



**Wednesday, January 22, 2014  
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 PAGERS BE TURNED OFF OR SET ON SILENT MODE FOR THE DURATION OF THE BOARD MEETING.**

**AGENDA TOPICS**

**RECOMMENDATION**

1. **Call to Order**  
Chairman Glenn Miller

2. **Roll Call**

3. **Presentations**

- a) Employee Anniversary – 30 years (Mike Morrow)
- b) Employee Retirement – 32 years (Donald Bradburn)

4. **Finalization of Agenda**

5. **Public Comments**

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

**Receive Comments**

**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.

**6. Board Member Comments****Receive Comments**

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

----- **ACTION** -----**7. Approval of Minutes****Approve**

Minutes of the December 4, 2013 Board of Directors Meeting.  
(Pages 1-9)

**8. Telephone System Update and Budget Adjustment  
(CJ Smith)****Approve**

Request to the Board to approve budget adjustment to move forward with the purchase of an Agency telephone system. (Pages 10-11)

**9. Approval of Updated Union and Non-Union Pension Plans  
(Donald Bradburn)****Approve**

Request to the Board to adopt attached Resolution for updated Union and Non-Union Pension Plans. (Separate attachments) (Pages 12-16)

**10. Administration Building Change Orders (Rudy Le Flore)****Approve**

Request to the Board to delegate authority to the General Manager to execute Change Order with IBI Group for design work associated with the Administration building. (Pages 17-18)

----- **RECEIVE & FILE** -----**11. Consent Calendar****Receive and File**

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

- a) Checks over \$1,000 for November, December, 2013 (Pages 19-21)
- b) Credit card statement for November, December, 2013 (Pages 22-28)
- c) Monthly Budget Report for November, 2013 (Page 29)
- d) Ridership Report for November, 2013 (Pages 30-31)
- e) SunDial Operational Notes for November, December, 2013 (Pages 32-33)

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

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12. **Revision of Budget Policy #B-020704 (CJ Smith)** **Information**  
Budget Policy #B020704 was discussed at the Bylaws, Policies and Procedures Committee meeting. If Committee recommends changes, Policy will be brought to the full Board for action at the February Board meeting. (Pages 34-37)
13. **Construction Schedule (Rudy Le Flore)** **Information**  
Report to the Board on proposed Change Orders from Doug Wall Construction requesting additional 28 days for an excusable delay. (Page 38)
14. **Line 30 Ridership Report (Joe Forgiarini)** **Information**  
Report to the Board on the Line 30 per the request of SunLine Vice Chairman, Greg Pettis. (Page 39)
15. **Bus Stop Improvements-Shelter List-Phase 5 (Joe Forgiarini)** **Information**  
Report to the Board on proposed bus shelter locations. (Pages 40-42)
16. **Job Access Reverse Commute Funding Update (Joe Forgiarini)** **Information**  
Update to the Board on the FY 12 JARC funding and the effects of the dispute during 2013 between transit unions and the California state government over terms imposed through the PEPRA Act. (Page 43)
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17. **Legal Counsel's Report**
18. **General Manager's Report**
19. **Next Meeting Date**  
February 26, 2014  
12 o'clock Noon – Kelly Board Room  
32-505 Harry Oliver Trail  
Thousand Palms, CA 92276
20. **Closed Session**
- a) Closed Session - CONFERENCE WITH LABOR NEGOTIATORS (Gov. Code Sec. 54957.6) Agency Designated Representatives: Bill Shaeffer of Rutan & Tucker, LLP, as Chief Negotiator; SunLine Director of Human Resources; Director of Operations; Director of Maintenance; Director of Finance (as needed); Director of Planning (as needed); the LeFlore Group (as needed). Employee Organization: Amalgamated Transit Union (ATU).

- b) Closed Session – CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION (Gov. Code Sec. 54956.9) PEOPLE OF THE STATE OF CALIFORNIA ex rel MAHMOUD ALZAYAT, V. GERALD HEBB, SUNLINE TRANSIT AGENCY CASE NO. INC1204627.

