



Wednesday, December 7, 2011

12:00 Noon

(Lunch Provided for Board Members)

**Kelly Board Room
32-505 Harry Oliver Trail
Thousand Palms, CA 92276**

NOTE: IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT SUNLINE AT (760) 343-3456. NOTIFICATION 48 HOURS PRIOR TO THE MEETING WILL ENABLE SUNLINE TO MAKE REASONABLE ACCOMMODATION TO ENSURE ACCESSIBILITY TO THIS MEETING.

**THE CHAIR REQUESTS THAT ALL CELLULAR PHONES
AND PAGERS BE TURNED OFF OR SET ON SILENT
MODE FOR THE DURATION OF THE BOARD MEETING.**

AGENDA TOPICS

RECOMMENDATION

1. **Call to Order**
Chairman Eduardo Garcia
2. **Flag Salute**
3. **Roll Call**
4. **Presentations**
a) Presentation to Stater Bros. & Ralphs (Naomi Nightingale)
5. **Finalization of Agenda**
6. **Correspondence**
None.

7. **Public Comments** **Receive Comments**
(NOTE: Those wishing to address the Board should complete a Public Comment Card and will be called upon to speak.)

NON AGENDA ITEMS

Anyone wishing to address the Board on items not on the agenda may do so at this time. Each presentation is limited to 3 minutes.

AGENDA ITEMS

Anyone wishing to address specific items on the agenda should notify the Chair at this time so those comments can be made at the appropriate time. Each presentation is limited to 3 minutes.

8. **Board Member Comments** **Receive Comments**
Any Board Member who wishes to speak may do so at this time.

----- **INFORMATION** -----

9. **Finance Department Update (Cis LeRoy)** **Information**
An update to the Board on routine financial reports. (Page 1)
10. **Transit Monthly Budget Reports (Cis LeRoy)** **Information**
An update to the Board on the new monthly budget report for Transit. (Page 2)

----- **ACTION** -----

11. **Consent Calendar** **Approve**
All items on the Consent Calendar will be approved by one motion, and there will be no discussion of individual items unless a Boardmember requests a specific item be pulled from the calendar for separate discussion. The public may comment on any item.
- a) Minutes of the October 26, 2011 Board of Directors Meeting (Pages 3-7)
 - b) Checks over \$1,000 for October, 2011 (Pages 8-9)
 - c) Credit card statement for October, 2011 (Pages 10-12)

- d) Monthly Budget Report for August, September, October, 2011 (Pages 13-18)
- e) Contract Report – nothing to report.
- f) Ridership Report for October, 2011 (Pages 19-20)
- g) SunDial Operational Notes for October, 2011 (Page 21)

12. Construction Management Contract Approval **Approve
(C. Mikel Oglesby)**

Request to the Board to grant authorization to the General Manager to award contract for construction management of new Administration Building. (Page 22)

13. Purchase of Fuel Cells **(C. Mikel Oglesby) **Approve****

Request to the Board to grant authorization to the General Manager to negotiate and execute a contract for two fuel cells with Ballard Power Systems. (Page 23)

14. Approval to Open New Bank Account **(Cis LeRoy) **Approve****

Request to the Board to approve the opening of a bank account at a new bank, as part of the new Employee Relief Fund (ERF) program. (Page 24)

15. Approval of New ACCESS Advisory Committee **Approve
Member (Apolonio Del Toro)**

Request to the Board to approve new member of ACCESS Advisory Committee. (Page 25)

16. General Manager's Report **(C. Mikel Oglesby)**

17. Next Meeting Date

January 25, 2012
12 o'clock Noon – Kelly Board Room
32-505 Harry Oliver Trail
Thousand Palms, CA 92276

18. Closed Session

- a) Closed Session - Conference on Labor Negotiations pursuant to Government Code Section 54957.6: C. Mikel Oglesby and Tom Hock (via phone conference). Employee Organization: Amalgamated Transit Union, Local 1277 representing drivers, mechanics and other trades.

- b) Closed session to review the employee performance evaluation of Legal Counsel, pursuant to Government Code Section 54957 of the California Government Code.
- c) Closed session to review the employee performance evaluation of the General Manager, pursuant to Government Code Section 54957 of the California Government Code.

19. Adjourn

SunLine Transit Agency

DATE: December 07, 2011 **INFORMATION**

TO: Finance Committee
Board of Directors

FROM: Interim Director of Finance

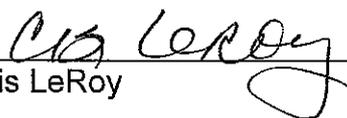
RE: Financial Update

Information

As part of routine financial efforts, the Finance Department has successfully completed the State Controller's Annual Report, which was submitted in October. The Federal Transit Administration's annual National Transit Database (NTD) Report was due at the end of November and was submitted on time. The Riverside County Transportation Commission (RCTC) Auditors have been on site and will be preparing the single audit report by the end of December, 2011. Staff has worked closely with the on-site auditors. No major issues have been found.

Fiscal Implications

All audits are required to ensure on-going funding sources from RCTC, the State of California, and the FTA.


Cis LeRoy

SunLine Transit Agency

DATE: December 07, 2011 INFORMATION
TO: Finance Committee
Board of Directors
FROM: Interim Director of Finance
RE: Transit Monthly Budget Report Update

Information

During the last meeting of the Finance Committee, members had questions relating to operational funding sources, especially Measure A. As a result, we have prepared a more detailed report of all operating funding sources for your review. Previous reports had only included "local" revenue, such as farebox and advertising revenue. This new report shows "local" revenue, state revenue such as TDA, and federal operating revenue.

Fiscal Implications

None.


Cis LeRoy

MINUTES
SunLine Transit Agency
Board of Directors Meeting
October 26, 2011

A regular meeting of the SunLine Transit Agency Board of Directors was held at 12:00pm on Wednesday, October 26, 2011 in the Kelly Board Room at SunLine Transit Agency, 32-505 Harry Oliver Trail, Thousand Palms, CA 92276.

1. Call to Order

The meeting was called to order at 12:10 p.m. by Chairman Eduardo Garcia.

2. Flag Salute

General Manager, C. Mikel Oglesby led all in a salute to our flag.

3. Roll Call

Completed.

Members Present

Eduardo Garcia, Chairman, Mayor, City of Coachella
Robert Spiegel, Vice Chairman, Mayor Pro Tem, City of Palm Desert
Yvonne Parks, Mayor, City of Desert Hot Springs
G. Dana Hobart, Mayor, City of Rancho Mirage
Kathleen DeRosa, Mayor, City of Cathedral City
Don Adolph, Mayor, City of La Quinta
Bill Powers, Mayor Pro Tem, City of Indian Wells
Glenn Miller, Mayor Pro Tem, City of Indio
John J. Benoit, Supervisor, County of Riverside

Members Absent

Steve Pougnet, Mayor, City of Palm Springs

Guests:

Diane Huntley, Creason & Aarvig
Scott Russo, Attorney American Cab
Harry Incs, American Cab
Ralph Finnegan, American Cab
Peter Kurzon, American Cab
Lars Thane, American Cab
Warlen Bermudez, American Cab
Greg George, American Cab
Michael McCoy – American Cab
Francisco Gaona - American Cab
Alya Pyke – American Cab
Kevin Fowler – American Cab
Arturo Diaz, Airport Taxi
K.D. Labana, Airport Taxi
Bill Meyers, Yellow Cab of the Desert
Gadi Surilovitz, Yellow Cab of the Desert
Michal Brock, Yellow Cab of the Desert

James Braico, VIP
Kat Contryman, VIP
Keith Matheny, The Desert Sun
Terri Berger, Express Transportation Systems
Peter Angone, Member of the public
Dennis Rosenberg, Member of the public
Kimberly Webb, Member of the public
Esther Mantadoma, Member of the public
Myra Perez, KVER
Bianca Rae, KESQ
Arti Nehru, KPSP

Staff:

C. Mikel Oglesby, General Manager
Maria Aarvig, Legal Counsel
Carolyn Rude, Special Asst. to the General Manager/Clerk of the Board
Tommy Edwards, Director of Maintenance
Tommy Green, Director of Safety & Security
Polo Del Toro, Director of Operations
Naomi Nightingale, Director of Administration & Human Resources/EEO/Taxi Administrator
Ed Carson, Interim Director of Finance
Rudy LeFlore, Procurement Consultant
Cis LeRoy, Consultant
Rick Barone, Procurement Officer
Michael Jones, Taxi Administration Supervisor
Mannie Thomas, Operations Manager
Francine DePalo, Administrative Assistant
Dave Robin, Assistant Taxicab Supervisor II
Stephanie Buriel, Administrative Assistant
David Manriquez, Safety Specialist
Leigh Greer, Security Guard
Diann Chumney, Desktop Publisher
Norma Stevens, Community Outreach Specialist
Robert Sneed, Fixed Route Operator
Francisco Ortega, Operations Supervisor
Dale Mead, Facilities Maintenance
Vanessa Mora, Administrative Assistant
Amy Heilman, Coin Counter

4. Presentations

Naomi Nightingale, Director of Administration & Human Resources/EEO, announced the "Employees of the Quarter" award winners for the 3rd quarter of 2011 for the period of July through September, 2011- Norma Stevens of the Marketing Dept., Robert Sneed of the Operations Dept. and Dale Mead of the Maintenance Department. Francisco Ojeda of the Maintenance Department was presented with the "Supervisor of the Quarter" award. Chairman Garcia and General Manager Mikel Oglesby acknowledged the employee's hard work and dedication; the Board gave them a round of applause.

5. Finalization of Agenda

No changes.

6. Correspondence

None.

7. Public Comments**NON AGENDA ITEMS:**

None.

AGENDA ITEMS:

None.

8. Board Member Comments

None.

9. Consent Calendar

Vice Chairman Spiegel moved for approval of the consent calendar items A-G with the exception of item D, which will be brought back to the December 7th Board meeting. The motion was seconded by Mayor Pro Tem Miller and approved by a unanimous vote with the exception of Mayor Adolph abstaining from 9a, the minutes of the September 28, 2011 Board meeting.

10. Worker's Compensation Program Contract Extension

Director of Administration, Naomi Nightingale addressed the Board requesting authorization be given to the General Manager to award a two year contract extension with 3rd party Worker's Compensation Administrator, AdminSure, upon approval as to form and legality by SunLine Legal Counsel. Vice Chairman Spiegel stated that the Finance Committee unanimously recommends approval; he moved for approval. Mayor Pro Tem Powers seconded the motion and was approved by a unanimous vote.

11. Establishing Board Meeting Dates for 2012

Chairman Garcia asked the Board if there were any conflicts with Board meeting schedule for 2012. No conflicts were brought forth.

12. General Manager's Report

Mikel Oglesby addressed the Board. He stated that staff is extremely excited to announce the date of the unveiling of our seventh-generation hydrogen-fueled vehicle, the American Fuel Cell bus. This bus is the first of its kind, "Buy America Compliant", fuel cell bus. The unveiling ceremony will take place Thursday, November 10th at 10:00am here at SunLine. The Deputy Administrator of the Federal Transit Administration, Deputy Therese McMillan, will attend as keynote speaker. Oglesby stated that he hopes to see all Board members at the event as we celebrate another exciting milestone. He reminded the Board of the announcement of the \$50 million initiative that was announced several years ago at SunLine; this project was the main piece of the initiative. Oglesby stated that staff is working diligently on the upcoming annual "Fill-the-Bus" charity food drive,

which takes place Thursday, November 17th from 7:00am – 5:00pm. Buses will be placed in the following locations: Ralphs Market, Washington & Avenue 42 in Bermuda Dunes, Ralphs Market, Smoke Tree Shopping Center in Palm Springs; State Bros.; Highway 111 & Washington in La Quinta; State Bros.; Vista Chino & Landau in Cathedral City. Oglesby asked for any assistance from the cities to help promote the event. This annual event provides food and toiletry items to those in need during these difficult economic times. This year's recipients are the Coachella Valley Rescue Mission in Indio, the Soup Kitchen in Desert Hot Springs and Galilee Center located in Coachella. Oglesby stated that we look forward to breaking last year's record of collecting over ten tons of food. Oglesby stated that in support of the Great California ShakeOut that took place October 20th throughout the State, SunLine held an internal emergency disaster drill. The drill was broken down into five "Phases of Action", which included all SunLine employees. The drill began with an alarm signaling staff to implement Phase 1 which is to drop, cover and hold, ultimately ending with all employees on site assembled in a bus, which is used as an optional shelter. Mr. Oglesby thanked Tommy Green and the Safety Department, as well as all staff who are involved in preparing and educating our employees and assisting the community during a disaster. Oglesby stated that it is hard to believe that the holidays are fast approaching. A date has been set for the Agency's annual holiday event, which is Friday, December 9th from 6:00pm to 11:00pm and will take place at the Westin Mission Hills Resort. He stated that he hopes to see the Board members and guest at the celebration of the Agency accomplishments. Formal invitations will be sent out soon. Oglesby stated that once again the hard work of staff has brought home a trophy from the annual Palm Desert Golf Cart Parade. He stated that SunLine Vice Chairman, Bob Spiegel, was there as we accepted the Third Place Director's Trophy. The theme was carnival-circus. The decorated float was accompanied by staff participants who included a ring leader, a lion tamer, a clown, a gorilla clown, a fortune teller and a trapeze artist. Oglesby stated that a great time was had by all. He thanked all staff who participated.

13. Next Meeting Date

Chairman Garcia announced that the next regular meeting of the Board of Directors will be held on December 7, 2011 at 12 noon – Kelly Board Room, 32-505 Harry Oliver Trail, Thousand Palms, CA 92276.

At 12:25pm Chairman Garcia announced that the Board would move into Closed Session. Vice Chairman Spiegel asked to recess the SunLine Transit Meeting and open SSG meeting.

At 12:45pm Chairman Garcia announced to reconvene SunLine Transit Agency meeting.

Mayor DeRosa moved for approval to continue Closed Session items to the December 7, 2011 Board meeting. The motion was seconded by Supervisor Benoit and approved by a unanimous vote.

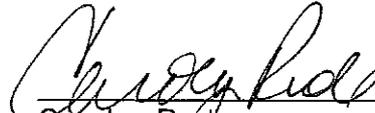
14. Closed Session

- a) Closed session to review the employee performance evaluation of Legal Counsel, pursuant to Government Code Section 54957 of the California Government Code.
- b) Closed session to review the employee performance evaluation of the General Manager, pursuant to Government Code Section 54957 of the California Government Code.

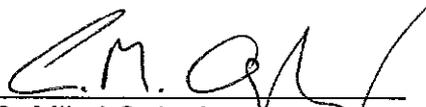
15. Adjourn

Chairman Garcia adjourned the meeting at 12:45p.m.

Respectfully Submitted


Carolyn Rude
Clerk of the Board

Approved By:


C. Mikel Oglesby
General Manager

Date: 11-29-11

SunLine Transit Agency
Checks \$1,000 and Over
For the month of October 2011

NOTE: 1). Bold check payments represent "pass through" payments that were, or will be reimbursed to SunLine under the provisions of specific grants or contracts. 2). Underlined check payments represent "shared" payments with SunLine and specific vendors/employees.

Vendor Name	Description	Check #	Check	Amount
HEALTH NET	Group Health Ins Prem	652239	10/14/2011	\$193,824.67
SO CAL GAS CO.	Gas CNG & Hydrogen	652380	10/26/2011	\$87,312.10
UNION BANK	Pension Deposits	652394	10/26/2011	\$78,785.68
UNION BANK	Pension Deposits	652272	10/14/2011	\$78,333.36
PERMA	Gnrl Liab / Wker Comp Prem	652256	10/14/2011	\$74,517.35
MUNCIE TRANSIT SUPPLY	F/A-MAINT EQUIP(Bus Wash)	652363	10/26/2011	\$31,570.75
IMPERIAL IRRIGATION DIST	Utilities	652242	10/14/2011	\$19,439.28
USS CAL BUILDERS, INC.	Engineer Services	652396	10/26/2011	\$19,392.55
GOODYEAR TIRE & RUBBER	Bus Tire Lease	652292	10/21/2011	\$16,195.96
LEFLORE GROUP LLC, THE	Projects Management	652248	10/14/2011	\$15,057.50
DESERT ALARM, INC.	WIP-Security Camera & Equip	652223	10/14/2011	\$13,020.00
HARTFORD LIFE	Employee Benefits	652349	10/26/2011	\$10,227.35
BLUWAYS USA, INC.	THOR/AT Bus	652318	10/26/2011	\$10,000.00
FAIRMONT NEWPORT BEACH HOTEL	Strategic Planning Workshop	652340	10/26/2011	\$9,242.38
NORTH AMERICAN TRANSIT (APTA)	Membership	652199	10/12/2011	\$9,020.00
CUMMINS CAL PACIFIC, LLC	Bus Repair Parts	652332	10/26/2011	\$8,321.26
IMPERIAL IRRIGATION DIST	Utilities	652352	10/26/2011	\$8,251.07
HAWKINS COMPANY, THE	Recruiting Employees	652182	10/12/2011	\$7,500.00
PRINTING PLACE, THE	Agency Printing	652373	10/26/2011	\$7,096.42
SOUTHWEST NETWORKS, INC.	Network Consultants	652300	10/21/2011	\$5,868.75
CUMMINS CAL PACIFIC, LLC	Bus Repair Parts	652165	10/12/2011	\$5,448.50
GOODYEAR TIRE & RUBBER	Bus Tire Lease	652236	10/14/2011	\$5,245.00
FACTORY MOTOR PARTS COMPANY	Repair Parts	652339	10/26/2011	\$4,974.41
MOORE MAINTENANCE	Janitorial Services	652295	10/21/2011	\$4,633.00
<u>AMALGAMATED TRANSIT UNION</u>	Union Dues	652312	10/26/2011	\$4,420.14
NEW FLYER	Bus Parts	652369	10/26/2011	\$4,317.65
<u>AMALGAMATED TRANSIT UNION</u>	Union Dues	652213	10/14/2011	\$4,217.10
G & K SERVICES	Uniform service	652234	10/14/2011	\$4,123.78
KENNY STRICKLAND, INC.	Lubricants & Oils	652357	10/26/2011	\$3,911.72
OPENAPPS, INC.	Sun Fuels Parts	652254	10/14/2011	\$3,045.37
ACCONTEMPS	Temporary Help	652309	10/26/2011	\$3,027.15
VERIZON WIRELESS	Wireless Cell Serv	652274	10/14/2011	\$2,907.04
KENNY STRICKLAND, INC.	Lubricants & Oils	652247	10/14/2011	\$2,894.92
Cis Leroy	Finance Director/Consultant	652161	10/12/2011	\$2,619.48
RCTC	Federal JARC Funding	652203	10/12/2011	\$2,530.33
CUMMINS CAL PACIFIC, LLC	Bus Repair Parts	652285	10/21/2011	\$2,382.15
KENNY STRICKLAND, INC.	Lubricants & Oils	652293	10/21/2011	\$2,254.18
CALIFORNIA STATE DISBURSEMENT	Employee Garnishment	652322	10/26/2011	\$2,240.83
CALIFORNIA STATE DISBURSEMENT	Employee Garnishment	652217	10/14/2011	\$2,240.83
ERIC COREY FREED	Engineer Services	652288	10/21/2011	\$2,225.75
EYE MED	Employee Benefits	652227	10/14/2011	\$2,222.08

SunLine Transit Agency
Checks \$1,000 and Over
For the month of October 2011

NOTE: 1). Bold check payments represent "pass through" payments that were, or will be reimbursed to SunLine under the provisions of specific grants or contracts. 2). Underlined check payments represent "shared" payments with SunLine and specific vendors/employees.

