



DATE: NOVEMBER 17, 2014
TO: ATN BOARD OF DIRECTORS
FROM: BARBARA ADAMS, PROGRAMS MANAGER
RE: AGENDA ITEM # 6

RECOMMENDATION:

Receive and approve minutes of the ATN Board of Directors meeting held on Wednesday, October 22, 2014 and Special Meeting held on Friday, November 7, 2014



Anaheim Transportation Network
Board of Directors and General Membership
Meeting Minutes
Wednesday, October 22, 2014
3:00 P.M. – 5:00 P.M.
Anaheim Convention Center
Mezzanine Conference Room
800 West Katella Avenue, Anaheim, CA 92802

ATN Board Members in Attendance:

Jerry Alder, Gardenwalk
Sergio Bocci, Hilton Anaheim
Fred Brown, Desert Palms Hotel & Suites
Jay Burrell, AOCVCB
Cesar Cazares, Anaheim Marriott
Ron Kim, Prospera Hotels
Tom Morton, City of Anaheim
Bill O'Connell, Stovall's Hotels
Paul Sanford, Anabella Hotel

ATN Staff Present:

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

ATN Legal Counsel:

Fred Whitacre, Cummins & White, LLP

ATN Members Present:

None

Ex-Officio Members:

Robert Johnson, First Transit

Members of the Public Present:

Tom Allday, First Transit
Rich Bacigalupo, OCTA
April Horn, First Transit
Todd Priest, Curt Pringle & Associates
Sue Zuhlke, OCTA
Jamie Lai, City of Anaheim



AGENDA

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

WELCOME & INTRODUCTIONS

ADDITIONS/DELETIONS TO THE AGENDA

None

PUBLIC COMMENTS

Fred Whitaker, of Cummins and White, LLP, advised that the Board of Directors in regard to the process for the receipt of public comments.

Sue Zuhlke, Director of Maintenance and Public Services for OCTA, addressed the ATN Board of Directors to provide clarification to the public comments received at the September ATN Board meeting from Mr. Ben Deal, a representative of Applied LNG.

Ms. Zuhlke stated that the representative from Applied LNG did not have complete information regarding the cooperative agreement between the ATN and OCTA. Mr. Deal was under an erroneous assumption that OCTA would provide fuel the ATN buses at no charge. The cooperative agreement between OCTA and ATN identified costs associated with the fueling at OCTA facility, above LNG fuel. These costs included, labor, transportation fees, and other pass through expenses. In addition, due to increase of transit services and provision of maintenance and fueling has becoming a struggle for OCTA's maintenance personnel.

Ms. Zuhlke confirmed that the analysis provided by ATN staff to the ATN Board of Directors was representative of the rates that ATN would pay under agreement with OCTA. Fuel pricing was consistent with RFP, and OCTA LNG costs which currently vary between \$1.09 - \$1.16 per gallon; therefore, ATN's rate of \$1.15 per gallon is consistent with the costs of OCTA fuel.

SPECIAL CALENDAR:

1. Presentation of Face of Tourism Video in partnership with the Anaheim Orange County Visitor and Convention Bureau (AOCVCB). Special recognition of Tom Allday as Anaheim Resort Transportation Ambassador. Director Burress stated that these series of videos is very important to the AOCVCB, as it highlights jobs and economic impact tourism has on the local economy and identifies individual "next door" who work in the industry.



2. Presentation of a Resolution to April Horn for the Anaheim Resort Transportation Operator for the Month of September 2014 and Karen Pineda for the Anaheim Resort Transportation Operator for the Quarter July – September 2014. Karen Pineda had the day off and was not present at this meeting.

CONSENT CALENDAR

Items 3 – 9 on the consent calendar are 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 meeting held on Wednesday, September 24, 2014
4. Receive and file status report pertaining to the Anaheim Transportation Network operations
ATN Focus Area Reports – September 2014
5. Receive and file ART Operating Reports through September 2014
6. Approve draft financial reports for the period of September 2014, and approve electronic payments for the period of October 2014.
7. Receive and file ATN membership report for September 2014
8. Receive and file customer service summary for September 2014
9. Receive and file sales report summary for September 2014

By motion, Brown/Morton, the ATN Board of directors approve the consent calendar.

Ayes: Alder, Bocci, Brown, Burrell, Cazares, Kim, Morton, O'Connell, Sanford

Noes: None

OPERATIONAL REPORT:

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

Robert Johnson, General Manager for the Anaheim division of First Transit reported that First Transit hired approximately 100 drivers, out of which 34 drivers are still in training. Currently, First Transit is still short 13 drivers to reach full staffing capacity, which is 181 drivers. As per agreement with the ATN, 105 driver positions are classified as full time. Mr. Johnson stated, that based on recruitment efforts, Anaheim division should be fully staffed by November 1.