**21. Adjourn**

**MINUTES**  
**SunLine Transit Agency**  
**Board of Directors Meeting**  
**December 4, 2013**

A regular meeting of the SunLine Transit Agency Board of Directors was held at 12:18pm on Wednesday, December 4, 2013 in the Kelly Board Room at SunLine Transit Agency, 32-505 Harry Oliver Trail, Thousand Palms, CA 92276.

1. **Call to Order**  
The meeting of the SunLine Transit Agency Board was called to order at 12:18 p.m. by Chairman Glenn Miller.
  
2. **Roll Call**  
Completed.

**Members Present**

Glenn Miller, Chairman, Councilmember, City of Indio  
Greg Pettis, Vice Chairman, Councilmember, City of Cathedral City  
Rick Hutcheson, Councilmember, City of Palm Springs  
G. Dana Hobart, Councilmember, City of Rancho Mirage  
Robert Spiegel, Councilmember, City of Palm Desert  
Douglas Hanson, Councilmember, City of Indian Wells  
Don Adolph, Mayor, City of La Quinta  
John J. Benoit, Supervisor, County of Riverside

**Members Absent**

City of Desert Hot Springs  
Eduardo Garcia, Mayor, City of Coachella

**Guests:**

Reverend Charlene Hancock, Public  
Barrett Newkirk, The Desert Sun  
Scott Russo, American Cab  
Bill Meyer, Yellow Cab  
Michal Brock, Yellow Cab  
Mabu Hossein, Desert City Cab  
Mike Russell, Food Now  
Sheila Gill, Public

**Staff:**

Lauren Skiver, General Manager  
Jeff Goldfarb, Legal Counsel, Rutan & Tucker  
Bill Shaeffer, Legal Counsel, Rutan & Tucker  
Carolyn Rude, Special Asst. to the G.M./Clerk of the Board  
Rudy Le Flore, General Manager's Management Analyst  
Don Bradburn, Director of Human Resources

Tommy Edwards, Advanced Technology Project Manager  
Mike Morrow, Director of Maintenance  
CJ Smith, Director of Finance  
Michael Jones, Taxi Administrator  
Mannie Thomas, Manager of Operations and Safety Training  
Joseph Friend, Senior IT & Systems Analyst  
Dave Robin, Risk Manager  
Stephanie Buriel, Senior Administrative Assistant  
Lee Greer, Assistant Taxi Cab Administrator I  
Harmon Singh, Assistant Taxi Cab Administrator II  
Anthony Garcia, Motor Coach Operator  
Asterio Gonzales, Motor Coach Operator  
Javier Salazar, Motor Coach Operator  
Vanessa Mora, Desktop Support Technician  
David Manriquez, Facility Maintenance Assistant  
Francine DePalo, Administrative Assistant

3. **Presentations**

None.

4. **Finalization of Agenda**

No changes to the agenda.

5. **Public Comments**

**NON AGENDA ITEMS:**

Mike Russell, Food Now addressed the Board representing Family Services of the Desert and Food Now. He expressed on behalf of the agencies, a sincere thank you to the Agency and staff for the Fill The Bus charity food drive. He stated that staff was incredible and that the agencies were able to extend resources a couple of months, which is good. Mr. Russell also welcomed the new General Manager to SunLine and looks forward to future opportunities.

Reverend Charlene Hancock addressed the Board expressing her appreciation to the bus drivers who are her guardian angels. She thanked all staff for great customer service.

6. **Board Member Comments**

Councilmember Hanson stated that further in the agenda, there is an item for approval on the new CNG station. He asked if there is a way to provide an incentive to the taxis in the Valley to convert to CNG vehicles. He asked if the Agency should look into that possibility. Councilmember Hanson stated that based on the Agency's focus on alternative fueled vehicles, staff should look at the possibility of the cabs converting to CNG.

Supervisor Benoit asked if we have CNG cabs. Taxi Administrator Mike Jones stated that no, there are no CNG cabs now. He stated that the franchises do get an additional two years for putting an alternative fueled vehicle on the road. Mr. Jones

stated that some of the franchises currently have Prius hybrids. Supervisor Benoit asked staff to contact Buford Crites who is the Board Assistant at AQMD, and he can help explore possibilities for grant funding for individual businesses.