Vendor Name	Description	Check #	Check	Amount
NAPA AUTO PARTS	Repair Parts	652365	10/26/2011	\$2,165.13
ROMAINE ELECTRIC CORP.	Repair Parts	652204	10/12/2011	\$2,159.86
KENNY STRICKLAND, INC.	Lubricants & Oils	652192	10/12/2011	\$2,087.96
FLEET-NET CORPORATION	Software & Licenses	652230	10/14/2011	\$2,040.00
CERTIFIED LABORATORIES DIVISION	Bus Stops & Zones Supplies	652159	10/12/2011	\$1,991.70
SAN JOSE MARRIOTT	CTA Conference	652376	10/26/2011	\$1,946.77
HOME DEPOT CRD SRVS	Facility Maintenance	652188	10/12/2011	\$1,905.52
ALEXANDER COHN, ESQ	Legal Services	652311	10/26/2011	\$1,751.40
TOMMY EDWARDS	APTA Conference	652388	10/26/2011	\$1,629.96
<u>SHERIFF'S COURT SERVICES - EAST</u>	<u>Employee Garnishment</u>	<u>652263</u>	<u>10/14/2011</u>	<u>\$1,622.80</u>
FIESTA FORD, INC.	Repair Parts/Support	652174	10/12/2011	\$1,620.87
CARRIER TRANSICOLD	Repair Parts	652325	10/26/2011	\$1,580.30
<u>SHERIFF'S COURT SERVICES - EAST</u>	<u>Employee Garnishment</u>	<u>652379</u>	<u>10/26/2011</u>	<u>\$1,579.80</u>
APOLONIO DEL TORO	APTA Conference	652214	10/14/2011	\$1,530.19
VERIZON	Communications	652306	10/21/2011	\$1,517.11
FIESTA FORD, INC.	Repair Parts/Support	652344	10/26/2011	\$1,494.22
<u>ST. BOARD OF EQUALIZATION</u>	<u>Employee Garnishment</u>	<u>652383</u>	<u>10/26/2011</u>	<u>\$1,470.61</u>
JOSEPH FORGIARINI	Moving Expense	652356	10/26/2011	\$1,443.11
<u>FRANCHISE TAX BOARD</u>	<u>Taxes Payable</u>	<u>652232</u>	<u>10/14/2011</u>	<u>\$1,432.16</u>
TOMMY GREEN	APTA Conference	652270	10/14/2011	\$1,363.65
TRANSIT PRODUCTS & SERVICES	Repair Parts	652302	10/21/2011	\$1,342.68
CARQUEST OF THE DESERT	Repair Parts	652221	10/14/2011	\$1,334.61
HST LESSEE MISSION HILLS LP	Deposit on Holiday Event	652189	10/12/2011	\$1,300.00
BURRTEC WASTE & RECYCLING	Facility Trash Removal	652320	10/26/2011	\$1,294.31
NEW FLYER	Bus Parts	652198	10/12/2011	\$1,287.27
BURRTEC WASTE & RECYCLING	Facility Trash Removal	652282	10/21/2011	\$1,225.69
CREATIVE BUS SALES, INC.	Bus Repair Parts	652328	10/26/2011	\$1,224.97
SAFETY-KLEEN CORPORATION	Solvent Tank Service	652375	10/26/2011	\$1,157.92
ACCONTEMPES	Temporary Help	652148	10/12/2011	\$1,116.00
GOODYEAR TIRE & RUBBER	Bus Tire Lease	652348	10/26/2011	\$1,028.33
<i>TMAD, TAYLOR & GAINES</i>	<i>Engineer Services</i>	<i>652387</i>	<i>10/26/2011</i>	<i>\$1,025.00</i>
TOTALFUNDS BY HASLER	Postage Supplies	652390	10/26/2011	\$1,000.00
SCR TTC	Membership	652378	10/26/2011	\$1,000.00

Total of Checks Over \$1,000	\$824,527.74
Total of Checks Under \$1,000	\$47,901.28
Total of All Checks for the Month	\$872,429.02

Total Amount of Checks Prior Years Same Month

\$1,138,063.16



October Statement for activity from Sep. 22, 2011 through Oct. 20, 2011
 SUNLINE TRANSIT
 C MIKEL OGLESBY (CPN 000648533)

Inquiries: 1-866-552-8855
 BUS 13 Page 1 of 3

Your Visa® Business Card account at a glance ... Account: 4798 5100 4480 9131

Activity Summary	
Previous Balance	\$1,567.90
Payments	\$1,567.90CR
Other Credits	\$0.00
Purchases	\$3,615.70
Balance Transfers	\$0.00
Advances	\$0.00
Other Debits	\$0.00
Past Due Amount	\$0.00
Fees Charged	\$0.00
Interest Charged	\$0.00
New Balance	\$3,615.70
Credit Line	\$34,000.00
Available Credit	\$30,384.30
Statement Close Date	Oct. 20, 2011
Days in Billing Cycle	29

Payment Information	
New Balance	\$3,615.70
Minimum Payment Due (Current Month)	\$37.00
Minimum Payment Due (Past Due)	\$0.00
Total New Minimum Payment Due	\$37.00
Payment Due Date	Nov. 17, 2011

Late Payment Warning: If we do not receive your minimum payment by the date listed above, you may have to pay up to a \$39.00 Late Fee and your APRs may be increased up to the Penalty APR of 28.99%.

To reduce or avoid paying additional fees and interest charges on your purchase balance, pay the total new balance of \$3,615.70 by 11/17/11. Any cash balance or balance transfer balance will continue to accrue daily interest until the date your payment is received.

Transactions

Post Date	Trans Date	Ref. Nbr	Description of Transaction	Amount	Notation
Payments and Other Credits					
10/04			PAYMENT THANK YOU	\$1,567.90CR	-----
Purchases and Other Debits					
09/29	09/27	7928	SOUTHWEST5262102479449 DALLAS TX..... NIGHTINGALE/NA 11/01/11	\$195.40	-----
09/29	09/27	0769	SAN JOSE TO ONTARIO CAL SOUTHWEST5262102479450 DALLAS TX.....	\$195.40	-----

Continued on Next Page

No payment is required, however please use coupon when making additional payments. CPN 000648533

0047985100448091310000037000003615704

Automatic Payment

Your Account Number: 4798 5100 4480 9131
Your new full balance of \$3,615.70 will be automatically deducted from your account on 11/04/11.

To change your address or for Cardmember Service please call: 1-866-552-8855 **Every Hour! Every Day!**

000030563 1 MB 0.390 106481301960604 P

SUNLINE TRANSIT
 C MIKEL OGLESBY
 32505 HARRY OLIVER TRL
 THOUSAND PLMS CA 92276-3501





October Statement for activity from Sep. 22, 2011 through Oct. 20, 2011
 SUNLINE TRANSIT
 C MIKEL OGLESBY (CPN 000648533)

Inquiries: 1-866-552-8855
 Page 2 of 3

Transactions

Post Date	Trans Date	Ref. Nbr	Description of Transaction	Amount	Notation
09/29	09/27	1545	BORDERS/MARY S 11/01/11 ONTARIO CAL TO SAN JOSE SAN JOSE TO ONTARIO CAL AMERICAN 0001234675179 DALLAS TX.....	\$231.87	-----
10/03	09/22	0100	NIGHTINGALE/NA 09/30/11 PALMSPRINGS TO DALLAS DALLAS TO NEW ORLEANS NEW ORLEANS TO DALLAS DALLAS TO PALMSPRINGS SOUTHWEST5262101544238 DALLAS TX.....	\$195.40	-----
10/04	10/03	3817	OGLESBY/CHARLE 11/01/11 ONTARIO CAL TO SAN JOSE SAN JOSE TO ONTARIO CAL PAYPAL *COACHELLAVA 402-935-7733 CA.....	\$650.00	-----
10/11	10/07	9643	CONFERENCE/EVENT REGIS 916-3692880 CA.....	\$1,290.00	-----
10/14	10/12	0476	SOUTHWEST5262105792358 DALLAS TX.....	\$209.40	-----
10/17	10/16	4042	THOMAS/MANNIE 11/01/11 ONTARIO CAL TO SAN JOSE SAN JOSE TO ONTARIO CAL MARRIOTT 337Z4 SAN JOS SAN JOSE CA.....	\$618.23	-----
10/18	10/17	7932	10/15/11 FOR 01 NIGHTS FOLIO: 0210013560006 PS DESERT RESORTS CONV RANCHO MIRAGE CA.....	\$30.00	-----

2011 Totals Year-to-Date	
Total Fees Charged in 2011	\$0.00
Total Interest Charged in 2011	\$0.00

Company Approval (This area for use by your company)

Signature/Approval: _____ Accounting Code: _____

Interest Charge Calculation

Your Annual Percentage Rate (APR) is the annual interest rate on your account.

** APR for current and future transactions.

Balance Type	Balance By Type	Balance Subject to Interest	Variable Interest	Annual Percentage Rate	Expires with Statement	Interest Free Period
** BALANCE TRANSFER	\$0.00	\$0.00	YES	\$0.00	13.99%	NO
** PURCHASES	\$3,615.70	\$0.00	YES	\$0.00	13.99%	YES
** ADVANCES	\$0.00	\$0.00	YES	\$0.00	20.99%	NO

Pacific Western Bank
 SunLine Transit Agency Visa Credit Card Statement
 Closing Date: October 20, 2011

Detail:

9/29/11	Southwest Airlines	CTA Conference—airfare - Dir. of Administration	\$ 195.40
9/29/11	Southwest Airlines	CTA Conference -airfare –Marketing Coordinator	\$ 195.40
9/29/11	American Airlines	APTA Conference-airfare-Dir. of Administration	\$ 231.87
10/3/11	Southwest Airlines	CTA Conference-airfare – General Manager	\$ 195.40
10/4/11	PenPal-Coachellava	CVEP Economic Summit-table	\$ 650.00
10/11/11	Conference/event	CTA Conf. registration-event-G.M., Dir. of Admin., Dir. of Maintenance, Operations Mgr., Marketing Coordinator	\$ 1290.00
10/14/11	Southwest Airlines	CTA Conference-airfare-Operations Mgr.	\$ 209.40
10/17/11	Marriott San Jose	CTA Conference-hotel – Operations Mgr.	\$ 618.23
10/18/11	PS Desert Resorts CVB	CVB Luncheon	\$ 30.00

Credit:

10/04/11	Payment		\$ 1567.90CR
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Note: All travel is currently funded in the Board approved FY 2012 budget.

**SunLine Transit Agency
Statement of Activities
August 2011**

	Unaudited FY 10/11	Total FY 11/12 Budget	Current Month			Year to Date		
			Actual	Budget	Favorable (Unfavorable)	YTD Actual	YTD Budget	Favorable (Unfavorable)
Operating Revenue:								
Passenger Fares	2,893,849	2,950,000	225,598	245,833	(20,236)	438,346	491,667	(53,320)
Advertising Revenue	27,024	25,000	6,983	2,083	4,899	7,583	4,167	3,416
Rebate for CNG Production	1,035,857	375,000	69,606	62,500	7,106	136,674	125,000	11,674
Interest Revenue	8,573	10,000	358	833	(475)	757	1,667	(910)
Outside Fueling Revenue (SunFuels)	219,868	180,137	31,277	15,819	15,458	61,760	30,022	31,738
Pass-Through Operating revenue	69,777	258,800	6,311	21,567	(15,256)	10,070	43,133	(33,063)
Other Operating Revenue	107,833	343,137	7,580	28,595	(21,014)	15,152	57,190	(42,038)
Grant Revenue	17,004,918	19,225,376	1,667,900	1,667,900	0	4,103,611	4,103,611	0
Total Revenue	21,367,700	23,367,450	2,015,612	2,045,130	(29,518)	4,773,952	4,856,456	(82,504)
Expenses:								
SunFuels (10)	219,868	180,137	31,277	15,819	(15,458)	61,760	30,022	(31,738)
Operations-Fixed Route (11 & 12)	8,453,305	8,670,062	716,526	732,026	15,500	1,420,632	1,453,927	33,295
Operations-Dial-A-Ride (13 & 14)	2,232,339	2,450,562	197,679	207,086	9,408	384,525	395,121	10,596
Security (15)	514,549	458,833	39,148	39,615	467	73,490	76,624	3,135
Maintenance (21 & 22)	5,212,682	5,517,967	457,234	462,830	5,596	897,215	920,318	23,104
Facility Maintenance-T.P. (23)	567,807	573,218	55,244	47,193	(8,051)	105,132	95,025	(10,106)
Facility Maintenance-Indio (24)	81,905	83,472	7,823	6,956	(867)	16,021	13,912	(2,109)
Bus Stops/Shelters (25)	416,057	459,965	30,609	37,878	7,268	69,565	76,154	6,589
Marketing (31)	261,442	356,354	36,003	30,581	(5,423)	47,565	59,482	11,917
Human Resources (32)	451,763	407,998	32,321	34,863	2,542	53,786	67,884	14,099
General Administration (40)	1,032,497	1,483,415	141,847	127,486	(14,361)	250,128	248,799	(1,330)
Finance (41)	755,754	753,377	54,676	56,813	2,137	100,943	108,609	7,666
Information Technology (42)	289,135	367,125	18,685	30,822	12,137	43,709	61,404	17,695
Planning & Agency Development (49)	599,879	851,833	50,137	67,233	17,097	85,595	120,878	35,283
Total expenses	21,088,982	22,614,318	1,869,209	1,897,201	27,992	3,610,064	3,728,159	118,095

Minimum Farebox ratio = 17.80%

YTD Farebox ratio

18.57%

Preliminary Statement Prior To Audit Field Work

SunLine Transit Agency
Statement of Revenues and Departmental Expenditures
For Month ended August 31, 2011

Operating Revenue	<u>08/31/11</u>	<u>YTD</u>
Passenger Fares	225,598	438,346
Advertising Revenue	6,983	7,583
Rebate for CNG Production	69,606	136,674
Interest Revenue	358	757
Outside Fueling Revenue (SunFuels)	31,277	61,760
Pass-Through Operating Revenue	6,311	10,070
Other Operating Revenue	7,580	15,152
Total Operating Revenue	\$ 347,713	\$ 670,341
Grant Revenue		
Local Transportation Funds (LTF)	777,166	2,764,543
Measure A Funds	354,740	709,480
FTA Section 5307 ¹	125,000	210,094
FTA Section 5304	-	4,077
FTA Section 5311	-	-
FTA Section 5316	7,362	7,362
FTA Section 5317	3,851	3,851
CMAQ	-	-
Other Grant Revenue ²	399,780	404,204
Total Grant Revenue	\$ 1,667,900	\$ 4,103,611
TOTAL REVENUE	\$ 2,015,612	\$ 4,773,952

Operating Expenditures by Department

SunFuels (10)	31,277	61,760
Operations-Fixed Route (11 & 12)	716,526	1,420,632
Operations-Dial-A-Ride (13 & 14)	197,679	384,525
Security (15)	39,148	73,490
Maintenance (21 & 22)	457,234	897,215
Facility Maintenance-T.P. (23)	55,244	105,132
Facility Maintenance-Indio (24)	7,823	16,021
Bus Stops/Shelters (25)	30,609	69,565
Marketing (31)	36,003	47,565
Human Resources (32)	32,321	53,786
General Administration (40)	141,847	250,128
Finance (41)	54,676	100,943
Information Technology (42)	18,685	43,709
Planning & Agency Development (49)	50,137	85,595
TOTAL OPERATING EXPENDITURES	\$ 1,869,209	\$ 3,610,064
OPERATING INCOME/(LOSS)	146,403	1,163,889

¹ Includes \$125,000 accrual for Preventative Maintenance totalling \$1,250,000

² Includes \$360,380 for 2009 Funds Receivable

**SunLine Transit Agency
Statement of Activities
September 2011**

	Unaudited FY 10/11	Total FY 11/12 Budget	Current Month			Year to Date		
			Actual	Budget	Favorable (Unfavorable)	YTD Actual	YTD Budget	Favorable (Unfavorable)
Operating Revenue:								
Passenger Fares	2,893,849	2,950,000	252,894	245,833	7,061	691,241	737,500	(46,259)
Advertising Revenue	27,024	25,000		2,083	(2,083)	7,583	6,250	1,333
Rebate for CNG Production	1,035,857	375,000	65,940	62,500	3,440	202,613	187,500	15,113
Interest Revenue	8,573	10,000	292	833	(542)	1,048	2,500	(1,452)
Outside Fueling Revenue (SunFuels)	219,868	180,137	20,441	14,861	5,580	82,201	44,883	37,318
Pass-Through Operating revenue	69,777	258,800	7,155	21,567	(14,412)	17,225	64,700	(47,475)
Other Operating Revenue	107,833	343,137	7,632	28,595	(20,963)	22,784	85,784	(63,001)
Grant Revenue	17,004,918	19,225,376	1,261,330	1,261,330	0	5,364,942	5,364,942	0
Total Revenue	21,367,700	23,367,450	1,615,683	1,637,602	(21,919)	6,389,636	6,494,059	(104,423)
Expenses:								
SunFuels (10)	219,868	180,137	20,441	14,861	(5,580)	82,201	44,883	(37,318)
Operations-Fixed Route (11 & 12)	8,453,305	8,670,062	718,059	721,779	3,720	2,138,691	2,175,706	37,015
Operations-Dial-A-Ride (13 & 14)	2,232,339	2,450,562	197,395	203,360	5,965	581,921	598,482	16,561
Security (15)	514,549	458,833	43,047	37,393	(5,654)	116,536	114,017	(2,520)
Maintenance (21 & 22)	5,212,682	5,517,967	435,575	457,032	21,457	1,332,789	1,377,350	44,561
Facility Maintenance-T.P. (23)	567,807	573,218	53,975	47,340	(6,635)	159,107	142,366	(16,741)
Facility Maintenance-Indio (24)	81,905	83,472	6,708	6,956	248	22,728	20,868	(1,860)
Bus Stops/Shelters (25)	416,057	459,965	33,521	37,727	4,205	103,086	113,881	10,794
Marketing (31)	261,442	356,354	15,606	29,461	13,855	63,170	88,942	25,772
Human Resources (32)	451,763	407,998	22,816	33,634	10,818	76,601	101,518	24,917
General Administration (40)	1,032,497	1,483,415	104,029	123,370	19,341	354,157	371,169	17,012
Finance (41)	755,754	753,377	60,740	61,489	749	161,683	170,098	8,415
Information Technology (42)	289,135	367,125	26,022	30,582	4,560	69,731	91,986	22,255
Planning & Agency Development (49)	599,879	851,833	24,302	64,513	40,212	109,897	185,391	75,495
Total expenses	21,088,982	22,614,318	1,762,235	1,869,497	107,262	5,372,299	5,596,656	224,356