BOARD WORKSHOP:

11. Continue discussion and review of the proposed Anaheim Resort Transportation route streamlining and other technology, marketing and public outreach activities



Prior to staff's presentation of the information pertaining to the streamlining and renaming of the ATN routes for the Anaheim Resort Transportation (ART) system, ATN's legal counsel, Fred Whitaker, stated that ATN, as a recipient of federal funds, must provide its services along public routes with access for all passengers along the system of designated routes and stops. Decisions pertaining to the ATN fare structure membership assessment rates and other important financial aspects of ART system operations, should be discussed during our annual budgetary process. The discussion at this ATN Board of Directors meeting, shall be focused strictly of routes, stops locations, technology and marketing efforts of the organization.

The discussion was a continuation from the last meeting regarding renaming and streamlining the ART routes. The preparations for the opening of ARTIC, provided ATN with the re-look at its routing philosophy and an opportunity to update the ART system. Diana Kotler, ATN Executive Director and Todd Priest of Curt Pringle and Associates made the presentation to the Board.

Mr. Priest stated that even though the current route system is efficient, this should not stop the ATN from seeking alternative options to make transit information more understandable for the ATN's demographic.

With service provided to over 8.7 million guests annually, ATN looked at:

- Current routes to see what we could do to make it easier for passengers without deleting lines, stops, etc.
- How to provide passengers with better information
- Meeting the demand of new development

Director Morton asked how ART service will be enhanced. Mr. Priest responded that passengers will be provided with several options to recognize the ART buses by name, color and/or stop location. Through color coordination and recognition of area's landmarks, passengers will have numerous options for identification of routes, stops and landmarks.

As a follow-up question, Director Morton inquired if frequency would increase, and if the length of time spent on a bus increase? Executive Director Kotler responded that the length of time on the bus would not increase; however, there could potentially be an extra stop on the route.

Director Kim asked if we know the time difference between stops or the wait between lines. Director Kim also suggested that the stop locations should be numbered so that riders know how many stops there would be on the route. Executive Director Kotler responded that ART bus stops could be numbered, in concert with the deployment of the Text-2-Go system, which will show bus arrival times at each ART stop. Director Kim said that the renaming is great.



Ms. Belinda Trani of ATN, also stated that the new ART Line system would provide for greater flexibility by allowing passengers to use the system holistically and by directing passengers to the most efficient bus stop.

Director Burress said that system renaming is terrific, but would ATN incur any additional costs. Executive Director Kotler said that the proposed changes are planned with the reproduction of the ART system map, which occurs every six (6) months. The only additional costs that had to be included in the budget, are associated with the new bus stop signage. This year's budget was based on the previous experience. Past costs associated with new bus stop signage were approximately \$1,500. These costs do not include new signage at Disneyland Resort's Transportation Center.

Further information about service for ARTIC was provided. It is the goal of ATN staff to provide consistent frequency to/from ARTIC. The goal is to serve this destination every 20-30 minutes. The underlining factor for the consistency in service for ARTIC was to provide connectivity and service to Southern California beach cities with the revision of Metrolink's scheduled service to the San Clemente pier. Director Burress volunteered to visit Kyndall Thorson at Disney on behalf of ATN.

Director Burress stated that he would like to be involved in the discussions with San Clemente. Director Morton commented that the new streamlined routes are good, but we will need to invest time and effort to further educate the public.

Staff indicated that at the next ATN Board of Directors meeting, the Board will have an opportunity to look at the communication campaign and new collateral materials.

STATUS REPORT – INFORMATIONAL ONLY:

12. Receive and file report from the ATN Executive Director, pertaining to the refinancing of the ATN property at 1354 South Anaheim Boulevard, Anaheim, CA. Discuss and consider potential capital improvement options for the ATN facility

Executive Director Kotler discussed that the issue of refinancing has been discussed at the August and September 2014 ATN Board of Directors meetings. This report to the Board provides an update on the process. As directed by the Board, both financial institutions have been instructed to begin property appraisals. One appraisal has been received and the property at 1354 S. Anaheim Blvd, Anaheim, CA was appraised at \$3 million. Appraisal for the second financial institution is expected later in the month. The ATN Re-Fi subcommittee will meet prior to the next ATN Board of Directors meeting to prepare final recommendation.



ATN Re-Fi subcommittee asked ATN staff to identify areas for improvement of the facility, should refinance funding be available. At this time, staff recommends looking at the parking re-surfacing estimated at \$150,000; and mechanization of the security gate at \$20,000.

Additionally, Chairman Sanford asked to lock-in the interest rate on the refinance loan. Fred Whitaker said that this would be done at the date of close. Chairman Sanford recommended that the sooner the better for this to be completed.