Vice Chairman Pettis further stated that MSRC has money. It is an arm of AQMD, but a separate funding source. There are County minimums so that every County will get an equal share of the money. He stated that Riverside County historically does not compete for funds. Vice Chairman Pettis stated that the cab companies can apply and SunLine can apply on their behalf for the money. He stated that they wouldn't do 100% funding, but they would do 50% funding.

Legal Counsel Jeff Goldfarb asked that if the discussion would be continuing, we would need to reopen the SSG meeting.

Councilmember Hanson stated that his point under the item of the CNG fueling station is that the taxi companies need to have a coordinator which should be this Agency. Chairman Miller asked that staff look into the issue and bring back to SSG.

7. **Approval of Minutes**

Mayor Adolph moved to approve the minutes of the October 25, 2013 Board meeting. The motion was seconded by Councilmember Hutcheson and approved unanimously with the abstention of the City of Palm Desert.

8. **Discuss and Approve Change of Board Meeting Time**

Chairman Miller stated that this item was discussed during the SunLine Services Group meeting. No change will be made to the time of Board meetings.

9. **Administration Building Scope Increase**

SunLine Project Manager, Rudy Le Flore, addressed the Board informing them of changes that are being made in the scope of the Administration building. He stated that the changes have been discussed previously in Board meetings, but not brought forth for approval. The items are as follows: Temporary Operations Structure - estimated at \$400,000; gas to the Maintenance Facility - estimated at \$30,000; concrete driveway - estimated at \$100,000; back-up generator - estimated at \$350,000; memorial stone for employees - estimated at \$10,000; drainage for the bus wash - estimated at \$30,000.

Mr. Le Flore gave the following overview of the project:

Project Team: Project Manager-The Le Flore Group; Advanced Technology Project Manager; Arcadis-Construction Manager; IBI Group-Architect of Record; Geocon-Inspection and Testing; Doug Wall Construction Inc.-General Contractor.

Project Management Approach: Traditional: Manages Project Resources; Manages Cost, Schedule, and Quality. SunLine: Contracts with Resources; documents Agreement in compliance with regulatory requirements; administers the contracts of contractors; manages project resources; manages, cost schedule and quality.

Financials to date: Obligated-\$12,076,090; Unobligated-\$3,862,080; Pressures-\$900,000; Total Budget: \$15,938,170.

Owner Improvement Changes: Temp staff-\$72,080; Contractor Proposed Changes-\$900,000; FF&E-\$5,000,000; Owner Changes-\$920,000.

New Financial Picture (if approved): Obligated: \$14,468,170; Unobligated: \$1,470,000; Total budget: \$15,938,170.

Schedule Summary: Project initiation delayed six months: unanticipated permitting duration; 202 property conveyance issue. Construction effort on schedule. Sixteen month duration. Substantial construction completion August, 2014.

Mr. Le Flore stated that in regards to the schedule of the project, as some Board members may recall, there was an original delay in the project related to an ownership issue with one of the parcels. This caused a delay in getting construction started. In addition, there was permitting issues that needed to be resolved. There was approximately a six month delay in getting it started. Once construction started, we have been and are on scheduled with the project and under budget. Mr. Le Flore stated that the \$1.4 million will be the new contingency amount for the project. He stated that he believes the project can be completed within this budget. Mr. Le Flore asked the Board to approve the owner originated changes.

Mayor Adolph moved staff recommendation. Councilmember Hutcheson seconded the motion and was approved by a unanimous vote.

**10. Design/Build CNG Fueling Station**

Advanced Technology Project Manager, Tommy Edwards, addressed the Board and prefaced the report stating that the project he is bringing forth is in the very early stages. There is no planning beyond looking how to do the procurement. He stated that this allows staff to look into the requirements. Mr. Edwards requested the Board to approve the concept of a design/build as the preferred method of project delivery. Mr. Edwards stated that the CNG fueling station is approximately 20 years old and the life expectancy is coming and staff wants to begin planning of the project. Mr. Edwards stated that several transit agencies in Southern California has replaced their stations, or built new stations. Staff did some site visits – Victor Valley Transit and Norwalk Transit, and have talked with other agencies. Mr. Edwards stated that the California Public Contract Code 20209.6 requires that a transit operator shall make written findings that, "use of the design-build process on the specific project under consideration will accomplish one of the following objectives: reduce project costs, expedite the project's completion, provide design features not achievable through the design-bid-build method, prior to entering into a design-build contract." Mr. Edwards further stated that staff is asking to approve the method of project delivery.