Minimum Farebox ratio = 17.80%

YTD Farebox ratio

19.07%

Preliminary Statement Prior To Audit Field Work

SunLine Transit Agency
Statement of Revenues and Departmental Expenditures
For Month ended September 30, 2011

Operating Revenue	<u>09/30/11</u>	<u>YTD</u>
Passenger Fares	252,894	691,241
Advertising Revenue	-	7,583
Rebate for CNG Production	65,940	202,613
Interest Revenue	292	1,048
Outside Fueling Revenue (SunFuels)	20,441	82,201
Pass-Through Operating Revenue	7,155	17,225
Other Operating Revenue	7,632	22,784
Total Operating Revenue	<u>\$ 354,354</u>	<u>\$ 1,024,694</u>
Grant Revenue		
Local Transportation Funds (LTF)	777,166	3,541,709
Measure A Funds	354,740	1,064,220
FTA Section 5307 ¹	125,000	335,094
FTA Section 5304	-	4,077
FTA Section 5311	-	-
FTA Section 5316	-	7,362
FTA Section 5317	-	3,851
CMAQ	-	-
Other Grant Revenue ²	4,424	408,628
Total Grant Revenue	<u>\$ 1,261,330</u>	<u>\$ 5,364,942</u>
TOTAL REVENUE	<u>\$ 1,615,683</u>	<u>\$ 6,389,636</u>
Operating Expenditures by Department		
SunFuels (10)	20,441	82,201
Operations-Fixed Route (11 & 12)	718,059	2,138,691
Operations-Dial-A-Ride (13 & 14)	197,395	581,921
Security (15)	43,047	116,536
Maintenance (21 & 22)	435,575	1,332,789
Facility Maintenance-T.P. (23)	53,975	159,107
Facility Maintenance-Indio (24)	6,708	22,728
Bus Stops/Shelters (25)	33,521	103,086
Marketing (31)	15,606	63,170
Human Resources (32)	22,816	76,601
General Administration (40)	104,029	354,157
Finance (41)	60,740	161,683
Information Technology (42)	26,022	69,731
Planning & Agency Development (49)	24,302	109,897
TOTAL OPERATING EXPENDITURES	<u>\$ 1,762,235</u>	<u>\$ 5,372,299</u>
OPERATING INCOME/(LOSS)	<u>(146,552)</u>	<u>1,017,337</u>

¹ Includes \$125,000 accrual of Preventative Maintenance funds totalling \$1,250,000 annually

² Includes \$360,380 for 2009 Funds Receivable

**SunLine Transit Agency
Statement of Activities
October 2011**

	Unaudited FY 10/11	Total FY 11/12 Budget	Current Month			Year to Date		
			Actual	Budget	Favorable (Unfavorable)	YTD Actual	YTD Budget	Favorable (Unfavorable)
Operating Revenue:								
Passenger Fares	2,893,849	2,950,000	332,668	245,833	86,835	1,023,909	983,333	40,576
Advertising Revenue	27,024	25,000	9,401	2,083	7,318	16,983	8,333	8,650
Rebate for CNG Production	1,035,857	375,000	67,974	62,500	5,474	270,587	250,000	20,587
Interest Revenue	8,573	10,000	109	833	(725)	1,157	3,333	(2,177)
Outside Fueling Revenue (SunFuels)	219,868	180,137	26,146	14,382	11,764	108,347	59,265	49,082
Pass-Through Operating revenue	69,777	258,800	(1,100)	21,567	(22,666)	16,125	86,267	(70,141)
Other Operating Revenue	107,833	343,137	8,270	28,595	(20,325)	31,054	114,379	(83,325)
Grant Revenue	17,004,918	19,225,376	1,261,330	1,136,330	0	6,626,271	5,759,607	0
Total Revenue	21,367,700	23,367,450	1,704,798	1,512,123	67,674	8,094,434	7,264,518	(36,749)
Expenses:								
SunFuels (10)	219,868	180,137	26,222	14,382	(11,840)	108,424	59,265	(49,158)
Operations-Fixed Route (11 & 12)	8,453,305	8,670,062	698,785	719,606	20,821	2,837,476	2,895,311	57,835
Operations-Dial-A-Ride (13 & 14)	2,232,339	2,450,562	195,189	202,321	7,133	777,109	800,803	23,693
Security (15)	514,549	458,833	34,301	36,283	1,981	150,838	150,299	(538)
Maintenance (21 & 22)	5,212,682	5,517,967	446,352	452,314	5,961	1,779,142	1,829,664	50,522
Facility Maintenance-T.P. (23)	567,807	573,218	44,533	47,193	2,660	203,640	189,559	(14,081)
Facility Maintenance-Indio (24)	81,905	83,472	3,516	6,956	3,440	26,244	27,824	1,580
Bus Stops/Shelters (25)	416,057	459,965	33,155	37,433	4,278	136,241	151,313	15,072
Marketing (31)	261,442	356,354	26,615	28,901	2,285	89,786	117,843	28,057
Human Resources (32)	451,763	407,998	22,627	33,021	10,394	99,229	134,539	35,311
General Administration (40)	1,032,497	1,483,415	119,108	121,312	2,205	473,265	493,481	20,216
Finance (41)	755,754	753,377	62,888	59,435	(3,453)	224,571	229,532	4,961
Information Technology (42)	289,135	367,125	28,649	30,344	1,695	98,380	122,330	23,950
Planning & Agency Development (49)	599,879	851,833	28,449	71,594	43,146	138,345	256,986	118,640
Total expenses	21,088,982	22,614,318	1,770,390	1,861,095	90,705	7,142,689	7,458,750	316,061

Minimum Farebox ratio = 17.80%

YTD Farebox ratio

20.55%

Preliminary Statement Prior To Audit Field Work

SunLine Transit Agency
Statement of Revenues and Departmental Expenditures
For Month ended October 31, 2011

Operating Revenue	<u>10/31/11</u>	<u>YTD</u>
Passenger Fares	332,668	1,023,909
Advertising Revenue	9,401	16,983
Rebate for CNG Production	67,974	270,587
Interest Revenue	109	1,157
Outside Fueling Revenue (SunFuels)	26,146	108,347
Pass-Through Operating Revenue	(1,100)	16,125
Other Operating Revenue	8,270	31,054
Total Operating Revenue	<u>\$ 443,468</u>	<u>\$ 1,468,162</u>

Grant Revenue		
Local Transportation Funds (LTF)	777,166	4,318,875
Measure A Funds	354,740	1,418,960
FTA Section 5307 ¹	125,000	460,094
FTA Section 5304	-	4,077
FTA Section 5311	-	-
FTA Section 5316	-	7,362
FTA Section 5317	-	3,851
CMAQ	-	-
Other Grant Revenue ²	4,424	413,052
Total Grant Revenue	<u>\$ 1,261,330</u>	<u>\$ 6,626,271</u>

TOTAL REVENUE	<u>\$ 1,704,798</u>	<u>\$ 8,094,434</u>
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Operating Expenditures by Department		
SunFuels (10)	26,222	108,424
Operations-Fixed Route (11 & 12)	698,785	2,837,476
Operations-Dial-A-Ride (13 & 14)	195,189	777,109
Security (15)	34,301	150,838
Maintenance (21 & 22)	446,352	1,779,142
Facility Maintenance-T.P. (23)	44,533	203,640
Facility Maintenance-Indio (24)	3,516	26,244
Bus Stops/Shelters (25)	33,155	136,241
Marketing (31)	26,615	89,786
Human Resources (32)	22,627	99,229
General Administration (40)	119,108	473,265
Finance (41)	62,888	224,571
Information Technology (42)	28,649	98,380
Planning & Agency Development (49)	28,449	138,345
TOTAL OPERATING EXPENDITURES	<u>\$ 1,770,390</u>	<u>\$ 7,142,689</u>

OPERATING INCOME/(LOSS)	<u>(65,592)</u>	<u>951,745</u>
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¹ Includes \$125,000 accrual of Preventative Maintenance funds totalling \$1,250,000 annually

² Includes \$360,380 for 2009 Funds Receivable



**SunLine Transit Agency
Monthly Ridership Report
October - 2011**

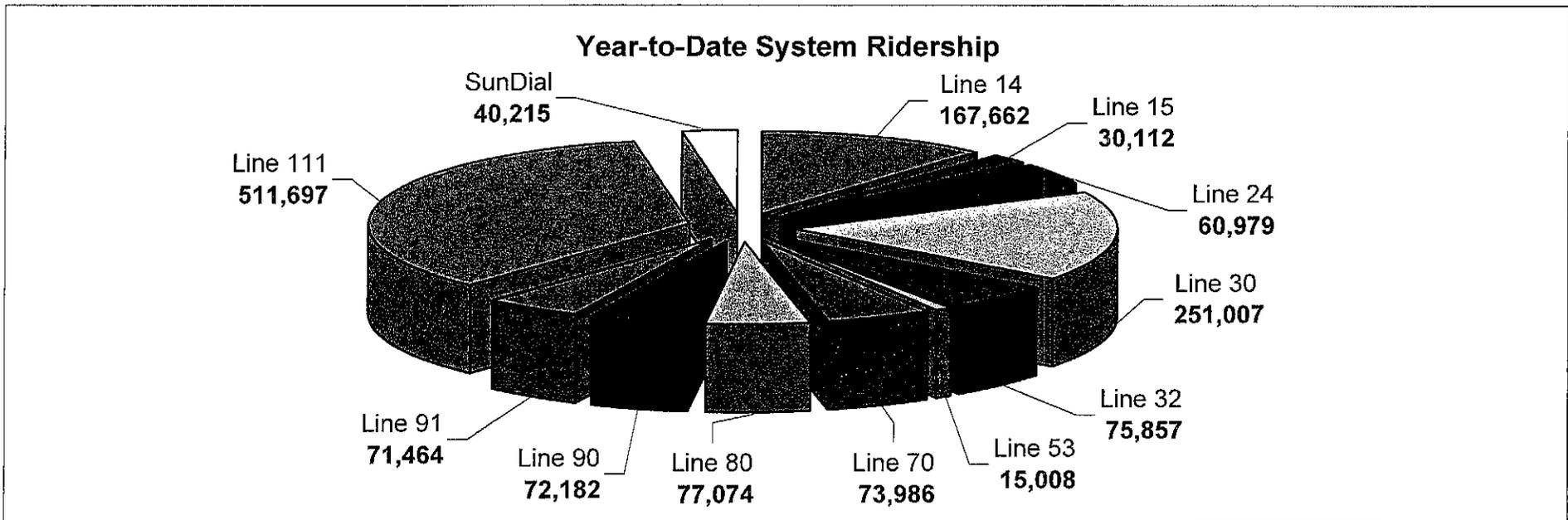
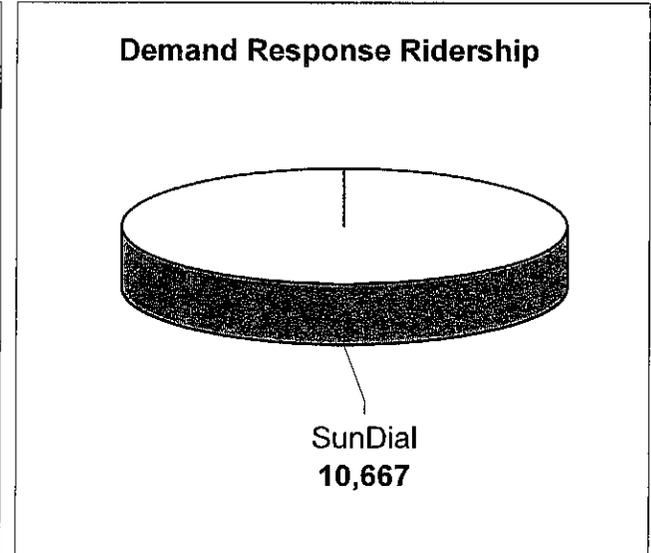
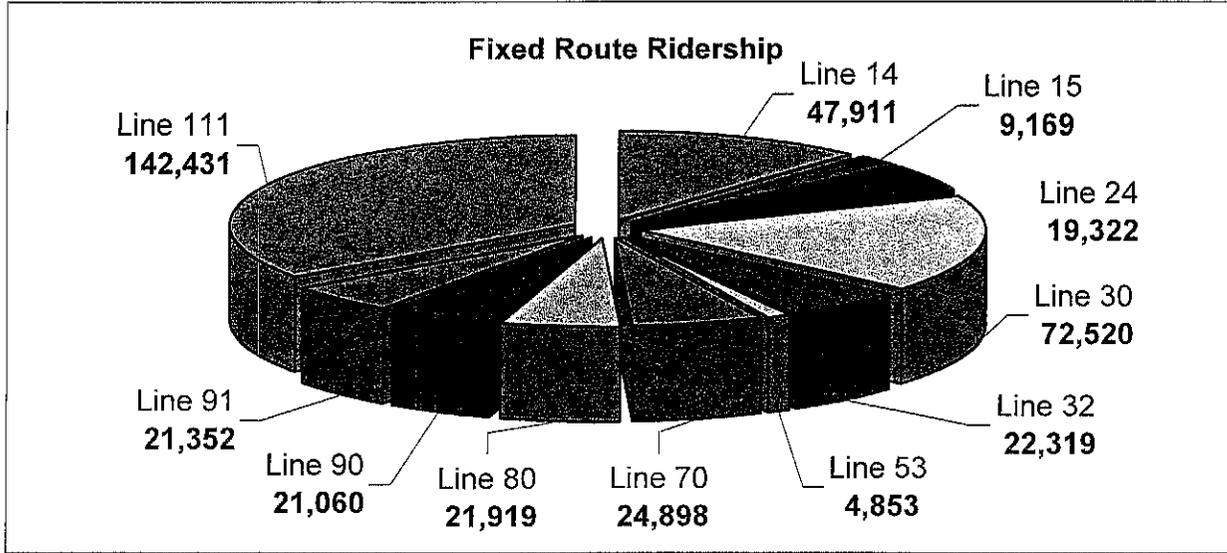
FY
2010 & 2011

	Oct 2011	Oct 2010	Sep 2011	Month Var.	% Var.	FY 2012 YTD	FY 2011 YTD	YTD Var.	% Var.	Bikes		Wheelchairs	
										Monthly	YTD	Monthly	YTD
Fixed Route													
Line 14 DHS/PS	47,911	42,988	45,595	4,923	11.5%	167,662	161,582	6,080	3.8%	1,367	5,199	464	1,811
Line 15 DHS	9,169	7,108	8,775	2,061	29.0%	30,112	12,604	17,508	138.9%	129	534	115	527
Line 24 PS/CC	19,322	15,564	17,490	3,758	24.1%	60,979	52,477	8,502	16.2%	314	1,121	95	547
Line 30 CC/PS	72,520	64,711	68,464	7,809	12.1%	251,007	226,660	24,347	10.7%	1,776	7,631	523	1,889
Line 32 PD/TP/PS	22,319	19,098	20,868	3,221	16.9%	75,857	59,371	16,486	27.8%	817	3,203	102	358
Line 53 PD/IW	4,853	4,190	4,272	663	15.8%	15,008	7,351	7,657	104.2%	105	364	15	41
Line 70 La Quinta	24,898	21,706	23,121	3,192	14.7%	73,986	63,266	10,720	16.9%	940	3,174	13	46
Line 80 Indio	21,919	20,973	20,358	946	4.5%	77,074	72,560	4,514	6.2%	343	1,182	192	783
Line 90 Coachella/Ind	21,060	18,525	19,331	2,535	13.7%	72,182	64,963	7,219	11.1%	512	2,041	182	589
Line 91 Cch/Th/Mecca	21,352	16,005	19,505	5,347	33.4%	71,464	52,861	18,603	35.2%	407	1,632	48	177
Line 111 PS/Indio	142,431	127,697	132,143	14,734	11.5%	511,697	457,055	54,642	12.0%	4,662	18,072	943	3,545
Fixed route total	407,754	358,565	379,922	49,189	13.7%	1,407,028	1,241,316	165,712	13.3%	11,372	44,153	2,692	10,313
Demand Response													
SunDial	10,667	9,293	10,292	1,374	14.8%	40,215	36,691	3,524	9.6%				
System total	418,421	367,858	390,214	50,563	13.7%	1,447,243	1,278,007	169,236	13.2%				

Please note:

* FY 2011 YTD total ridership includes data for Line 50 (10,566 passengers). Line 50 was discontinued on September 4, 2010; fixed route and system totals are accurate.

SunLine Transit Agency Monthly Ridership Report October - 2011





Complimentary Paratransit Service
Serving Persons with Disabilities Throughout the Coachella Valley

SunDial Operational Notes
October 2011

1. ON-TIME PERFORMANCE

<u>Last Year</u>	<u>This Year</u>	
89.7%	87.7%	Total trips carried in the on-time window
951	1,279	Total trips late during the month
8,663	10,421	Total trips

2. RIDERSHIP and MILEAGE

<u>Last Year</u>	<u>This Year</u>	
9,293	10,667	Total passengers for the month
73,500	90,198	Total miles traveled for the month

3. SAFETY

<u>Last Year</u>	<u>This Year</u>	
1	1	Total preventable accidents

4. RIDE-A-LONG & ONBOARD EVALUATIONS

<u>Last Year</u>	<u>This Year</u>	
1	5	Total ride-a-long evaluations
0	8	Total onboard inspections
1	3	Total safety evaluations

5. DENIALS

<u>Last Year</u>	<u>This Year</u>	
0	0	Total denied trips

6. WHEELCHAIR BOARDINGS

<u>Last Year</u>	<u>This Year</u>	
1,367	1,690	Total mobility device boarding's

cc: Mikel Oglesby, Carolyn Rude, Polo Del Toro, Mannie Thomas, Jim Rayl, Diane Beebe

SunLine Transit Agency

DATE: December 7, 2011 **ACTION**
TO: Finance Committee
Board of Directors
FROM: General Manager
RE: Construction Management Services Contract

Recommendation

Recommend that the SunLine Board of Directors grant authorization to the General Manager to negotiate and execute a contract for construction management services subject to review and approval as to form by SunLine Legal Counsel.

Background

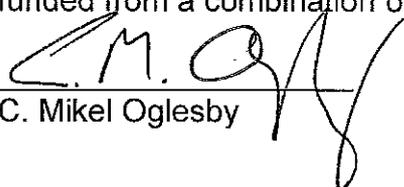
Federal Transit Administration (FTA) Regulations require that SunLine provide on-site engineering oversight to FTA funded construction projects. This effort includes inspection and testing. SunLine's Administration Building Project will use federal funding. Additionally, SunLine does not have an engineering department or engineering staff to provide technical construction oversight.

Federal Regulations requires SunLine to use a qualifications based selection process. The California Government Code § 4525 also requires SunLine to utilize a qualifications based selection process. This process requires SunLine to select the most qualified firm and then commence negotiations on a fair and reasonable price. If a price is not agreed upon, SunLine must commence negotiations with the next highest ranked firm, and so on.