13. Transition of ART Services Agreement to First Transit

Staff reported that challenges with shortage of staffing continue. ATN and First Transit are working to address this issue and to minimize reliance on third party contractors through this time of transition.

14. ATN operations at the Anaheim Regional Transportation Intermodal Center (ARTIC)

Staff reported that agreement with Lincoln Property Company has been executed. ATN facilities at ARTIC will include a ticketing counter, office space and access to the Conference Room. All ATN board of directors meetings will move to ARTIC starting with the January meeting in 2015. Ms. Kotler thanked Director Morton for his hospitality and for accommodation of the ATN Board of Directors.

The ATN Board of Directors Meeting was adjourned at 4:07 pm for the Closed Session.

CLOSED SESSION:

15. Conference with Legal Counsel – Anticipated Litigation

Significant exposure to litigation pursuant to Government Code Section 54956.9(b): (2 matters)

Reconvene ATN Board of Directors Meeting. Report from ATN Legal Counsel

Adjourn ATN Board of Directors Meeting at 4:35 p.m.



Anaheim Transportation Network
Board of Directors Special Meeting
Meeting Minutes
Friday, November 7, 2014
11:00 AM
Sheraton Park Hotel
Garden Room C Conference Room
1855 South Harbor Boulevard, Anaheim, CA 92802

ATN Board Members in Attendance:

Mindy Abel, AOCVBC
Jerry Alder, Gardenwalk
Fred Brown, Desert Palms Hotel & Suites
Tony Bruno, Sheraton Park
Ron Kim, Prospera
Tom Morton, City of Anaheim
Paul Sanford, Anabella
Kyndell Thorson, Disneyland Resort

ATN Staff Present:

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

ATN Legal Counsel:

Fred Whitacre, Cummins & White, LLP

ATN Members Present:

None

Ex-Officio Members:

None

Members of the Public Present:

None

AGENDA

The ATN Board of Directors meeting was called to order at 11:03 am

1. Approve Resolution #14-003 of the Board of Directors of the Anaheim Transportation Network approving:



- a) Certain loans and letters of credit endorsing ATN Refinance Sub-Committee recommendation, in response to RFP 2014-07 - Refinancing of ATN Facilities at 1354 South Anaheim Boulevard, Anaheim;
 - b) Property and tenant improvement loans refinancing to Bank of America® Corporation;
 - c) Authorize ATN Executive Director and ATN legal counsel, to negotiate and execute final loan documents for up to eighty percent (80%) of the Loan to Value (LTV) ratio based on the property appraisal dated October 9, 2014.
2. Approve Resolution #14-004 of the Board of Directors of Anaheim Transportation Network approving a change in its banking institution
3. Authorize Executive Director to release Invitation for Bid (IFB), using proceeds from refinancing, to complete tenant improvements of the ATN property for re-surfacing of the parking facilities and mechanization of the fence

Staff and ATN Refinance subcommittee members provided an overview of the refinance terms and conditions with the recommendation for the award of the refinancing loan to Bank of America.

Director Kim asked if we could request Bank of America to raise the loan amount to the amount approved by Citizens Business Bank. Chairman Sanford responded that right now the rates are at rock bottom. He added that Bank of America offer is an "11 out of 10" and there is not a lot of room for negotiation. Fred Whitaker said that the Citizens Bank appraisal came in too low.

Director Kim also asked about the Loan to Value ratio. Chairman Sanford responded that we had asked the question and that they said they can give the whole amount for tenant improvements.

Director Morton asked if there are any penalties for pre-payment? There are no pre-payment penalties on the existing loan with Citizens Business Bank.

By motion, Sanford / Thorson, approve resolution #14-003 of the Board of Directors Approve Resolution #14-003 of the Board of Directors of the Anaheim Transportation Network approving:

- a. Certain loans and letters of credit endorsing ATN Refinance Sub-Committee recommendation, in response to RFP 2014-07 - Refinancing of ATN Facilities at 1354 South Anaheim Boulevard, Anaheim;
 - b. Property and tenant improvement loans refinancing to Bank of America® Corporation;
 - c. Authorize ATN Executive Director and ATN legal counsel, to negotiate and execute final loan documents for up to eighty percent (80%) of the Loan to Value (LTV) ratio based on the property appraisal dated October 9, 2014; and

To approve Resolution #14-004 of the Board of Directors of Anaheim Transportation Network approving a change in its banking institution; and



To authorize Executive Director to release Invitation for Bid (IFB), using proceeds from refinancing, to complete tenant improvements of the ATN property for re-surfacing of the parking and mechanization of the fence.

Ayes: Abel, Alder, Brown, Bruno, Kim, Morton, Sanford, Thorson

Noes: None

Adjourn ATN Board of Directors Meeting at 11:15 am.