Mayor Adolph moved staff recommendation. Councilmember Hutcheson seconded the motion and was approved by a unanimous vote.



11. **Appointment of Retirement Plan Committee Members**

Director of Human Resources, Donald Bradburn, addressed the Board recommending appointment of Lauren Skiver, General Manager to the SunLine Retirement Plan Committees for both the SunLine Employees Non-Union Restated Retirement System and the SunLine Transit Restated Retirement Income Plan for Bargaining Personnel, and CJ Smith, Director of Finance, to the SunLine Employees Non-Union Restated Retirement System Committee and remove Apolonio Del Toro from the committees. Mr. Bradburn remains on both committees.

Councilmember Hutcheson moved staff recommendation. Councilmember Hanson seconded the motion and was approved by a unanimous vote.

12. **Approval of Expenses for G.M. Attendance at the American Public Transportation Association Conference**

Director of Finance, CJ Smith addressed the Board recommending that the Board of Directors approve the upcoming expenses for the General Manager to attend the American Public Transportation Association (APTA) CEO conference. Total expenses are estimated at \$3,500.00. APTA holds the CEO conference annually. The conference is designed to create an environment to network, exchange information and renew leadership skills. This year the APTA conference is being held in New Orleans, LA from February 8 – February 11, 2014. Seminars will focus on new strategies and best practices, workforce development, labor relations, disadvantaged business enterprise (DBE) programs, MAP 21, state of good repair and many other relevant topics. The expenses are budgeted in the current FY 14 budget. General Manager, Lauren Skiver stated that the costs will be lower than budgeted.

Councilmember Hanson stated that the Finance Committee discussed and unanimously approved. Councilmember Hanson moved staff recommendation. Vice Chairman Pettis seconded the motion and was approved by a unanimous vote.

13. **Approval of Employee Travel Expenses**

Director of Finance, CJ Smith addressed the Board requesting approval of the upcoming employee travel expenses. The request is for two supervisor/dispatchers attending a bus/paratransit operator training and an Alternative Fuels System Specialist I attending a CNG mechanics training course. All expenses presented are in the FY 13/14 approved budget.

Councilmember Hanson stated that the Finance Committee discussed and unanimously approved. Councilmember Hanson moved staff recommendation. Vice Chairman Pettis seconded the motion and was approved by a unanimous vote.

13. **Resolution Updating Signatories on Bank Accounts**

Director of Finance, CJ Smith addressed the Board requesting approval of the attached Resolution updating signatories on bank accounts as follows: delete Interim General Manager Roger Snoble and add General Manager Lauren Skiver. This Resolution allows the General Manager to sign on all Agency bank accounts.

Councilmember Hobart moved staff recommendation. Councilmember Spiegel seconded the motion and was approved by a unanimous vote.

**15. Consent Calendar**

- a) Checks over \$1,000 for October, 2013
- b) Credit card statement for October, 2013
- c) Monthly Budget Reports for September, October, 2013
- d) Ridership Report for October, 2013
- e) SunDial Operational Notes for October, 2013

Councilmember Hanson stated that at the Finance Committee, the consent calendar was reviewed. On the credit card statement, there are late fees that are being contested and we do not expect to pay the late fee. The Agency is working to clear them.

Vice Chairman Pettis asked about the monthly ridership report. He asked about the significant drop on the Line 30 – Cathedral City/Palm Springs and that staff get back with him on the issue.

Vice Chairman Pettis moved to receive and file the consent calendar. The motion was seconded by Councilmember Spiegel and approved unanimously.