SunLine plans to negotiate a fair and reasonable price with the most qualified firm. Staff does not want to disclose the budget for this task for fear that it may alter negotiations. SunLine's target price will be based on an independent technical estimate.

Financial Impact

Staff has included funds for construction management in the overall project budget. These amounts were included in the Capital Project Budget. This will be funded from a combination of Proposition 1B funds and FTA funds.


C. Mikel Oglesby

SunLine Transit Agency

DATE: December 7, 2011 **ACTION**

TO: Finance Committee
Board of Directors

FROM: SunLine's General Manager

RE: Fuel Cell Purchases

Recommendation

Recommend that the Board of Directors grant authorization to the General Manager to negotiate and execute a contract for two fuel cells with Ballard Power Systems, subject to review and approval as to form by SunLine Legal Counsel.

Background

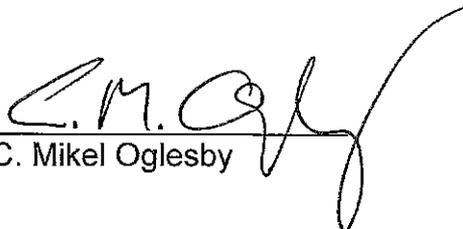
The Federal Transit Administration (FTA) awarded SunLine Transit Agency two additional fuel cell buses modeled after the American Fuel Cell Bus.

Ballard Power Systems provides the fuel cell for these buses. Ballard Power Systems is interested in booking the sale this year to improve their financial reports. Ballard has offered an additional year of warranty if SunLine can execute a contract in this calendar year. This contract will be subject to receipt of federal funding if the FTA grant is not in place at the time of contract execution.

This will be a Firm Fixed Price contract.

Financial Impact

The Not To Exceed Amount of this contract is \$1,268,757. SunLine was awarded 90 percent of the funding for this project last month from the FTA. The remaining 10 percent will come from local funds.


C. Mikel Oglesby

SunLine Transit Agency

DATE: December 7, 2011 **ACTION**

TO: Finance Committee
Board of Directors

FROM: Interim Director of Finance

RE: Approval of New Bank Account at Rabobank For ERF Program

Recommendation

Recommend that the Board of Directors approve the opening of a bank account at Rabobank as part of the new Employee Relief Fund (ERF) program.

Background

SunLine employees have formed an employee support fund to provide financial assistance to fellow employees who experience some type of hardship or crises such as bereavement, loss of property, illness, etc. This account will be used to collect and disburse cash from the Employee Relief Fund (ERF). Per the SunLine Bank Account Policy (Number B-020503), Board approval is needed to open a new bank account.

At the April, 2011 Board meeting, the Board approved the opening of a bank account contingent upon staff moving forward with consulting a certified public accountant to look at the program. Lee Osborn, CPA, worked with employees and applied, on behalf of the employees, for a 501(c)(3) status. In addition, Mr. Osborn recommended that a bank account at a new bank, separate from the Agency, be opened for the ERP program.

As previously discussed at the April, 2011 Board meeting, with advisory assistance from SunLine management, the Employee Relief Fund Committee has established bylaws and guidelines and will be administered by that committee of employees from a cross section of the Agency. This program is by employees, for employees.

Fiscal Impact

None.


Cis LeRoy

SunLine Transit Agency

DATE: December 7, 2011 **ACTION**
TO: Board of Directors
FROM: Director of Operations
RE: Approval of New ACCESS Advisory Committee Member

Recommended Action

Recommend that the Board of Directors approve new member of the ACCESS Advisory Committee as approved and presented by the current members.

Background

Currently seated members of the ACCESS Advisory Committee unanimously approved one new member as presented to the Committee by the Membership Subcommittee.

The recommended member is:

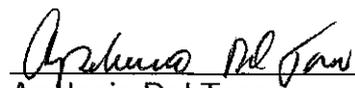
Byron Jessie affiliated with the Braille Institute as the Facility Manager.

There are no known conflicts of interest.

Byron is a local (born/raised) in the Desert. He has witnessed the growth of the Desert, along with transportation. Byron would like to join the Committee to assess and better understand the service delivery offered to their clients, as well as offering any suggestions and insight.

Fiscal Impact

None.



Apolonio Del Toro

**SUNLINE SERVICES GROUP
BOARD MEETING AGENDA**

**Wednesday, December 7, 2011
12:00 Noon
Kelly Board Room
32-505 Harry Oliver Trail
Thousand Palms, CA 92276**

NOTE: IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT SUNLINE AT (760) 343-3456. NOTIFICATION 48 HOURS PRIOR TO THE MEETING WILL ENABLE SUNLINE TO MAKE REASONABLE ACCOMMODATION TO ENSURE ACCESSIBILITY TO THIS MEETING.

The Chair requests that all cellular phones and beepers be either turned off or set on silent mode for the duration of the Board Meeting.

AGENDA TOPICS RECOMMENDATION

1. **Call to Order**
Chairman Eduardo Garcia

2. **Roll Call**

3. **Finalization of Agenda**

----- **INFORMATION** -----

4. **Questions and Responses of American Cab (Naomi Nightingale)** **Information**
Report to the Board concerning staff questions to American Cab and American Cab responses. (Pages 1-8)

5. **Closed Session**

- a) Closed Session Conference with Legal Counsel regarding significant exposure to litigation pursuant to subdivision (b) of Government Code Section 54956.9 – one potential case.

6. Presentations**7. Correspondence**

None.

8. Public Comments**Receive Comments**

(NOTE: Those wishing to address the Board should complete a Public Comment Card and will be called upon to speak.)

NON AGENDA ITEMS

Anyone wishing to address the Board on items not on the agenda may do so at this time. Each presentation is limited to 3 minutes.

AGENDA ITEMS

Anyone wishing to address specific items on the agenda should notify the Chair at this time so those comments can be made at the appropriate time. Each presentation is limited to 3 minutes.

9. Board Member Comments**Receive Comments**

Any Board Member who wishes to speak may do so at this time.

----- **ACTION** -----

10. Consent Calendar**Approve**

All items on the Consent Calendar will be approved by one motion, and there will be no discussion of individual items unless a Boardmember requests a specific item be pulled from the calendar for separate discussion. The public may comment on any item.

- a) Minutes of the October 26, 2011 Board of Directors Meeting (Pages 9-34)
- b) SSG/SRA checks over \$1000 issued October, 2011 (Page 35)
- c) SSG/SRA Monthly Budget Report for October, 2011 (Page 36)
- d) Taxi Vehicle/Rides Analysis (Pages 37-38)

11. Application for Change in Ownership of Franchise (Naomi Nightingale)**Approve**

Continued item from October 26, 2011 Board meeting. Request of American Cab, LLC for approval of a proposal to provide taxicab services.

12. Next Meeting Date

January 25, 2012, or meet as needed.
12 o'clock Noon – Kelly Board Room

13. Adjourn

SunLine Services Group

DATE: December 7, 2011 **INFORMATION**
TO: Taxi Committee
Board of Directors
FROM: Director of Administration & Human Resources/EEO
Taxi Administrator
RE: Questions and Responses of American Cab

Background

At the October 2011 Board Meeting, Staff was requested by the Board to submit additional questions to American Cab to obtain information with which to resolve unanswered questions. Staff provided those additional questions to American Cab on November 1, 2011. American Cab LLC provided its response through its attorney, Mr. Russo on November 21, 2011.

The attached information in "Exhibit A" provides excerpts of Staff's questions, Mr. Russo's response, and where applicable, the sworn statements previously made by Mr. Klibanov, where his testimony contradicts Mr. Russo's response. Staff shares its conclusions to facilitate the Board's deliberations on whether to approve the application for change in ownership of American Cab LLC.

General Standards

The subject areas for consideration of an application for change in ownership are set forth in Section 1.080 as follows:

Each individual or entity holding any interest in the use of the Franchise name or otherwise participating in the Franchise system is required to truthfully complete a Proposal for Providing Franchise Taxicab Services, successfully complete a local and Department of Justice criminal background check and provide such information as is required to evaluate the legitimacy of the Franchisee's business structure, qualifications, corporate stability, financial stability and capability, and;

The subject areas for consideration of past criminal convictions are set forth in Section 1.110 as follows:

- a. Any conviction regardless of the time elapsed, in any state, of any of the following or their equivalent:
 - (1) Any crime which requires the applicant to register as a sex offender under California *Penal Code* §290, or Any felony involving actual or threatened violence against persons, including, but not limited to, assault, battery, robbery or the use of a firearm or other weapon against a person.

- (2) Any misdemeanor conviction within the past 7 years of any crime listed in section (vii) (a)2. above, and any conviction (felony or misdemeanor) involving theft or dishonesty, including, but not limited to, burglary, theft, shoplifting or other crime related to fraud or intentional dishonesty.
 - B. Crimes which are substantially related to the qualifications, functions, or duties of a Franchisee and Driver include, but are not limited to, the following: reckless driving; wet reckless driving; ... robbery;

Summary

The information provided by Rykal leads to the conclusion that SunLine was induced into granting an initial franchise to American Cab LLC under false pretenses as a result of clandestine agreements between American Cab LLC, Classic Yellow Cab, Rykal, and Valley Fleet Services. The admissions show that Rykal intended to own and manage the American Cab franchise before the application for a franchise was submitted, that Rykal assumed management of American Cab before the franchise was awarded, and that Rykal continued to act as its owner and manager for a full year before disclosing its existence in any way to SSG.

The application discloses that American Cab is burdened by a debt to Mr. Klibanov in the hundreds of thousands of dollars with no written documentation provided concerning the terms of the loan or contractual relationship and no limitation on his enforcement of the debt. The history of the relationship between Valley Fleet Services, American Cab, and Rykal discloses that the distribution of funds between these entities is fluid and unrestricted. Despite numerous requests for documentation or information, all of the application materials submitted fail to disclose any terms or limitations for repayment of this debt (interest, penalties, net due date, etc...) leading to the conclusion that the applicant is not financially stable.

The application discloses that Greg Klibanov clearly holds an interest in the use of the Franchise name and is otherwise participating in the Franchise system. By the standards established by SSG, the criminal record of Greg Klibanov is prohibitive to his involvement in the Franchise Taxi Program.


Naomi Nightingale

Exhibit A

STAFF QUESTION

- a. Why was American posing as a competitor to Classic Yellow Cab when in fact there was an agreement in place to sell all of its assets and name to Classic Yellow Cab?

Answer:

RUSSO ANSWER

Your factual assumption is incorrect. There was no agreement in place for American Cab to sell any of its assets to Classic Yellow Cab. The January 2009 Sale Agreement was in the past when American Cab applied for its SSG franchise. The only [proposed] agreement between YCOGOC, dba CYC, and American Cab was the Dispatch Agreement, which did not happen. American Cab never "posed as a competitor". American Cab absolutely was a competitor of CYC.

KLIBANOV DECLARATION UNDER OATH

- 26 | 3. Defendants Amarjett Singh Saini, Lakhbir Singh Saini, Harjinder Singh
27 | Saini (collectively, "Defenants") were the owners of American Cab, LLC ("American
28 | Cab"). In January 2009, Defendants sold the then assets of American Cab to CYC.
1 | After the asset sale, American Cab and Defendants were burdened by a non-compete
2 | agreement, preventing them from being in the cab business in the Coachella Valley.

CONCLUSION

The two statements are contradictory. SunLine is inclined to believe the statement made under oath.

STAFF QUESTION

- b. How did Rykal acquire an interest in American Cab from Classic Yellow Cab?

Answer:

RUSSO ANSWER

Your factual assumption is incorrect. Rykal did not acquire anything from YCOGOC dba CYC.

KLIBANOV DECLARATION UNDER OATH

13 the Sunline franchise because of the purchase of American Cab. Therefore, I had VFS
14 give up hundreds of thousands of dollars in future revenue from its contract for revenue
15 sharing with Yellow Cab in exchange for a waiver of the covenant not to compete as to
16 American Cab, but only so long as the Sainis remained bound by the covenant not to
17 compete. The requirement that the Sainis continue to be bound by their covenant not to

CONCLUSION

Staff assigns greater weight to Mr. Klibanov's statements under oath. Mr. Russo is not under penalty of perjury. Rykal acquired an interest through its sister company Valley Fleet Services.

STAFF QUESTION

- c. Please provide a copy of all sales agreements between Rykal, American, and/or Classic Yellow Cab not previously provided to SSG.

Answer:

RUSSO ANSWER

Your factual assumption is incorrect. As evidenced by the documents accompanying your November 1, 2011 letter, SSG has all of the sales agreements. They are the January Sales Agreement, the Summary Term Sheet (which was dispute and ultimately disregarded) and March 18, 2011 Purchase Contract whereby Rykal purchase 100% of the Sainis' membership interest in American Cab.

KLIBANOV DECLARATION UNDER OATH

11 on the Sunline franchise and could not expand outside of Twenty Nine Palms. VFS had
12 a revenue sharing agreement with Yellow Cab, and Rykal would be the one to gain from
13 the Sunline franchise because of the purchase of American Cab. Therefore, I had VFS
14 give up hundreds of thousands of dollars in future revenue from its contract for revenue
15 sharing with Yellow Cab in exchange for a waiver of the covenant not to compete as to
16 American Cab, but only so long as the Sainis remained bound by the covenant not to
17 compete. The requirement that the Sainis continue to be bound by their covenant not to

CONCLUSION

Clearly Rykal and Valley Fleet Services have a common interest, which has not been fully disclosed to SSG. The revenue sharing agreement was not disclosed as required by the RFP.

STAFF QUESTION

- d. Why did American submit a proposed "Management Agreement" to SSG (exhibit 4), identifying Classic Yellow Cab as a "Management Company" when in fact there was an agreement in place to sell all of American's assets to Classic Yellow Cab?

Answer: RUSSO ANSWER

Your factual assumption is incorrect. The "Management Agreement" is the Dispatch Agreement, and only would have involved dispatch services, not the management of American Cab. Further, there was no agreement in place to sell any asset of American Cab to CYC when American Cab

applied for its SSG franchise, or any time afterwards.

KLIBANOV DECLARATION UNDER OATH

26 | 3. Defendants Amarjett Singh Saini, Lakhbir Singh Saini, Harjinder Singh
27 | Saini (collectively, "Defenants") were the owners of American Cab, LLC ("American
28 | Cab"). In January 2009, Defendants sold the then assets of American Cab to CYC.

1 | After the asset sale, American Cab and Defendants were burdened by a non-compete
2 | agreement, preventing them from being in the cab business in the Coachella Valley.

CONCLUSION

Staff assigns greater weight to the statement given under oath by Klibanov. Mr. Russo is not under oath. American Cab LLC misled SunLine into believing an award was being made to the Saini's who submitted the proposal.

STAFF QUESTION

- a. Why was Greg Klibanov and Harry Incs not mentioned in American Cab's 2009 proposal to SSG?

Answer: RUSSO ANSWER

As explained in detail above, Mr. Klibanov and Rykal, through Mr. Incs, did not become the managers of American Cab until after American Cab had submitted its franchise application and was awarded the franchise. At the time of the franchise application, the connection was that VFS was going to maintain American Cab's vehicles if it was awarded a SSG franchise.

KLIBANOV DECLARATION UNDER OATH

11 | 5. In or about September 2009, Rykal and Defendants executed a written
12 | Summary Term Sheet (dated May 11, 2009), setting forth the material terms for the sale
13 | of all the assets of American Cab to Rykal. Rykal purchased "all assets utilized in the

CONCLUSION

The Summary Term Sheet was in place prior to the June 2009 submission of a proposal to SunLine. This Summary Term Sheet was a secret deal that would have precluded SunLine from making an award to both Classic and American.

STAFF QUESTION

- b. Please provide all documents reflecting a contractual relationship between American Cab and Valley Fleet Services.

Answer:

RUSSO ANSWER

There has never been a contractual relationship between American Cab and VFS. Because of Mr. Klibanov's ownership of VFS, and (former) management of American Cab, Mr. Klibanov loaned money from VFS to help capitalize American Cab and loaned money from VFS to American Cab to cover expenses during the turmoil when the Sainis attempted their take over starting in September 2009. The loans appear as a liability on American Cab's balance sheet. VFS allowed Ms. Kheres to deposit American Cab income into and pay expenses from its checking account during the turmoil with the Sainis starting in September 2010. Until American Cab recently moved into its new building, American Cab paid VFS to maintain American Cab's vehicles; there was no written contract.

CONCLUSION

Greg Klibanov owns Valley Fleet Services. This means that any loans from Mr. Klibanov can be called in at any time. Mr. Klibanov is clearly a participant in the Franchise system and required to submit to a DOJ criminal background check in accordance with the SRA Ordinance. Moreover such undisclosed financial terms are not subject to validation by SRA and therefore are an unacceptable arrangement.

STAFF QUESTION

- a. Why did American provide a credit card statement under the name of Valley Fleet Services?

RUSSO ANSWER

Answer:

Until September 2010, everything financial for American Cab, including checking account at Canyon National Bank and credit card processing, was in American Cab's own name. The Sainis remained on the accounts because the Operating Agreement for American Cab had not been changed; the written contract for the Sainis' sale of their membership interest in American Cab had not been executed. Starting in September 2009, Ms. Kheres was an authorized signature on the American Cab checking account at Canyon National Bank and was the only person signing checks for American Cab.

STAFF QUESTION

- a. Why was Greg Klibanov and Harry Incs not mentioned in American Cab's 2009 proposal to SSG?

RUSSO ANSWER

Answer:

As explained in detail above, Mr. Klibanov and Rykal, through Mr. Incs, did not become the managers of American Cab until after American Cab had submitted its franchise application and was awarded the franchise. At the time of the franchise application, the connection was that VFS was going to maintain American Cab's vehicles if it was awarded a SSG franchise.

STAFF QUESTION

9. What does Jhanetta Kheres do in terms of the business of American Cab?

Answer:

RUSSO ANSWER

Ms. Kheres, through Rykal, is an investor in American Cab. Rykal is the Managing Member of American Cab, and therefore through Rykal, Ms.

Kheres is American Cab's Managing Member. As far as day to day activities, Ms. Kheres is American Cab's controller. Ms. Kheres is consulted on and is the final word on all business decisions involving American Cab.

CONCLUSION

American Cab was awarded its franchise on October 1, 2009. However, the information provided indicates that Rykal was in control before the franchise was awarded. The statement indicates that in September 2009, Ms. Kheres was an authorized signatory on the American Cab checking account and indeed the only person signing checks, and that Ms. Kheres works through Rykal, contradicts the later response which states that Mr. Klibanov and Rykal, through Mr. Incs, did not become managers of American Cab until after American Cab was awarded the franchise.

MINUTES
SunLine Services Group
Board of Directors Meeting
October 26, 2011

A regular meeting of the SunLine Services Group Board of Directors was held on Wednesday, October 26, 2011 in the Kelly Board Room at SunLine Transit Agency, 32-505 Harry Oliver Trail, Thousand Palms, CA 92276.

1. **Call to Order**

The meeting was called to order at 12:25p.m. by Chairman Eduardo Garcia.

