized Executive Director to execute Agreement Amendment #C-0-1424 between ATN and Orange County Transportation Authority (OCTA) for acquisition of forty (40) Liquefied Natural Gas (LNG) buses. Authorize and direct Executive Director to expeditiously process payment to OCTA for acquisition of 40 LNG buses following the Purchase Option two (2)

BOARD WORKSHOPS:

14. Overview of ART branding program



Director Kotler highlighted how the recommendations from the interviews being conducted by IBM and the Board of Directors mentioned how we needed identity, symmetry, and a more cohesive brand.

Kevin Kidney from the graphic firm Kevin & Jody brought in samples of the proposed new marketing campaign. He explained how ART is an extension of the hotel experience and resort experience, therefore he believed that a whimsical approach with the same color palette to our current logo and relaxed shapes could be a positive change for ART. The Board seemed to buy in to the concept.

OTHER BUSINESS:

15. Zero Emission Bus Deployment in The Anaheim Resort®

Executive Director Kotler informed the Board that three buses will be wrapped for the Natural Products Exposition.

ATN Board of Directors Meeting adjourned at 4:38 PM.

CLOSED SESSION: 1 ITEM

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

Closed Session Item #1 was moved to the March 2016 ATN Board of Directors meeting.