**16. Update to the Board on Commuter Link 220**

Director of Transit Planning, Joe Forgiarini, addressed the Board with a one year update on the performance of the Commuter Link 220 service. The service was implemented in September of 2012, linking the Valley to Western County, serving Rancho Mirage, Morongo Casino (Cabazon), Banning, Beaumont (now a combined Beaumont/Banning stop), Moreno Valley (2 stops), and Riverside. Two early morning trips depart Palm Desert for Riverside while two return trips depart Riverside in the evening peak period. The service operates weekdays only. The net cost service is half funded by Federal Job Access Reverse Commute and New Freedom grants, with the remaining half shared between local SunLine and Riverside Transit Agency funding. The federal grant funding for the current level of service is for four years (the RTA contribution is negotiated annually and is in place for the first two years). A number of performance goals were established for Commuter Link 220 service: Average daily ridership of 70 (17,850 boardings per year). This goal has only been achieved in the months of March, April, and May 2013. Total boardings for the year were 16,702, approximately 6.5% below target. Total year one cost not to exceed \$306,652. This goal was achieved with a \$301,406.19 cost recorded for the year. Total fare revenue to reach at least \$49,765 (average fare \$2.78). This goal was achieved as fare revenue totaled \$54,715, with an average fare of \$3.28, 18% higher than projected. Even with a lower than expected passenger volume, lower use of concessional fares occurred. A larger proportion of passengers are carried from Metrolink trains to the Moreno Valley on the afternoon buses. These passengers travel on early morning services provided by RTA (before Commuter Link 220 reaches their area). The new service was publicized with both print and electronic media around the time of launch

and a new campaign was carried out recently. There are also bus stop shelter posters in place throughout the Valley and posters in our buses promoting the service. Comments have been generally positive with requests focusing on: better rail connections at Riverside: SunLine will modify one morning trip to leave earlier to meet both LA and Orange County trains (January 2014); easier access for Desert Hot Springs and Palm Springs residents: SunLine is investigating a stop at I-10/Palm Dr. (requires loop through parking lot); Extra services: awaiting funding opportunities - Later morning, midday/early afternoon trips; Reverse Commute trips Riverside – Palm Desert; Weekend trips. A survey of riders will be undertaken in early 2014 to profile the existing users of the Commuter Link service and receive further feedback. The expansion of the service has been studied and the addition of six extra round trips is recommended, subject to funding. The cost of such expansion is \$278,000 per year. Adding weekend service (3 round trips) would be approximately \$135,000 per year. These improvements will be considered, along with other service improvement proposals, during the SunLine 2014/15 Short Range Transit Plan and Budget process. Without increased investment, the Commuter Link service is considered unlikely to increase significantly in ridership.

Councilmember Hutcheson asked Mr. Forgiarini if he had to grade the service based on expectations, what the grade would be. Mr. Forgiarini stated that he feels the grade would be about a "B". He stated that the route has a little low on ridership, but from a social point of view, it is a route that is valued. Mr. Forgiarini stated that he does not have a full survey, but has gone on the route about 50 times and interacted with customers. The route provides a link that is not easily available through other sources. Based on the social value of the service and meeting goals, Mr. Forgiarini would give it a "B".

Mrs. Skiver further stated that a "B" in the first year is good in transit. It shows that there is a market that needs cultivation.

**17. Legal Counsel's Report**

Jeff Goldfarb, Legal Counsel, addressed the Board stating that there has been a change to the Brown Act that takes effect January 1, 2014. It will require the Clerk of the Board to take a roll call vote. He believes that is the easiest way to interpret the language that the legislature came out with. Beginning with the January meeting, this will take effect and will be a little cumbersome. Mr. Goldfarb stated that it will be easier for preparing minutes. Chairman Miller further clarified that the Clerk will take roll of each member of each vote. Councilmember Hobart asked what the reason is for adding to the time. Mr. Goldfarb stated that he is unaware of the reason. He thinks the goal of the legislature could be reasonably accomplished by simply including in the minutes who voted which way. Vice Chairman Pettis stated that he understands that issue with larger Boards such as SCAG; there is a Board of 85 people. When votes are taken by voice, you don't know who voted which way on a particular item. It was noted that the new building will have electronic voting.