2. **Roll Call**

Completed.

Members Present

Eduardo Garcia, Chairman, Mayor, City of Coachella
Bob Spiegel, Vice Chairman, Mayor Pro Tem, City of Palm Desert
Yvonne Parks, Mayor, City of Desert Hot Springs
G. Dana Hobart, Mayor, City of Rancho Mirage
Kathy DeRosa, Mayor, City of Cathedral City
Bill Powers, Mayor Pro Tem, City of Indian Wells
Don Adolph, Mayor, City of La Quinta
Glenn Miller, Mayor Pro Tem, City of Indio
John J. Benoit, Supervisor, County of Riverside

Members Absent

Steve Pougnet, Mayor, City of Palm Springs

Guests:

Diane Huntley, Creason & Aarvig
Scott Russo, Attorney American Cab
Harry Incs, American Cab
Ralph Finnegan, American Cab
Peter Kurzon, American Cab
Lars Thane, American Cab
Warlen Bermudez, American Cab
Greg George, American Cab
Michael McCoy – American Cab
Francisco Gaona - American Cab
Alya Pyke – American Cab
Kevin Fowler – American Cab
Arturo Diaz, Airport Taxi
K.D. Labana, Airport Taxi
Bill Meyers, Yellow Cab of the Desert
Gadi Surilovitz, Yellow Cab of the Desert
Michal Brock, Yellow Cab of the Desert
James Braico, VIP
Kat Contryman, VIP
Keith Matheny, The Desert Sun

Terri Berger, Express Transportation Systems
Peter Angone, Member of the public
Dennis Rosenberg, Member of the public
Kimberly Webb, Member of the public
Esther Mantadoma, Member of the public
Myra Perez, KVER
Bianca Rae, KESQ
Arti Nehru, KPSP

Staff:

C. Mikel Oglesby, General Manager
Maria Aarvig, Legal Counsel
Carolyn Rude, Special Asst. to the General Manager/Clerk of the Board
Tommy Edwards, Director of Maintenance
Tommy Green, Director of Safety & Security
Polo Del Toro, Director of Operations
Naomi Nightingale, Director of Administration & Human
Resources/EEO/Taxi Administrator
Ed Carson, Interim Director of Finance
Rudy LeFlore, Procurement Consultant
Cis LeRoy, Consultant
Rick Barone, Procurement Officer
Michael Jones, Taxi Administration Supervisor
Mannie Thomas, Operations Manager
Francine DePalo, Administrative Assistant
Dave Robin, Assistant Taxicab Supervisor II
Stephanie Buriel, Administrative Assistant
David Manriquez, Safety Specialist
Leigh Greer, Security Guard
Diann Chumney, Desktop Publisher
Norma Stevens, Community Outreach Specialist
Robert Sneed, Fixed Route Operator
Francisco Ortega, Operations Supervisor
Dale Mead, Facilities Maintenance
Vanessa Mora, Administrative Assistant
Amy Heilman, Coin Counter

3. Finalization of Agenda

No changes.

At 12:26pm Chairman Garcia announced that the Board would move into Closed Session.

4. Closed Session

- a) Closed Session Conference with Legal Counsel regarding significant exposure to litigation pursuant to subdivision (b) of Government Code Section 54956.9 – one potential case.

At 12:45p.m. Chairman Garcia announced the return to open session; no reportable action.

5. Presentations

None.

6. Correspondence

None.

7. Public Comments**NON-AGENDA ITEMS**

Chairman Garcia asked the members of the public who want to speak - due to the fact that there are good number of people who want to speak on the Agenda item, please be courteous of time – if what you would like to say has already been said by previous speaker, state that they agree/disagree with previous comment.

Kimberly Webb addressed the Board stating the following: “Good afternoon. I was informed when visiting with a current driver of American Cab that they have a most newly instituted financial penalty for getting their unit washed. They are now restricted to wash their vehicles on one day only, which is Thursday. So imperative to detrimental rain storms or anything like that, they are expected to drive a filthy vehicle unless they would they would like to incur a penalty. As a result, I have a petition that has been signed with an “x” by American drivers. I approached 14 in a matter of approximately two hours. Thirteen of the fourteen agreed to sign this. They are known to me. But I’ve looked at it here. ‘On October 5th, independent contractors presenting to American Cab LLC at Thousand Palms, California for their weekly lease renewals were informed that effective immediately, every leased vehicle was to be professionally washed at any one of the designated car wash operators, but only on Thursday of each week leased. Any independent contractor who fails to have their leased vehicle professionally washed on a Thursday at any one of the designated car wash operators will incur a fine of \$25. Any I.C. who elects to have their leased vehicle professional washed at any one of the designated car washes other than a Thursday will also be fined, including those who may not have worked at all on any given Thursday. Also, any I.C. who presents their vehicle to be professionally washed at any one of the designated car wash operators more than once a week will also be fined. We the I.C.s currently leasing vehicles from American Cab LLC take pride in the appearance of our vehicles and have no control over environmental changes that might deem our vehicle’s appearance unsatisfactory to the public. Furthermore, as per SunLine Regulatory Administration’s taxi vehicle inspection report, every vehicle in service needs to be clean and presentable to our guests. This latest financial burden is in direct conflict with SRA’s policy. Out of fear of all forms of harassment, i.e., delay of mandatory maintenance, loss of vehicle use, loss of revenue, termination of lease or other means of retaliation by owners, management, employees and/or other associates of American Cab LLC as demonstrated in the past, the undersigned elect not to sign their legal names. Each “x” below represents a single independent contractor who requests that SRA intervene as independent contractors continue to suffer yet another financial abuse at the hands of American Cab LLC.’ On behalf of these drivers and those I did not make contact with, I ask that the Board of Directors

immediately address and act upon the wishes of the drivers as per this petition in which all of you I believe have a copy.”

Peter Kurzon, Desert Hot Springs – stated the following “I want to rebut what Ms. Webb just spoke about. The reason we wash the cars on Thursday is because the majority of the business is Friday, Saturday and Sunday. They are actually doing this to be in compliance with this Board so that they have presentable cars on the weekends. American Cab pays to have the cars washed; it doesn’t come out of our pocket. That is the reason we show up on Thursday. It is the way that it’s done; it is not a hardship, it is just in compliance with your orders. This is a total misrepresentation by Ms. Webb.”

AGENDA ITEMS

Chairman Garcia stated that there are many requests to speak pertaining to agenda items and he will hold off the public comments until the actual item comes before the Board. The staff report will first be provided to the Board.

8. Board Member Comments

None.

9. Consent Calendar

Mayor DeRosa moved for approval of the consent calendar. The motion was seconded by Vice Chairman Spiegel and was approved by a unanimous vote with the exception of Mayor Adolph abstaining from 9a, the minutes of the September 28, 2011 Board meeting.

10. Application for Change in Ownership of Franchise

Taxi Administrator, Naomi Nightingale, addressed the Board stating that the Board report before them concerning an application for change in ownership, staff has made a recommendation to deny the change of ownership. Ms. Nightingale stated the following: “After several meetings and also many requests to the American Cab Company for documentation to assist us in reviewing and evaluating the application using all of the items in SunLine’s Procurement Policies and Procedures, the Franchise Agreement, the Request For Proposal and the Settlement Agreement as documents to look at in reference to trying to determine their eligibility for approval for the transfer of ownership, staff makes the recommendation as I have stated. For the background information, at the September, 2011 Board meeting, Board members voted to continue this item to this particular meeting. We based our recommendation on the Ordinance of SSG 1.030 H, which reads: *‘Such nonexclusive Franchises shall not be sold, leased, transferred, assigned or otherwise disposed of, either in whole or in part, whether by forced sale, merger, consolidation, bankruptcy, reorganization under bankruptcy laws or otherwise, without the prior written consent of SSG. The consent of SSG shall be subject to such terms and conditions as it may prescribe. Any attempted sale, lease, transfer, assignment or other attempted disposition of a Franchise without the prior written consent of SSG shall render said Franchise null and void. The SRA reserves the right to issue additional Franchises. The Board awards the Franchises after a public hearing.’* American Cab LLC asserts a change in ownership and has submitted a proposal for the Board’s consideration and approval.

The applicant was asked to provide supplemental information for the Board to consider and was notified that the information must be received prior to the Board meeting. That was at the September Board meeting. The further documentation and information was received and reviewed by Staff and the Taxi Committee. The review raised the following concerns which form a basis for the recommendation: 1) Not licensed to operate in the State of California. I would like to inform the Board that this has since changed. We did receive a document approving the operation of American Cab, Nevada operating in the State of California. We did not have that information available to us at the writing of this Board report. 2) Prohibited from contracting with the Federal Government. In reference to this bullet, released documentation from the Twenty Nine Palms Military Base where American Cab had been prohibited from receiving approval for operating at the Military Base. That information was shared with us through the Chief of Investigations at the Military Base and we used that as a reference for this documentation. 3) No clear documentation of ownership interests. The information relative to who is the true owner of American Cab is still unclear to staff and therefore, we were unable to make any certification in this regard. 4) Unable to make a responsibility determination. At a previous Board meeting, a PowerPoint presentation was given showing what responsibility and responsiveness is and how it is defined in the evaluation process. I would be happy to remind you of that criteria if you need to do that at this time. This is not intended to be an exhaustive list of the concerns raised by the review of the documentation provided. Approval of the application is within the purview and sound discretion of the Board of Directors. Because there is no specific language within the Ordinance that directs exact procedures on the assignment of a transfer of business, staff followed the contractual procedure that we would in the ordinary review and evaluation of any contract application to do business with SunLine Transit Agency or SSG."

Mayor Adolph asked "If we deny this request, when would it become effective?" Nightingale stated: "That would be a decision on the part of the Board. And as our attorney can give you more details, American Cab would have the right to appeal any decision that is made here; there is an appeals process that is included in the Ordinance. The appeals process would take probably at least 90 days and in the meantime, they could still operate." Mayor Adolph said his concern is that if it becomes effective and they can't operate, what would happen to the cab service in the Valley. Ms. Nightingale stated: "If they chooses to go through an appeal process, they would still be able to operate during the appeal process. If they choose not to go through the appeals process, staff has considered some alternatives and recommendations for continued cab operation in the Coachella Valley. As part of the presentation, both Airport Taxi and Yellow Cab of the Desert have said that they could increase their cabs up to 45." Mayor Adolph stated: "We are coming into the season and we are going to need cabs out there." Ms. Nightingale stated: "We have considered other options."

Vice Chairman Spiegel asked to go back to the issue of "Unable to make a responsibility determination and provide clarification. Ms. Nightingale stated: "At the September Board meeting, we talked about the criteria that the Procurement Dept. looks at in terms of attempting to make an eligibility approval of an app. Responsiveness and responsibility are two primary areas that we take a look at. In

reference to determining if a contractor is responsible, we look at does the contractor has a satisfactory record of integrity and business ethics. We also look to determine if the applicant otherwise qualified and eligible to receive an award under applicable laws and regulations – do they meet federal and state laws as it relates to procurement practices, and has the necessary organizational experience, operational controls and technical skills, or the ability to obtain it. Does the applicant meet the criteria; does the applicant have the necessary production, construction and technical equipment and facilities, or the ability to obtain them; does the applicant have adequate financial resources or the ability to obtain such resources as required through performance of the contract. One of the things that we did determine in our review is that the bills for American Cab are paid by Valley Fleet and Valley Fleet is not designated in the application process as an owner. Is the applicant able to comply with the required or proposed delivery or performance schedule taking into consideration all existing business commitments, commercial as well as governmental; has a satisfactory record of performance. American Cab will tell you that their daily ride list is higher than any other cab company. They will assert that they do 50% of the business in the Coachella Valley. Their records do in fact support that; they have a high number of rides per day. The other two cab companies will tell you that the reason that they do is because for several months after the exist of Classic Yellow Cab, American Cab received the telephone numbers for which they were fined, from Class Yellow Cab thereby giving them an advantage to business via the telephone calls that they were receiving that were previously received by Yellow Cab and adverted from Airport Taxi and Yellow Cab of the Desert. The criteria that we used to establish responsibility at the time and date that we originally asked for the application, our findings of responsibility was that the documents did not clearly establish an ownership of American Cab. Payment made by a partner with questionable history of integrity and business ethics; financial statements were not provided at that time and description of how the work was to be performed was not provided; in other words, we did not have a performance or business plan provided in the documentation.”

Mayor Pro Tem Miller stated the following: “I have a couple of questions. One on the federal government up at Twenty Nine Palms would not allow them on the base - did they give you a reason? There are multiple reasons why you cannot go on a military base. I was not privy to it.” Ms. Nightingale stated: “It was not just that they could not get on the base, they were denied the contract and the opportunity to do business with Twenty Nine Palms. They did not give us the reason why they were prohibited from giving us an explanation of the reason why, but they did send us their e-mail to inform us of that information.”

Mayor Parks read the e-mail from the base as to why: “It starts off with ‘Reference from the contracting officer who holds the contract with American Cab Twenty Nine Palms.’ Mayor Parks stated: “Basically the e-mail says ‘American Cab, at the time that the contract was executed with Twenty Nine Palms, was a single operating company in both Riverside and San Bernardino Counties. Last year, there was a split in the company (that was Sainis and Rykal) separating into two distinct operations. The two operations are owned separately, so there is a Riverside County American Cab and a San Bernardino County American Cab. The San Bernardino County American Cab is the only one that has the Arrive Alive and Combat Center Taxi contract.’ Mayor Parks

stated: "They are extremely concerned because they were informed a couple of days ago that American Cab, Riverside County, or Palm Springs, still has the Arrive Alive advertisement on their cabs and they have sent notification to Mr. Russo to have the advertisement removed." Mayor Parks continued with reading from the e-mail, 'The Arrive Alive cards specify a telephone number to call, which is the local American Cab company's dispatcher. When an eligible member calls that number and cites that they are in Riverside County, the dispatcher will send an associated cab company to perform the service, and that will be honored under the contract. The Riverside County American Cab is now owned by an individual who is excluded from entering a contract with the Federal government, so he cannot participate in the program.' Mayor Parks stated that the statement made from the e-mail was in quotes and that the quote is from the base. Mayor Parks stated: "You take it for what it is worth; I do not think they would put something in quotes that cannot be substantiated." Mayor Pro Tem Miller stated "Right; it could have been the previous General Manager, Mr. Klivanov, that could have been because they do not allow felons on." Mayor Pro Tem Miller then asked: "On the other issue of the Settlement Agreement that we entered into with the cab company when we initiated the fines, was there anything stated in that that said if they paid the fines, we would allow them to continue on with the contract?" Ms. Nightingale stated: "No, and I will have Ms. Aarvig respond to that specifically. As a matter of fact there was a statement made to the contrary." Ms. Nightingale asked Ms. Aarvig to respond. Ms. Aarvig stated: "That was specifically included in the Settlement Agreement; by the terms of the Agreement, it was intended to make it clear to Rykal that by entering into this Agreement to resolve the citations, we were not absolving them of their obligations under the Franchise Agreement. Specifically, Paragraph 5 says 'American Cab acknowledges that resolution of the pending citation does not absolve American Cab from any other citation or from the obligations imposed by the Franchise Agreement or the Ordinance and Regulations of SSG; specifically, this Agreement does not absolve American Cab from the obligations imposed by Ordinance 1.080-B which requires a new owner to submit to the same screening process to which the original proposer was subjected upon issuance of the franchise. In the event of a change in ownership from the original owners who were granted the Franchise Agreement by SSG, the new owner of American Cab LLC will comply with this Ordinance.' This was in the Agreement dated March 19, 2011." Mayor Pro Tem Miller stated: "I have a hard time grasping, putting his arms around that they would continue to pay fines, buy a franchise, continue to move forward with no guarantee that they would be able to have the contract to continue to go on."

Ms. Aarvig stated, "The contract was signed by Harry Incs and Scott Russo. I should say that for my part, I want to make it clear that the Agency's position is that they were not buying their way out of the screening process. They had been advised of the obligation to do that numerous times before that. The first time that information was stressed to them was on November 9, 2010 at the Direction of the Board, they were told that they would have to submit to screening and then again on December 6, 2010. There was also correspondence prior to that making the same indication consistently. I want to make clear that the fact that the Settlement Agreement that was entered into did not change the directions that the Board had already given on that subject." Mayor Pro Tem Miller stated "They seem like very sharp individuals and that is a multi million dollar mistake."

Supervisor Benoit stated, "I have a lot of questions that needs to be answered before I would weigh in. I would like to express a concern; this is an extremely important issue before us not only from the perspective of service to the Valley, but you have people who have invested heavily and people are invested by their careers and efforts to work for the company. It merits a very careful consideration. One and a half pages recommending that we deny them is insufficient and more troubling than that is that when my staff called and asked for back up on those four bullets, they were told no, you can't have anything – this is a matter for Closed Session and therefore we cannot provide any additional information other than that page. What you are trying to explain today is valuable information. I believe it should have been set forward in a staff report so that all of us could have had a chance to evaluate that prior to coming to this meeting." Mayor Parks asked Supervisor Benoit if he received documentation from Mr. Russo. He answered that he did. Mayor Parks stated that everything contained in the documentation is the basis for making a decision. Mayor DeRosa asked the Clerk of the Board who received the binder of information from staff. "Ms. Rude stated "The information binder provided by SunLine staff went to the members of the Taxi Committee only." Mayor Hobart stated that a binder from the Russo office was also provided to those listed on the cover letter." Supervisor Benoit further stated: "Regardless of what was sent by the attorney for the taxi company, when my staff asks for information to back up this kind of recommendation, I would expect that it would be shared – it would be given to us - specifically on these four points. There are very important points and I would expect an explanation of what ownership requirements are, what was provided and why it is insufficient for each one of those points. That didn't happen and would have made it a lot easier for me to have some kind of idea walking in today what exactly is going on and now we are spending time trying to do that. It is not secret stuff; we have a policy – here is what is they submitted, here is why it is insufficient on each of these issues. I just wanted to make a point – that was a failure; we should have had that background before this meeting. And with that, I will hold off until I hear, because others are obviously better informed than I am on the four bullets because I was unable to get any additional information."

Mayor Adolph stated that he would like to go through the comments that he received via e-mail (from Scott Russo) to see how factual the comments are. He stated they are specifying certain things for their reasons for the Board to support the continuance of American Cab. Mayor Adolph asked if they are true, not true, or misleading. Ms. Aarvig stated that she can give facts on the bullet points. She stated that she understands that every member of the Board members has a copy of a letter issued by Mr. Russo dated October 21, 2011, and addressed the Board. She stated that she did not receive until today and will respond based on the information that she can come up with from experience.