**18. General Manager's Report**

General Manager, Lauren Skiver, provided the Board with the following report: SunLine's "Fill The Bus" food drive was held November 14<sup>th</sup> and was a huge success. Many SunLine team members supported the event by signing up to work shifts at one of two locations this year. Ms. Skiver gave a special thanks to the Maintenance Technicians and Bus Operators that made sure we had clean, well maintained equipment at the site and helped us move the buses to the locations for donation. SunLine collected 11 tons of food to help needed families in the Valley. SunLine is talking about holding more events in the community working with smaller non-profits that may not have the coverage or support. Ms. Skiver stated that we will be coming back to the Board with other events asking for support. On Wednesday, November 20<sup>th</sup>, SunLine hosted a Disadvantaged Business Enterprise Outreach Event. The event was held from 8:30am until 12:00 noon at the Classic Club in Palm Desert. The workshop was supported by Riverside County Transportation Commission, Southern California Association of Governments, Riverside Transit Agency, OmniTrans, ElDorado National California, Inc. and the Morongo Basin Transit Authority. The purpose of this event was to educate and conduct outreach in the community in order to increase the opportunities for DBEs to participate in federally funded contract actions consistent with FTA requirements. Ms. Skiver stated that it can be a daunting set of regulations in an application. The point of the event was to help walk businesses through how to be a partner with entities such as SunLine. Ms. Skiver stated that the Agency wants to procure goods and services locally whenever possible as we help to expand commerce and business within our Valley. The event generated almost one hundred registrants with about a 25 percent attendance rate. That is not uncommon. Staff has conducted an "after action review" of this event to understand the positive and 'what we will do different' attributes of this event and to plan another in 2014. Staff has received good feedback. The SunLine Holiday gathering is planned for this weekend, Saturday, December 7<sup>th</sup> at the Living Desert from 5:00pm – 9:00pm. The Board was asked to join staff for a great night of fun and festivities including a great dinner, dancing and "Wild Lights". Ms. Skiver asked the Board to respond today if they can attend.

Chairman Miller stated that he was at the food drive, unloading the buses both at Martha's Village and Food Now. He stated that the organizations were very appreciative; staff and the community did an excellent job. Chairman Miller thanked staff.

**19. Next Meeting Date**

January 22, 2014

12 o'clock Noon – Kelly Board Room

32-505 Harry Oliver Trail

Thousand Palms, CA 92276

At 12:54pm Chairman Miller moved into Closed Session.

**20. Closed Session**

- a) Closed Session - CONFERENCE WITH LABOR NEGOTIATORS (Gov. Code Sec. 54957.8) Agency Designated Representatives: Bill Shafer of Rutan & Tucker, LLP, as Chief Negotiator; SunLine Director of Human Resources; Director of Operations; Director of Maintenance; Director of Finance (as needed); Director of Planning (as needed); the LeFlore Group (as needed). Employee Organization: Amalgamated Transit Union (ATU).
- b) Closed Session - CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION (Gov. Code Sec. 54956.9) Amalgamated Transit Union, Local 1277 and SunLine Transit Agency.


At 1:26pm, Chairman Miller reconvened the SunLine Transit Agency Board meeting. No reportable action.

**21. Adjourn**

Chairman Miller adjourned the meeting at 1:26p.m.

Respectfully Submitted,

  
Carolyn Rude  
Clerk of the Board

  
Lauren Skiver  
General Manager

Date 1/15/14

**SunLine Transit Agency**

**DATE:** January 22, 2014 **ACTION**  
**TO:** Finance Committee  
Board of Directors  
**FROM:** Director of Finance  
**RE:** Telephone System Update and Budget Adjustment

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**Recommendation**

Recommend that the Board of Directors approve moving \$35,000 from the Information Technology Systems line item to the New Phone System line item in the FY14 budget.

**Background**

At the September, 2013 Board Meeting, staff presented an agenda item for approval by the Board of Directors for the selection of a new phone system. The Board asked questions and requested that staff examine the process with a focus on addressing the methodology of selection. After a review of the entire process, it was determined that the best way to quantify this value was to conduct a more rigorous solicitation process.

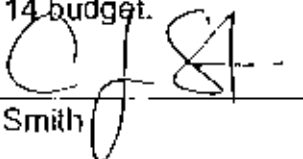
SunLine issued an RFP on December 9, 2013 and proposals are due by January 24, 2014. Staff plans to complete evaluations and negotiations in time to bring this item before the Board in the first quarter of 2014.