The first bullet point makes reference to a 2009 oral agreement with the Sainis to purchase American Cab; it says 'That since that time, Harry Incs, the manager of American Cab brought in by Rykal, has been managing American Cab and is at its facilities almost every day.' Ms. Aarvig points out that according to the declaration filed by Greg Klibanov – originally it was Rykal LLC, a California limited liability company that had actually been the de facto manager of American Cab from day one, according

to the declarations filed in court it was Rykal California that provided the cabs and basically set up the operation – did the start up with the leg work behind it even getting it up off the ground. She stated that according to the application for change of ownership, it is not Rykal LLC California that is applying for ownership; it is Rykal LLC Nevada. She stated that at the time we were reviewing the documents, Rykal LLC Nevada was not qualified to do business in California; it had not received a certificate of registration. Ms. Aarvig stated that as of last Thursday (October 20) she has received from Mr. Russo a Certificate of Registration. She stated that she is also informed from the Secretary of State that Rykal LLC California has been cancelled. She stated that all of this has happened very recently. Ms. Aarvig stated that when the court awarded the preliminary injunction last year that the Board may recall, giving the control of the company to Rykal, it was to the California LLC; that is what the caption says – that the lawsuit was filed on behalf of the California LLC and it is now the Nevada LLC. To clarify, Rykal LLC, the California limited liability company, is owned by Melissa Harris, the wife of Gregory Klibanov; Rykal LLC the Nevada company is owned by Jhanetta Kheres, Mr. Klibanov's sister.

Mayor DeRosa asked: "Rykal LLC California and Nevada, but there is a Riverside County company and a San Bernardino." Mayor Hobart stated: "That's American Cab." Ms. Aarvig stated: "I am not aware that there is a San Bernardino American Cab." Mayor Park stated "It's the Sainis' youngest son."

The second bullet point – Ms. Aarvig quoted from the bullet – 'After Rykal and the Sainis had a dispute over the purchase terms, Rykal and the Sainis asked the Board to approve the sale.' Ms. Aarvig stated that the bullet goes on to quote part of the letter. It states 'The Board does not consider it to be within its purview to approve or disapprove a sale'... Mayor Hobart asked: "A letter from whom?" Ms. Aarvig stated: This is from me dated December 6th written of the request of the Board." Ms. Aarvig continued: 'The Board does not consider it to be within its purview to approve or disapprove a sale of the membership interest in an LLC that holds a Franchise Agreement. Sale of the membership interest in a Franchise holder that is a limited liability company is a matter of free enterprise not involving the Board of Directors of SSG.' Ms. Aarvig stated that this statement is true but the letter goes on to say 'however, any change in the Franchise ownership subjects the new owner to the same rigorous screening to which the original proposer was subjected pursuant to Ordinance 1.080(B). A perspective new owner would thus be expected to submit a proposal for evaluation meeting the criteria set forth in the Request for Proposals upon which the franchise was awarded.'

The third bullet point – Ms. Aarvig states: "Based on the letter I just read from, Rykal and the Sainis completed the sale on March 18, 2011." Ms. Aarvig states she believes that to be true.

The fourth bullet point – Ms. Aarvig stated that this bullet point refers to the Settlement – refers to the \$92,000 paid to settle the citations. She quoted from the bullet point - the last sentence says "American Cab believed that this meant that its owner and managers would simply submit to Department of Justice background investigation." Ms. Aarvig stated that she takes exception to that – it is not true. She stated that she

was present at the settlement conference and a moment ago she read from the Settlement Agreement that American Cab was explicitly informed that they would have to go through the screening process, not simply the DOJ check.

The fifth bullet point – Ms. Aarvig stated “On April 1, 2011 SSG issued American Cab 12 additional permits.” She believes that to be true. She stated that she could not speak to the 2nd part of bullet “can justify receiving many more” – she does not know.

The sixth bullet point – Ms. Aarvig quoted from the bullet point “On April 19, 2011, the Taxi Administrator notified American Cab by letter that its approval of the current ownership requires American Cab to resubmit a new application in response to the original 2009 RFP.” Ms. Aarvig stated that the statement is true, but misleading. She stated that was not the first time they were told; it was the fifth time they were told.

The seventh bullet point – Ms. Aarvig quoted from the bullet point “On May 3, 2011, American Cab responded by letter to the Taxi Administrator stating that she was wrong, that American Cab remains the owner”, etc.” Ms. Aarvig quoted the last sentence “American Cab objected to repeating the RFP application process.” Ms. Aarvig stated that she disagrees with that; they were consistently told that they would need to repeat and they consistently agreed and offered to participate in that process. Ms. Aarvig further stated that Mr. Incs and Mr. Russo signed the Settlement Agreement explicitly stating that they would do so.

Eighth bullet point – Ms. Aarvig quoted the bullet point “On May 9, 2011, the Taxi Administrator responded by letter that if the ownership approval did not comply, it would not be considered.” Ms. Aarvig stated that she believes that to be true.

Ninth bullet point – Ms. Aarvig quoted the bullet point “In July, 2011, American Cab submitted the application as demanded by the Taxi Administrator and paid the fee. The application admittedly but unintentionally was missing information.” Ms. Aarvig stated that she does not know if it was unintentionally, but she agrees that it was missing information.

Tenth bullet point – Ms. Aarvig quoted the bullet point “On September 9, 2011, SSG’s counsel advised American Cab by letter what the deficiencies were in the application and requested answers to certain questions.” Ms. Aarvig stated that is true; at the direction of the Committee she issued a letter providing bullet points with deficiencies in the application. She stated that the letter is dated September 9, 2011. She has a copy and quoted the closing of the letter – ‘Please be advised that the Committee does not wish to convey that the application for change in ownership will be approved if all of the deficiencies are resolved as demanded by the Taxi Committee in this letter. The ultimate decision as to whether the proposal is responsive and the applicant, responsible, rests with the full Board.’

Eleventh bullet – Ms. Aarvig quoted the bullet point ‘On September 22-27, 2011, American Cab responded to every request by SSG’s counsel and provided every item requested.’ Ms. Aarvig stated that she does not believe that statement is true. She stated that she believes gaps remain to this day in the understanding how this thing

transitioned from one company to another. Mayor Hobart asked if Ms. Aarvig could identify any gaps that she knows that are omitted; they have documents that they didn't supply. She stated that specifically she does not know what the transition was between Rykal California and Rykal Nevada since it appears that it was Rykal California that was given management by the court during the interim and purchase. She stated also it also appears that Valley Fleet factors heavily in Rykal Nevada and she does not know much about Valley Fleet; very little was disclosed to us other than the fact that they carry a very big debt for them. Ms. Aarvig stated additionally, she would like to point out to the Board that further documents have been received up to as late as last Thursday (October 20th) indicating the registration of the business so that Rykal Nevada as of today is qualified to do business in California, recognizing that it had not been up to that point. The cancellation of Rykal California was just discovered last week.

Vice Chairman Spiegel asked if American Cab had indeed responded to every request. Ms. Aarvig stated that it is difficult to answer as it is not as black and white. They were asked to provide financial documents; they provided financial documents, but not audited – perhaps they had never been audited. Ms. Aarvig stated that whether it is complete or not, she would leave to the Board's discretion. She stated there were things she would have expected to see that were not provided.

Mayor Hobart asked Ms. Aarvig the following: "Did you ask for audited documents from them when you sent out that last letter telling them that they were deficient? You gave a bullet list; did you request audited documents in that? And if so, what paragraph?" Ms. Aarvig responded to Mayor Hobart stating: "The letter that you are referring to that was sent out after the Committee meeting makes reference to the RFP, as does every one of the previous requests." Mayor Hobart asked: "Did you ask for audited documents? That is all I am asking." Chairman Garcia stated: "We asked for financial documents." Mayor Hobart stated: "But she said earlier that they did not provide audited documents. And am trying to find out if she asked for audit documents and the answer is no." Mayor DeRosa asked: "Does the RFP require audited documents?" Chairman Garcia stated "Yes, and it made reference to the RFP criteria." Mayor Parks stated: "Everything has been made reference to the RFP procedure."

Chairman Garcia announced that Public Comments would be heard pertaining to this agenda item.

Michal Brock, Yellow Cab of the Desert – Ms. Brock addressed the Board stating that she is Business Manager of Yellow Cab of the Desert. She stated that Yellow Cab of the Desert and Airport Taxi would like to go on record stating the following: "We share a common goal with SunLine Regulatory Administration and its Board members with respect to the ongoing improvement of the taxicab industry throughout the Coachella Valley for both our tourists and our residents. We would like to recognize and support the efforts that have been made thus far. With this in mind, we would also like to point out a major challenge that we have been repeatedly forced to deal with since the implementation of the franchise system. American Cab representatives have routinely demonstrated a spirit of opposition and non-compliant. These representatives have repeatedly engaged in what we believe to be unethical and unscrupulous behavior

toward their franchise competitors and the Regulatory Administration suggesting that the continued operation under the same direction regardless of ownership will leave us all tirelessly visiting the same concerns of high lease rates, drivers that have not had adequate rest and continued Ordinance violations. It is our belief that our time would be better spent focusing our attention on how we can collaboratively move upon the unique situations we face as an industry in the Coachella Valley. As a workable solution, Yellow Cab of the Desert and Airport Taxi have come together to assure the Board that both franchises are capable and committed to equally splitting the remaining taxi permits should you agree with the recommendation of the Regulatory Administration and deny the change in ownership application proposed by American Cab. Given the time required to implement such a solution, we would suggest setting the existing permit American Cab operates under effective February 1, 2012 so as to not have a negative impact on the service provided to the Valley passengers. In closing, I will leave you with this question – do we continue on with a franchise that has shown such little regard for the SunLine Ordinance or do we move forward with an attitude of strengthening the existing franchise regulator relationship with a common goal.”

Bill Myers – Yellow Cab of the Desert – Mr. Myers addressed the Board and stated that he would like to read the statement he read to the Taxi Committee, but with all the information that has come out since then, he stated that he keeps flashing on three card monte, or a shell game. Mr. Myers read the following: “The franchise system was established to improve public safety and put an end to recurring monthly problems with 17 different taxi companies. Today, and in recent history, we are spending more time on the same problems we do every month – American Cab and its issues. Today we have an opportunity to correct this problem. If we keep doing the same thing, we can only expect the same results. Let’s move forward and setting a date and sun setting permits is not unfamiliar territory to everyone in this room. We all live that. We need to move forward.”

Harry Incs – American Cab – Mr. Incs addressed the Board and made the following comments: “We have been here for two years and we have been doing a good job. Our call volume proves it; our driver list of applicants proves it; our consumer reviews prove it and comments from the community prove it. Let us continue operating the way we are. I’m sure we can get past every issue that you have. Any questions you have we are here to answer them.”

Scott Russo – Representing American Cab – Mr. Russo addressed the Board and made the following comments: “I have an hour of stuff to say, but I’ll get it in three minutes. Your report, the bullet points, are irresponsible. Flat out. You can review this franchise in three years when it comes up for renewal. But for now, the appeal you are talking about – that’s today, okay? The Taxi Administrator made a ruling; it would go to the Board for an appeal. This is the appeal, today. Okay? The Ordinance does not say you can appeal again. This is today, guys. The issue with the licensing of Rykal, the Nevada Corporation, or Nevada LLC – first of all, the court paperwork, I made a mistake – that was me back then. It was basically a typo. But for now, here is the bottom line – a Corporations Code Section 191-B6 says that a member of a domestic LLC, such as American Cab LLC, is not required to be registered within the state of

California. Remember that code –191-B6. I, in abundance of caution and to appease you, registered the Nevada LLC in California in September. It was not legally required. That's bullet point number 1 – your big item. In the applicant is American Cab LLC – that is the Franchisee; it has always been licensed in the State of California. Irresponsible comment #2 – the Federal deal – fortunately we had some time. I e-mailed the General Counsel from the Navy while we are in all this and here is his response – I got it in an e-mail; I can forward it to you – it just came in. 'I reviewed the August 24, 2011 e-mail from Mr. Dowden to David Gill. I'm not sure how you came to the possession of an internal Marine Corp. e-mail. Mr. Dowden's August 24, 2011 e-mail is simply a misstatement and certainly was not intended to suggest Federal contractor barrment status. MCCS has no information to suggest that the owner of Riverside County American cannot enter into a contract with the Federal government. I represent MCCS in this matter and any requests or further communications go through me.' That's from General Counsel to the Navy. With respect to this issue of us not providing information on ownership – poppy cock. We gave you everything down to the stock certificates, who the people are, every operating agreement, every incorporation document, every Secretary of State document, there is nothing we have not given you. Let's get to the real issue here. Why should this company not get to go on? It is succeeding; it is the gold standard in the community; it's a good community partner. It does what you wish all the other companies would do. It provides a designated driver program; it is a good partner with this community and that is what you should be looking at. Okay... we had some fights last year. Okay. We are being penalized for that. You should be looking at American Cab now, what it ultimately does for the community and it is all good. It is the company you want here."

Dennis Rosenberg – declined to speak.

Warlen Bermudez – driver for American Cab – "All I want to say is that does not affect one person. It will affect more than 70 families and we are not going to have a job or anything to do."

Peter Kurzon – American Cab: "I am going to follow up on what Mr. Russo said. You have four bullet points; two are already moot. That leaves you two more. This gentleman referred to a shell game; maybe he has a point. Maybe you try to deflect who owns what in order to protect yourself from legal liability. That is the American way. That is what that flag stands for. The way you are coming off today with your one lousy bullet point is a capricious and arbitrary body that is choosing the interest of two cab companies over another one. There is no way that you can deny that with your vote. I don't have to tell you how professional American is because they have 50% of the business. The public has already spoken. I respect you Ms. Nightingale, but it is inaccurate to say that we have that business simply because we have a phone number. I am really disappointed that Palm Springs is not here because 50% of the business comes from Palm Springs. Classic never had those phone numbers. We have the business because people call us because we show up on time. You are affecting 85 families who are going to be out of work tomorrow. Do not buy into this fantasy that somehow Mr. Incs is going to invest \$300,000 in a building which is a mile and a half from here and you can all go down and look at how professional that is and it meets every criteria that Ms. Nightingale spoke about. Can they do business, will

they be here in five years. She has made a prima facie case for you to approve this ownership transfer. I am just reiterating and agreeing with what she said which is...her recommendation may say one thing, but the facts behind it indicate another."

Alya Pyke – American Cab – "I work for American Cab. I have been driving a cab in the Coachella Valley for 16 years and American is the most professional company I have ever worked for."

Francisco Gaona - American Cab: "I just want to say that I have been a taxi driver since 1987; not just in the Valley, but all over the world. I worked in England, Germany, and Italy. This is the number one company. When we have our rotation, either a \$5 ride or a \$500 ride, it counts to you."

Kevin Fowler – American Cab: "I drive for American Cab. I want to reiterate that this is the best company that I have ever worked for. It is the utmost of professionalism. We pride ourselves of our work of being able to serve the public and to also reiterate yes, it is 70 different people that you are talking about – their livelihood and their families. Just keep that in mind."

Lars Thane - American Cab – "I have been listening for the last two hours and the observation that I make is that not everyone is agreeing with what is being said here. There are knowledge gaps; there are misinterpretations. I think if we get together and sit down at a table, a lot of these things can be hashed out. There are just a few minor points left. Here is the real reason we are here. We have a company that has been in operation for two years and has achieved some pretty amazing things in this Valley. With all due respect, Airport Taxi and Yellow Cab of the Desert serve the Valley well, but this company has garnered market share like no other company in this Valley. Why is that? Is it because we are doing things wrong? Inappropriately? No, it is because we give great service, we market to the communities and our customers are telling us that they like us. We have invested in infrastructure. We have great cabs out there; they are served well and clean. Our drivers are the most professional drivers out there – a biased opinion. We are a good company and we have achieved a lot. To just disband it and throw it to the side because some technical legal issues that have not been resolved yet, can be taken care of in the next 10 to 15 days. It's ridiculous. The consumers are out there and they like what we do; our hotels, our restaurants. That's what you need to think about and also the impact not only on me, my co-workers, but the families they are supporting and the roofs that they put over the heads and the meals that they try to put on their table. That's a really important thing as well."

Michael McCoy – American Cab – "I am a driver for American Cab. Notice there are a lot of cab drivers here. I was not asked by Harry or anyone else to come here. I came here on my own. That tells you what it means to them. What it means to me is to provide for my family. When I found out two days ago that they are going to get rid of American I thought... Oh great. Par for the course. I do want to say that 70 families will be affected, but I do have something to say about the fairness of management. The company is a professional company and is different than what I worked for before. I went to the pilot's station to gas up on Indian and went inside to pay. When I came back out, my car was damaged. Someone backed into it and took off. I took the car to

the office and told them what I thought had happened. I would be liable for the deductible, which is \$500 or \$1000, I can't remember. The repairs were made and I was told not to worry about it. They had every right to charge me for it because I was responsible for the vehicle. They did not. I can only speak personally. I cannot speak for everyone; only myself. I don't have everybody else's point of view."

Kimberly Webb stated: "I would like to say, no disrespect to Mr. Russo and the other one who stated about fitting the gold standard; it's fake, it's crayon. Okay? Those who have spoken and made statements, they were all drivers with Classic. American was totally out until Classic went under. They went under because of Larry Slagle being the liaison with this committee." *(Someone who previously spoke from American Cab, said he was not a driver for Classic. The Chairman asked the man to allow Ms. Webb to continue and to direct her comments to the Board.)* Ms. Webb continued: "Basically Larry Slagle was the liaison for TechTrans who was overseeing Classic Yellow. The unfortunate thing is that he was in bed with Greg Klibanov. They spoke almost daily. I was in his office and privy to these conversations. He was the last person and even Greg had told me in March and April prior to Classic leaving the Valley, that Larry was planning to come to work for American Cab. There was great conflict of interest and if anybody had been speaking for the best interest of Classic, Classic would still be here. Second, it sounds like Mike got a good deal there because basically just in the last few days, number one, there is some questions to whether Klibanov is still involved. Last week he commented to two of his employees – foul language, telling them what to do. He is very active in his role over at the new shop. Another driver brought their vehicle for service when they were making the transition – told they would not have it, he was going to take it to SunLine. Greg came out and starting badgering this driver. I would be more than happy to provide his name to SRA for investigation, as well as the other two employees that were recently verbally attacked by Greg Klibanov. So if anyone is trying to pull the wool over someone's eyes, they are doing it right now. Another driver a few days ago locked his keys in the vehicle. He was told that he was going to be charged \$100 for having that key brought to him or if he didn't return the key that was provided within one hour of time. That was well known and went through the flow quite extensively. We are here talking about the abuses as well. If he is talking about the gold standard, the abuses that these drivers go through is absolutely unforgivable. They go on and on as outlined. With the collection of fees. They are showing up and they have no idea what their rates are going to be. You guys really need to take a look at this. I know that you guys are dead set against interfering with the commerce, but since Classic left, there is no competition. They were given that phone number due to the relationship with Larry Slagle. Larry worked for Classic; he is the one who authorized the number being given."

Ralph Finnegan, American Cab – "I have been with American Cab since day one. Everything has been professional and I believe we should stay in business. Not only for the drivers, but for the six or eight dispatchers and management who would loose their jobs also."

Chairman Garcia asked the Board to deliberate. He then asked Mayor Hobart about a document he distributed. Mayor Hobart stated that he prepared the document over the last four or five days, day and night.

Mayor DeRosa stated "I want to make it clear and I will yield to Mayor Hobart, that deliberation has nothing to do with the service of the company or the employees and the employee's behavior, their feelings toward the company or toward what they feel they are doing for the community. This is a matter of legality of whether or not they qualify to have a change of ownership and do business here in the Coachella Valley. We value the comments and how they feel about their employer, but this is not about them. It is a legal issue."

Mayor Hobart stated the following, "First I want to say that I don't know anybody at Rykal or American Cab, nobody. The only contact I have had is with Mr. Russo over the last few days where he supplied me some information. I want to say also that when we had the Taxi Cab Committee on October 12th, a week or two ago, I had taken the position that I supported the denial of the application. And I did so primarily, in fact singularly, on the basis that Rykal was not authorized to do business in California. That is what I was told at that point in time and when I was told that, I said well that makes it for me because that is an extremely important issue – you can't do business in California for therefore I supported the position. I subsequently even helped write the staff report by making suggestions as to how it could be stronger and how it should be stronger and some of my suggestions were adopted. That was all before I learned that they did have a permit to do business in California. It came late to SunLine. It came late to all of us. Some of you did not know this until you got the e-mail from Mr. Oglesby just yesterday indicating that they do have a Secretary of State Certificate of Registration and permitted to do business in California. Because my position changed, I then had to determine whether or not any of these other bullet points made sense, sufficient sense, to me in order to deny an ongoing business the right to continue doing business. So I looked extensively over the last four days, and you might check with my wife – you will know what extensive means to me. As a trial lawyer, I have done this many times, usually getting paid more than twenty or thirty cents an hour, whatever it boils down to. I'm trying to put in the \$100 and divide by the number of hours. So I went through these items because, and solely because, I now knew that they have a permit to operate in the State of California. A couple of facts that I want to state up front – the only real issue as I see it is whether Rykal is the new owner of American Cab should be approved or are there grounds to deny this new owner the right to operate the taxicab company. The grounds that staff provided us have been set forth. Fact 2: Rykal was required, in this case, to treat the simple matter of ownership eligibility as a new franchise application. Staff identifies the applicable Ordinance as 1.030H. This matter does not involve the sale of a franchise. And that was Section 1.030H refers to, is the sale of a franchise. If it were a sale of a franchise, it would be subject to this section and subsection. It involves a continuation of the franchise, American Cab, following the sale of its stock, or ownership interests. However, even if it is considered a sale of a franchise, the most that the Board can do in all fairness is to consent or reject it based on very limited criteria and as a matter of law, let me put this in the context of yesterday – an e-mail from Mr. Oglesby to all of us – said 'there is a governmental immunity to protect us all in the event we make a wrong decision'. Well, that does not cover unreasonable conduct or capricious conduct. What we have to do have to be measured by a standard and I will talk more about that in a moment. Fact three – I am aware of no precedent – none – no

precedent for SSG's treating this application as a retreat, an initial Request For Proposal for a SunLine franchise. American Cab already serves over 50% of the taxi business in the Valley. Why require a complete new plan for doing business when they are already doing business successfully under American Cab's original plan? Our Ordinance does not address the subject of the sale of shareholder stock or ownership percentages. So we are flying blind. The only two relative questions in this situation set forth in Ordinance Section 1.080 B.5., quote, 'Each individual or entity holding any interest in the use of a franchise name or otherwise participating in the franchise system, is required to: one, successfully complete a local and Department of Justice criminal background check; and two, provide adequate information to evaluate the legitimacy of the company's financial structure and capability of managing the business appropriately.' So that's what a new people coming in – we have a right to test. First check their background, criminal background, and then make sure that they can run the company. Obviously in this case the company has been run and is being run very capably. Those are the two tests. I would like to point out with respect to the criminal background check, at no time did anybody on the site of SunLine request that either the lady, Ms. Kheres or Mr. Incs undergo a criminal or DOJ background test. Nobody asked them; they volunteered. Nobody accepted the volunteer. We skipped that and that is the two things that we could do and should do every time there is an individual that comes into a franchise. We don't want the mafia in it, so we want to check their background. We didn't even do that. We have played a game around which documents have been submitted and haven't been... and some say yes...some say no... it leaves it nebulous and we don't have anything at all to grab out hands on. The issue as I see it is whether a shareholder of a company can sell their stock ownership in that company and in America they can. Only in our little portion of America, we are saying but SunLine can veto it. We can deny you your investment. They paid \$325,000 to the Sainis for this company and they have invested tens of thousands, perhaps hundreds of thousands, and we are saying oh no, nope, you didn't fill out this and staff doesn't think that you filled out that right. We are not sure, we have hunches. Stated differently, how far can SSG go in defeating an internal sale of shares because of the personalities of the new owners? The answer is they must be objective, they cannot be arbitrary or capricious. Question – if the backgrounds check out and their financial picture is adequate, can the Board reject them for irrelevant reasons? Or capriciously impose additional standards that are not set forth in our Ordinance? The answer – no they cannot; lest, they violate the applicant's right to due process of law. It's not due process to keep throwing something on the fire once you have completed it – once you have given it – such as Ms. Aarvig wrote to them on September 9 – I'll get to this in more detail, but they asked for certain additional documents which they supplied. Fine, they supplied them and nobody came back afterwards and said well wait a second we still want this or we still want that. They supplied what was asked and that should be the end of it, but of course it is not. Grounds for a denial of an original RFP proposal are wide and virtually unlimited. They can be denied for virtually no reason. We get 20 proposals, we got to pick one – we go through them and we make the best choices we can, right or wrong, but we are making them. Not so in this situation. This does not involve an application for a franchise – it was treated like it was, but there is nothing in our Ordinance that says it is supposed to be treated as an application for a new franchise. Denial can only be based on evidentiary facts. Interpretation of those facts must not be arbitrary or

capricious. Due process of law requires that findings of fact be made to support the decisions. Certainly the staff report has nothing in the way of findings as a fact. Those findings must be consistent with the evidence. Staff has cited very little evidence for us to consider this justifies this denial. The owner of Rykal LLC is a woman named Jhanetta Kheres. The General Manager is Harry Incs. Absolutely no evidence against either one of them has been produced or even mentioned by staff in their report or at any time that I have seen and I am on the Committee. Other considerations – here you have a company that stands to lose \$325,000 it spent to buy the ongoing business. And to lose a business that earns I don't know how much, perhaps \$500,000 net a year, \$200,000, whatever. They have one or two years of experience, two years in the Valley. They have 50 or so drivers that will be out of work. We have a company that has successfully done business in the Valley since the franchise was first granted. Because of these distinctions, and American Cab's potential loss of annual income, we are faced with a serious threat of litigation. We can win if our... we can win certain parts of the litigation if our immunity is upheld, but as Ms. Aarvig said earlier, to get federal government immunity, our decision must be based on substantial evidence. That is a standard. It must be based on substantial evidence – not substantial hunches or feelings – you don't like these guys – we got the Valley Fleet over here, and we can't feel comfortable about who owns what. That's not evidence. Keep in mind that neither of these two people was asked even for a criminal background check. Not one of them was." Chairman Garcia stated that is an incorrect statement. Mr. Oglesby stated that Mr. Incs submitted a DOJ after staff asked them. Ms. Aarvig stated that Mr. Incs and Ms. Kheres both did. Mayor Hobart continued by stating the following "Oh they did? My mistake. And obviously nothing came negative of it – because if something did come negatively of it, I assume the Taxi Committee would be among the first .. would learn about it. So they are clean, that is even better than saying they were not asked. They are clean. We can't say there is something wrong with them. A little bit of history is important here. In September, 2009, Rykal and Sainis entered into an oral contract – one to buy the other. Rykal began to make monthly payments for the \$324,000 purchase price. Later in 2010 the Sainis tried to revoke the agreement – they claimed there was no enforceable contract because it was oral and not in writing. Rykal filed suit to enjoin them to keep them from trying to take over the business and denying that there was a contract. On October 12, 2010, the court ruled that the contract was enforceable because Rykal had paid the Sainis over \$300,000 on this oral contract. The court said the Sainis are equitably estopped, meaning you've done conduct that proves that you have no right to continue to argue something that you have been arguing. The court also made the following comment: 'The SunLine Franchise Agreement does not restrict the sale of American Cab to plaintiff.' That was part of the court statement and order." Chairman Garcia stated "I think that Legal Counsel can speak to that." Mayor Hobart stated "I don't need Legal Counsel to interrupt me. I am reading that verbatim." Chairman Garcia further stated "I appreciate that, but I think in the interest of time, I am also going to ask you to wrap up your comments, because we have already lost one Board member." Mayor Hobart stated "We lost Board member who left shortly after I started because he has got other events. If you want me to do this quickly, I will do this quickly, but I'm not going to be stopped." Chairman Garcia answered "Please, but I am also going to ask Legal Counsel to ..." Mayor Hobart stated "Tell her to make a note. Tell her make a note if I have made a mistake." Chairman Garcia stated "I am going to ask her to make a

couple of comments to your comments when you finish.” Mayor Hobart stated “Everybody should do that. SunLine’s attorney, acting in the Board’s name on December 6... this is two weeks at the most after the judicial decision and the quote that I just read to you by the Judge, Ms. Aarvig writes, or states ‘The Board does not consider it to be within the... she is responded to American Cab’s attorney – the Board does not consider it to be within its purview to approve or disapprove a sale of a membership interest in an LLC that holds a Franchise Agreement. Sale of the membership interest in a Franchise holder that is a LLC is a matter of free enterprise not involving the Board of Directors of SSG.’ Now if we don’t have anything to do with it, I even wonder why we are here, except that I still believe that what we are here for is to determine those two points that we can – the criminal side and the financial side. And the financial side is a different subject at the moment. Obviously, at this point in time, Rykal felt that they had complied with the notice requirements when the change of ownership occurs. Our staff report lists as third ground. No clear documentation of ownership interests. Totally inaccurate. Rykal Nevada doing business in California is owned by Jhanetta Kheres. The General Manager is Harry Incs. This tells us what the ownership interests are. You and I and staff may have some doubt as to the accuracy of that contention in all of the official documents, but there is no evidence to the contrary. We cannot close a thriving business because we do not like their response. On March 18, 2011, three days before SunLine and American Cab signed the document settling the citations dispute, which American Cab agreed to pay \$92,000, Mrs. Kheres signs an Operating Agreement for Rykal as the Manager agent. Three days later, March 21, Russo sends to Ms. Aarvig - one, a fully executed membership purchase agreement for American Cab LLC regarding its 100% purchase of Saini’s interest. That’s an e-mail dated March 21, 2011. He also sent to Ms. Aarvig the Settlement Agreement between SunLine and American Cab regarding the \$92,000 fine and the revocation of the hearing that had been in process. By accepting the fine, the SSG, us, is precluded at least in all fairness, from penalizing American Cab further with respect to that issue, the misuse of the telephone numbers, whether formally or informally. We may all dislike what they did regarding those telephone numbers of Yellow Cab of the Desert (*Classic Yellow Cab*) but they paid for that sin. It’s history. It’s not part of this proceeding, not at all. It’s something we remember, maybe, but it has no bearing here. They paid \$92,000 that cleared that issue and if we were going to take that money without telling them where we were really headed, shame on us.” Chairman Garcia stated: “I think that was made very clear in those agreements, Mr. Hobart.” Mayor Hobart stated: “It was, but there is a difference of opinion. Mr. Russo was of the opinion that it meant that they would undergo a criminal background check and probably a financial, not that they were going to start over. Even though the words are there, there is still.. there was no...in the Settlement Agreement... there is a clause that is near the very end that says we are going to put you through the hoops on a whole new franchise application. Yes, it is there, but I don’t think it is applicable and I don’t think it is enforceable and I don’t think we should be enforcing it after they paid the fine. One week after the fine was paid, on April 1, SunLine issues American Cab twelve additional permits, for a total of 57, and Ms. Nightingale also tells them that 12 more permits may be issued when American Cab demonstrates adherence to the standard performance requirements of all vehicle permits, including the additional 12. She also states in that letter dated April 1, that to retain these permits you must sustain the 8-ride minimum. She also conditions the permits on American Cab making

the requisite payment for the outstanding citations. She does not condition it on the issuance of a new RFP; she is not even mentioning that. Why would staff increase the allotted number of taxis by 12 vehicles when they knew we were about to commence and approach that would eventually result in the destruction of the franchise if the Board of Directors went along? Which is where we are now. We are through a process; all the documents that had been requested were submitted and we are still saying no for no real reason. SunLine on April 19 notifies American Cab by letter that approval of their new ownership now requires American Cab to resubmit to a new application. That is on the 19th of April after the fines are paid, after the new taxicabs have been ordered. In my view, this is simply not process that is fair and regardless of being an unauthorized statement... instead of just the approval of what we had talked about, this is the approval of two people, or several people, they had to perform a whole brand new presentation showing what their business plan was. Their business plan was in operation at the time that had been in operation continuously. Why would we do that to them if we didn't have some other motive? At any rate, on September 9, Ms. Aarvig sends Russo the letter that I mentioned earlier outlining specific documents still needed to complete the application. Russo supplies them on 9/22; no SunLine response. On 9/22, Russo e-mails to Aarvig and Nightingale asking to be informed if other documents are still missing or required. No SunLine response. On the 23rd of September, Russo e-mails to Nightingale if something important is still missing, we need to know it. Denial of our application would be catastrophic for Incs, Kheres and everyone who relies on American Cab. Again, no response. On 9/24, Russo repeats his request to be advised of any missing information. The response on 9/26 from Ms. Nightingale claims that it would be improper for her to review what he has submitted and what he has not submitted. If it would be improper for her to do it, who should do it? They are the ones making the request. Tell him what he needs to do." Chairman Garcia stated : "Mr. Hobart, I never do this, but I am going to ask you to summarize... I think it's very clear what your position is and the points you have articulated. If you could summarize your comments." Mayor Hobart states "I am nearly done and all of that that I have given you is to illustrate how much time I have spent going through this record, looking for substantiation to support anything regarding those four bullet points. Not licensed in California – they are licensed in California. Prohibited from contracting with the federal government – that is utter nonsense and has been totally misused in this case. It is nothing material. To say there is no clear documentation of ownership interest is complete nonsense. It is clearly stated through there. Yes, they had some questions about to what extent is Greg Klibanov still involved, if any, and so do I frankly. But there is no evidence that he is. You have to have evidence to take away a thriving and glowing business. And with respect to the fourth one, fourth bullet point, unable to make a responsible determination – that also is untrue. We are able to make a responsibility determination because we have the documents that support it. We have no documents, no grounds to deny the application and I will end by reading one point that I wanted to read having to do with...this by the way is more evidence on that federal government that came in. This has to do with our governmental immunity that Mr. Oglesby wrote in the e-mail. This is what's important. I'm reading from the Writ of Mandate Section of the Code of Civil Procedure. The Writ of Mandate is where they would go if they lose here. They would make an application to the Superior Court and then moving it on the appellate court... saying force that Board to do what they have to do under these circumstances. And we would claim that we have governmental

immunity to what we have done. Here is what Section 1094.5, subsection D states 'Abuse of discretion is established if the respondent, (that would be us) has not proceeded in the manner required by law, the order or decision is not supported by the findings, or the findings are not supported by the evidence. My point is they don't have evidence. They just talk back and forth; they jump from one thing to another. If they had evidence, it would be in our staff report. Thank you.'

At 1:50pm, Supervisor John Benoit needed to leave meeting.

Chairman Garcia asked for comments or questions to what Mr. Hobart has shared.

Mayor Parks stated the following, "Well you certainly did spend a lot of time, Mr. Hobart." Mayor Hobart stated "I'm trying to keep you from making a mistake." Mayor Parks stated "I see, I see. Of course I have been on the Taxi Committee a lot longer than you have. However, just starting with December 6 of 2010, Mr. Incs stands up and says that they have been in business for two years. Any company that has been in business that long should have audited financials; they should have all of the documents that we were asking for at their fingertips if they are a responsive and responsible company. Referring to the December 6 letter where you stop off where it says 'the company is a matter of free enterprise, not involving the Board of Directors of SSG; however, any change in franchise ownership subjects the new owner to the same rigorous screening to which the original proposer was subjected pursuant to Ordinance 1.080B. (*The screening is the RFP.*) A perspective new owner would thus be expected to submit a proposal for evaluation meeting the criteria set forth in the Request For Proposal upon which the franchise was awarded.' This was in December of 2010, when they were first notified that they had to meet that condition. We have gone back and forth, back and forth giving them more time and more time. You look at the documents and their liabilities and equity don't have American Cab listed. They have Valley Fleet Services for \$712,000; they have AmbuServe for \$12,000; they have a note payable to Dennis Rosenberg for \$130,000 and membership holder for \$89,000. We have, in the process of issuing franchise, denied a franchise because they were one week late. We have bent over backwards, in my opinion, to accommodate this company in giving us what we are asking for, in the way we are asking for. The documents – I don't know how many of you file and e-file with out a date on it, but anybody can complete...I'm sorry.. I'm not going to infer anything. I'm just saying that when I do my e-file with my accountant, I have to sign and date that. None of these are dated. Their balance sheets... And then the credit card company is as of April 2011, is Valley Fleet. Again, who is the real owner? Valley Fleet? Rykal? American Cab? Rosenberg? It has gotten to the point...they have provided me with all this information and none of it justified their completion of the provisions required of the RFP. And the fact that Mr. Russo said that this is the last chance for appeal...this is your appeal. This is not; this is the first action. You then have a right of appeal of our Board decision where then you can come to us. During that appeal period, you can continue operating and if the RFP goes out, then you may re-apply just like all the rest of them and provide us with the documents that we have been asking for since December of 2010. You can keep your 70 people working – your 8-10 mechanics working during the appeals process. Maybe you can gather these documents that you

have not been able to provide, up until now, and provide us during a new RFP process.”

Mayor DeRosa asked “How long is the RFP process and how many times a year is the RFP process open?” Ms. Nightingale stated “The Franchise Taxi Agreements are for a five year contractual period, so they would not normally have been open any time before then; but as a result of losing one franchise before now and looking at the possibility of another loss or how we would address the loss, we would issue an RFP at that time to solicit proposals from interested cab companies.” Mayor DeRosa asked “Would it be 30 days? 60 days? What would the timeline if this Board..” Ms. Nightingale stated “We would be prepared to issue the RFP itself within the next 30 days, but the response period would probably take another four or five months before we get to the end of the process. Rudy LeFlore can speak to that.” Rudy LeFlore, Procurement Consultant, stated: “After issuing the RFP within the first 30 days, we would go through the evaluation process and then there is a mobilization period; so I estimate six months for them to be up and running at the level that we currently have.” Mayor DeRosa stated: “I have one other question – according to the document provided to us just now by Mayor Hobart, it states ‘March the 18th the sale was completed between Rykal and Sainis’ and on March 18 when that transfer of ownership happened, did Rykal have a permit to do business in the State of California?” Ms. Aarvig stated “The answer to that question depends on which Rykal you are referring to. Our understanding was that the sale took place between the one that was involved in the litigation as part of the settlement and that was Rykal LLC, a California company that clearly had license to do business in California. Since the application was submitted, it appears that it was actually Rykal LLC Nevada that made the purchase and their Certificate of Registration was just issued last month.” Mayor DeRosa stated “Rykal LLC Nevada – they were not eligible when the time of sale was consummated.” Ms. Aarvig stated “They did not have a Certificate of Registration”. Mayor Hobart asked “Did American Cab have a permit?” Ms. Aarvig answered “It did – it is a California LLC”.

Mayor Pro Tem Miller states “I am more interested... obviously the franchise that was put in place is broken. We need to address that at a different time. But a lot of this information we are getting is very difficult not being on the Committee where you have been able to absorb a lot of these extra details that are coming out now. I agree with John Benoit; I wish I would have been able to grasp some of this stuff because what is being told to us by Mr. Russo, their Attorney and what is coming out of here, I am not privy as much to a lot of the conversations that you had for hours and it just doesn’t add up. There are some things we need to look at. But taking another franchise possibly out of the mix after we have given them 12 more permits and we have lost one already because of not giving permits, I just don’t see that as being very beneficial to the community as a whole. There are some holes in both sides.”

Mayor Pro Tem Powers stated “I have sat here listening as if I was a juror – hearing both sides of the argument and I am a firm believer that there are two sides to every story and somewhere in the middle, or sixty – forty, is the absolute truth. It appears to me that denying this would be a mistake at this time because there are so many unanswered questions; there are still some things that are not resolved and we would

be affecting a service that I'm involved in – tourism and so forth, on their Board - that we would not want to see happen. I think that it is a time for cooler heads to prevail and if there is still stuff missing, I think it would be incumbent upon staff to provide exactly what is missing now and get it fixed in a certain timeframe and if they can't, they are writing their epitaph."

Mayor Adolph states: "I guess I have been on this Board longer than anybody – ten years. I have gone gray over this and have been dealing with this taxicab issue for ten years and I am frustrated. I thought when we finally resolved this problem with the franchise – we have everything that we wanted; we had the three cab companies – I thought we had these problems behind us. Then all of a sudden, here we go again. I guess it frustrates me and I get to the point of saying isn't there a solution to this thing. I listened to Dana and you made some good points, Dana, and I agree with much of what you said. One quick question. From what we know now, that has been brought up today, is there anything that can't be resolved within a short distance of time that can keep American Cab in business without going through an RFP, and going through the whole procedure. Yvonne brought up a point that I was going to ask and that was can they bid if this is denied?" Ms. Nightingale stated: "I will give you my answer as staff. Since April, we have been asking American Cab." Mayor Adolph stated "Okay, but I am saying right now, from what we know now, some of the questions and problems have been resolved. From what we know now, is there anything that we feel cannot be resolved and repeat going through an RFP process?" Chairman Garcia stated "I think there is still some question on who is the owner of American Cab and I think that is the umbrella." Mayor Adolph asked "Can it be resolved?" Chairman Garcia stated: "We have gone through this for several months now and it hasn't. And I just wanted to make a point that I am not convinced that service would be interrupted if this application would be denied because of the due process that any company would have based on the denial and quite frankly, it is up to the Board to decide when that termination would be and I think the conversation that was just had about upping permits to other companies, or going out for the RFP, does not mean that in this case, American Cab would have to be terminated today based on this decision. It could be six months from now if we feel comfortable with that timeframe to make sure that there is transition and that there is no interruption in the level of service." Mayor Adolph stated "But you are making the assumption that they were going to stay in business. They could walk away." Chairman Garcia stated "That is correct." Mr. Oglesby stated: "We have a presentation that will cover that." Mayor DeRosa stated: "Mayor Adolph, in answer to your question, the answer is yes, they can come back and reapply for a franchise all over again." Mayor Adolph stated: "Yes, that question was answered; I understand that. That is not saying that they wouldn't walk away." Mayor Hobart stated "Why would they reapply." Mayor Pro Tem Miller stated "A lot of this is going back to what we were saying of their character – the character of their organization and that is what we are discussing. If that is the case and we want to deny, why would we want to continue to allow them to drive for us – if we are saying you are not good enough for us now, we want to pull your franchise and have somebody else do it, but you can you do us a favor.... I don't feel comfortable." Mr. Oglesby stated: "I don't think we have said that they are not good enough." Ms. Nightingale stated "I want to be clear from staff's perspective. We have not said that they are not good enough. We have a set of policies and procedures that have been approved by this Board and so we are

circumscribed by those policies and procedures and those documents to use those as the tools to make a decision to evaluate, to do an analysis and to present it to this Board. We have no authority to go outside of those parameters to make a decision. The only reason that this is carried to this point is at the Board's direction. Because under normal customary circumstances that we use to look at contracting applications, this process would have stopped at that evaluation process. But at the direction of the Board, we have come back with additional information; we have asked American for additional information. We have not done that under any other circumstance with any other contractor, so this is an extraordinary procedure. Obviously it is good reason for it because the Board has asked us to do it and we totally comply with it. So here we are again, from April until October still asking them for additional information. I don't understand it, but as a staff person, this recommendation that you have is based on our ability to make an assessment using those Board approved documentation and processes to come to you with a recommendation. If there is anything outside of that that you want us to do, we are happy to make those changes and to go forward with a different set of procedures."

Mayor Pro Tem Powers stated "This is probably going to get a bunch of groans, but I would recommend that we postpone this decision for 30 days and give them the list and make it happen. I know it is crazy, but I am not comfortable doing it up or down because I don't think we know, and if we can't figure out who owns it, it's up to them to tell us who owns it and to show us pure and simple documentation. If they can't do that, and they have 30 days, the clock starts now, and get it done. If it doesn't, you know the fate. It is that simple."

SunLine Legal Counsel, Ms. Aarvig, "I don't have an awful lot to say here; I'm grateful I'm not a decision maker; I just wanted to point out something that was in Mr. Hobart's presentation, just to make sure the Board's aware. There is a quote from the preliminary injunction that is written in red here ...'the SunLine Franchise Agreement does not restrict the sale of American Cab to Plaintiff.' I wanted to point out that that preliminary injunction comes out of the adversarial proceeding between Rykal and the Sainis. We were not a party to that and that statement is not in any way binding on SunLine; it is not what we would call resjudicata." Mayor Hobart stated the following: "It's not binding, but it is not incorrect either." Ms. Aarvig continued, "I would like to take issue with that as much as I hate to disagree with a Board member, I do think our Ordinance does provide for the proceeding we are going through right now. I do believe that Sections 1.030 and 1.080 apply to this situation. Specially, Mr. Hobart referred to Section 5, which calls for a Department of Justice Criminal background check. If that is all, and I don't agree that it is, if that is all that the Board is entitled to consider, it includes all information required to evaluate the legitimacy of the franchisee's business structure, qualifications, corporate stability, financial stability and capability. I agree with what Ms. Nightingale just said about the limitations on staff. Staff can't exercise discretion; they have to follow the protocol that has been established by this Board, and discretion can be applied by this Board, to decide whether, with everything you have seen and the exhaustive effort that has been made, whether the Board is satisfied with what applicant has presented or not. This is exclusively your decision."

Vice Chairman Spiegel stated the following: "I'm glad you said that because I didn't understand it. It says in one place that it has got to be approved by the Board if sold. In another place it says it doesn't need to be approved by the Board when it's sold. That doesn't make sense, does it? I would like to know the answer to that. Also, we keep talking about all these things we don't know. I don't have a list in front of me about all the things we don't know. I don't know whether they have a list of the things we don't know. And so, I agree with Mayor Pro Tem Powers that we ought to take another look. I'm not in a position to decide one way or the other right now."

Mayor DeRosa asked "So gentlemen is that a motion to continue?" Mayor Hobart stated "Well it's more than that. Let's put it in the form that Mr. Powers is suggesting. The motion would be to postpone further deliberation on the matter or continue..." Mayor DeRosa stated "I think Mr. Powers can make the motion himself, so please, what is your motion?" Mayor Hobart stated "You got to get included what he was saying." Mayor DeRosa stated: "Then you can amend the motion."

Chairman Garcia asked Mayor Pro Tem Powers to make the motion. Mayor Pro Tem Powers stated the following: "I would make my former comment into a motion that we postpone this and give staff and Rykal time – give us the list so we know what we don't know – like you said, I'm getting so confused – who is on first. My motion is postpone for 30 days, or to December 7th, that's even better." Mayor Hobart further stated "In addition to that, to make it clear, staff and our Legal Counsel put together a memorandum advising Rykal/American Cab specifically what it is that is still missing or desired so that they know specifically, we know specifically and then we can deal with it."

Chairman Garcia stated "We have a motion and a second and I would like to make an alternative motion and that is to accept staff recommendation. So I put that motion on the floor as well. I think that staff has done..." Mayor Hobart asked "Do you have a second to that motion?" Chairman Garcia stated "I put a motion on the table; if there is a second, I'll wait to see. I think that staff has done an extraordinary..." Mayor Hobart asked "Do you have a right to argue the motion without a second?" Mayor Parks stated "He hasn't given his complete motion." Mayor Hobart stated "Well he was giving me some crap earlier... I have studied ...I know that you have to.. you can't discuss it until it has a second. But I will waive the objection." Chairman Garcia stated "I appreciate your knowledge of Robert's Rule of Orders. I just want to make my statement that I support Staff's recommendation. I think staff, for the past seven months has been telling us what's missing and what isn't missing. I'm not confused; not a single bit. I think it is very clear what the concerns are. We have bent over backwards to try to accommodate to American Cab as we wouldn't with any other company. That is unfortunate because that sends the wrong message to the other cab companies that are doing everything that we ask them do, when we ask them to do it. So that's why I make a motion to accept staff recommendation." Mayor Parks stated "I will second the motion." Pro Tem Powers stated "I don't think you can make a motion until this motion...you can't make two competing motions." Mayor Parks stated "According to Robert's Rule, I think you can make a second motion and if it fails, then

go back.” Mayor Hobart stated “No...no...no.. the first one has priority. I got the book of Robert’s Rules and Order just in case somebody didn’t believe what has been a rule since 1877 or so.”

Chairman Garcia stated: “So there is a motion and a second to the first motion to continue.” The first motion was made by Mayor Pro Tem Powers to continue the item to the December 7, 2011 Board meeting. The motion was seconded by Mayor Hobart. The motion passed with six Board members voting yes, and two Board members voting no.

Mayor DeRosa stated “Mr. Chairman, I would also like to add one more thing to the record that for those members who do not sit on the Taxi Committee, that staff is acceptable to that and it is their responsibility to make sure if they speak with staff to make sure that their questions are answered whether they sit at a subcommittee meeting or not. Staff needs to be open to answer any questions they have regardless.” Mayor Parks asked that the big binder that the Taxi Committee members received, it would not hurt if every single Board member has a copy of it. Chairman Garcia agreed.

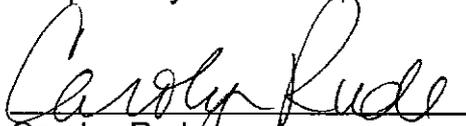
11. Next Meeting Date

Chairman Garcia announced that the next regular meeting of the Board of Directors will be held December 7, 2011 at 12 noon – Kelly Board Room, 32-505 Harry Oliver Trail, Thousand Palms, CA 92276.

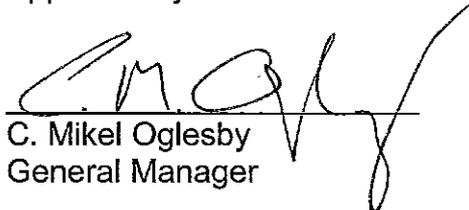
12. Adjourn

Chairman Garcia adjourned meeting at 2:12p.m.

Respectfully Submitted,


Carolyn Rude
Clerk of the Board

Approved by:


C. Mikel Oglesby
General Manager

Date: 11-29-11

SunLine Regulatory Administration

Checks \$1,000 and Over

For the month of October 2011

NOTE: 1). Bold check payments represent "pass through" payments that were, or will be reimbursed to SunLine under the provisions of specific grants or contracts. 2). Underlined check payments represent "shared" payments with SunLine and specific vendors/employees.

Vendor Name	Description	Check #	Check	Amount
SUNLINE TRANSIT AGENCY	Payroll Liabilities Expense	089424	10/14/2011	\$11,698.96
SUNLINE TRANSIT AGENCY	Payroll Liabilities Expense	089427	10/26/2011	\$8,522.31
LEFLORE GROUP LLC, THE	Consultant	089418	10/12/2011	\$2,612.50

Total of Checks Over \$1,000	\$22,833.77
Total of Checks Under \$1,000	\$4,204.35
Total of All Checks for the Month	\$27,038.12

Total Amount of Checks Prior Years Same Month	\$53,241.05
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SRA--Taxi
Statement of Activities
October 2011

	Audited FY 10/11	Total FY 11/12 Budget	Current Month			Year to Date		
			Actual	Budget	Favorable (Unfavorable)	Actual	Budget	Favorable (Unfavorable)
Revenue:								
Meter Readings	95,800.00	297,123	28,981	27,941	1,040	42,271	51,082	(8,811)
Revenue Fines	106,661	5,000	1,825	417	1,408	3,180	1,667	1,513
Vehicle Inspections	15,703	14,300	2,000	1,192	808	5,050	4,767	283
New Driver Permits	4,150	5,000	400	417	(17)	1,650	1,667	(17)
Driver Transfers	4,800	5,800	400	483	(83)	1,250	1,933	(683)
Driver Renewals	7,050	6,100	650	508	142	3,150	2,033	1,117
Driver Permit Reinstatement/Replacement	135	200	25	17	8	65	67	(2)
Vehicle Transfers	(50)	1,500	0	125	(125)	0	500	(500)
Vehicle Permits	82,828	78,000	17,000	6,500	10,500	18,700	26,000	(7,300)
Operator Shared Revenue Fee	195,135	0	0	0	0	3,492	0	3,492
Operator Application Fee	0	10,500	0	875	(875)	3,000	3,500	(500)
Interest	152	0	2	0	2	41	0	41
Other	47	25,629	0	0	0	20	0	20
Total revenue	\$ 512,411	\$ 449,152	\$ 51,283	\$ 38,474	\$ 12,809	\$ 81,869	\$ 93,215	\$ (11,346)
Expenses:								
Salaries and wages	183,112	197,422	17,491	15,796	(1,695)	62,299	65,576	3,277
Fringe benefits	136,280	134,281	12,238	10,642	(1,596)	45,589	43,398	(2,191)
Services	91,182	100,800	9,942	7,683	(2,259)	30,903	30,733	(170)
Supplies and materials	5,793	4,500	526	475	(51)	2,673	1,900	(773)
Miscellaneous	17,903	12,150	2,509	1,629	(880)	11,868	6,517	(5,351)
Total expenses	\$ 434,270	\$ 449,153	\$ 42,706	\$ 36,226	\$ (6,481)	\$ 153,332	\$ 148,124	\$ (5,208)
Total Operating Surplus/Deficit	\$ 78,141	\$ (1)	\$ 8,577	\$ 2,249	\$ 19,289	\$ (71,463)	\$ (54,909)	\$ (6,139)

Preliminary Statement Prior To Audit Field Work

TRIP vs. VEHICLE ANALYSIS

TRIP vs. VEHICLE ANALYSIS

	FY 04/05			FY 05/06			FY 06/07			FY 07/08			FY 08/09		
	CABS	TRIPS	TRIP/VEH												
JUL	193	32,877	170	205	33,123	161	240	28,204	117	269	25,681	95	184	27,321	148
AUG	185	25,911	140	209	24,445	117	240	24,010	100	269	28,635	106	184	28,450	154
SEP	195	29,145	149	215	35,072	163	240	35,278	147	269	28,182	105	184	28,206	153
OCT	196	44,593	227	221	32,817	148	240	38,459	160	205	33,063	161	184	37,131	202
NOV	197	36,344	184	227	40,343	178	240	41,751	174	203	41,851	206	184	33,450	182
DEC	187	38,687	207	232	34,534	149	243	46,866	193	204	36,141	177	184	26,942	146
JAN	191	40,638	212	240	42,539	177	245	27,290	114	204	30,363	149	183	39,745	217
FEB	196	43,880	224	241	41,587	173	246	41,520	169	206	50,594	246	185	38,116	206
MAR	204	42,973	210	241	51,373	213	255	54,598	214	205	41,492	202	186	42,705	230
APR	206	53,980	262	241	50,791	211	269	46,823	174	205	44,697	218	186	59,997	323
MAY	204	38,698	190	240	42,916	179	271	43,593	161	205	49,071	239	186	41,175	221
JUN	203	33,348	164	240	34,427	143	271	35,711	132	183	26,819	147	186	38,696	208
TOTALS	2357	461,074	196	2752	463,967	169	3000	464,103	155	2627	436,589	166	2216	441,934	199

	FY 09/10			FY 10/11			FY			FY			FY		
	CABS	TRIPS	TRIP/VEH	CABS	TRIPS	TRIP/VEH	CABS	TRIPS	TRIP/VEH	CABS	TRIPS	TRIP/VEH	CABS	TRIPS	TRIP/VEH
JUL	170	26,487	156	151	31,211	207	125	30,391	243						
AUG	155	23,671	153	148	29,238	198	123	29,459	240						
SEP	158	29,239	185	150	31,807	212	131	34,446	263						
OCT	153	37,468	245	117	40,222	344	139	43,009	309						
NOV	153	40,466	264	126	40,494	321			0						
DEC	160	32,084	201	128	36,226	283			0						
JAN	155	38,276	247	133	45,232	340			0						
FEB	157	36,557	233	132	42,331	321			0						
MAR	159	44,219	278	138	48,942	355			0						
APR	167	57,645	345	141	60,821	431			0						
MAY	157	42,074	268	142	43,910	309			0						
JUN	156	29,940	192	120	31,088	259			0						
TOTALS	1900	438,126	231	1626	481,522	296	518	137,305	265	0	0	#DIV/0!	0	0	#DIV/0!

	FY 04/05		FY 05/06		FY 06/07		FY 07/08		FY 08/09	
HIGHEST TRIPS	Apr	53,980	Mar	51,373	Mar	54,598	Feb	50,594	APR	59,997
LOWEST TRIPS	Aug	25,911	Aug	24,445	Aug	24,010	Jul	25,681	DEC	26,942
MOST VEHICLES	Apr	206	Apr	269	May	271	Jul	269	M, A, M	186
LEAST VEHICLES	Aug	185	Jul	205	Jul	240	Jun	183	JAN	183
MOST TRIPS/VEH	Apr	262	Mar	213	Mar	214	Feb	246	MAY	323
LEAST TRIPS/VEH	Aug	140	Aug	117	Aug	100	Jul	95	JULY	148
	FY 09/10		FY 10/11		FY 11/12		FY 12/13		FY 13/14	
HIGHEST TRIPS	APR	57,645	APR	60,821	October	43,009				
LOWEST TRIPS	AUG	23,671	AUG	29,238	AUG	29,459				
MOST VEHICLES	JUL	170	JULY	151	SEP	139				
LEAST VEHICLES	NOV	153	OCT	117	AUG	123				
MOST TRIPS/VEH	APR	345	APR	1004	JUL	768				
LEAST TRIPS/VEH	AUG	153	AUG	198	JUL	110				