Although the project will require additional funds, the new phone system is sustainable, expandable to accommodate future growth, and will be moved to the new administration building.

**Fiscal Impact**

SunLine's estimated cost for this project is \$150,000. This project is approved in the FY 14 capital budget for \$115,000. If approved, the additional \$35,000 will be transferred from the Information Technology System Projects line item to the New Phone System line item in the capital budget. Pricing for this project was based on an estimate from approximately three years ago and that is the reason why the project is now more than planned in the FY 14 budget.

It is important to note that in September 2013 Staff proposed to use Local Transportation Funds (LTF) because the 5307 capital grant that contained this project was on hold due to the Public Employees' Pension Reform Act (PEPRA) situation. The grant is now available and the project will be funded with 5307 that are identified in the FY 14 budget.

  
CJ Smith

**SUMMARY OF CAPITAL PROJECTS**



**Fiscal Year 13-14 Projects**

There are expected to be 20 capital projects active at SunLine Transit Agency in FY 13-14. These include 8 new projects seeking new funding (\$5,948,149 new funding request), as well as 12 other ongoing projects carried over from FY 12-13 (already funded). The most significant projects in terms of cost include the new administrative building at Thousand Palms, two new Fuel Cell Buses, American Fuel Cell Bus warranty, fixed route fleet overhauls, replacing 18 paratransit vans, new and replacement solar panels, Thousand Palms yard repaving, and design and construction of a new CNG fueling station at Thousand Palms. Many of these investments ensure SunLine remains a leader in alternative fuel technology. Other projects are ongoing for the upkeep of the non-revenue fleet, facilities, tools and equipment, facilities, IT and office furniture.

**Projected Fiscal Year 14-15 Projects**

This is a preliminary capital budget plan for FY14-15, focused on ongoing capital projects, including completion of the new administrative building and CNG fueling station. This list will be added to as additional needs are identified during FY13-14.

**Capital Budget Summary**

Item Description	Expended in Prior Fiscal Years	FY 13-14 Proposed Budget	FY 14-15 Proposed Budget	Cost Remaining in Future Fiscal Years	Estimated Cost at Completion
Administrative Building	300,000	11,460,000	4,178,170	-	15,938,170
Maintenance and Tools	143,500	75,000	75,000	-	293,500
Facilities - Indio	141,900	50,000	50,000	-	241,900
Two Fuel Cell Buses	2,000,000	3,464,307	-	-	5,464,307
Solar Panels	-	1,819,964	-	-	1,819,964
New Phone System	-	115,000	-	-	115,000
New Fareboxes	-	60,000	-	-	60,000
Office Furniture	7,500	25,000	25,000	-	57,500
Fencing Project	466,247	53,000	-	-	519,247
Facilities - Thousand Palms	33,000	50,000	50,000	-	133,000
American Fuel Cell Bus Warranty	-	1,200,000	-	-	1,200,000
Thousand Palms Yard Repaving	-	1,092,465	-	-	1,092,465
Transit Studies (BRT & Indio Future)	-	287,500	-	-	287,500
CNG Bus Rehabilitation	-	825,000	1,100,000	-	1,925,000
Replacement Paratransit Vans	-	2,120,000	1,210,000	-	3,330,000
Transit Stop Enhancements	-	2,450,735	400,000	-	2,850,735
Bus Camera System Upgrade	-	459,000	135,000	-	594,000
Information Technology System Projects	-	300,000	250,000	-	550,000
New CNG Fueling Station Design and	-	2,700,000	2,500,000	-	5,200,000
Expansion/Replacement Non-Revenue	-	660,000	212,000	-	872,000
<b>*Totals</b>	<b>3,092,147</b>	<b>29,266,971</b>	<b>10,185,170</b>	<b>-</b>	<b>42,544,288</b>

*\*This budget may be impacted by the ongoing labor dispute at the national level which may delay the start of affected federally funded projects.*

*\* Capital Projects Plan for 2013/14 includes a \$2.5 Million reserve of STA funding.*

SunLine Transit Agency

**DATE:** January 22, 2014 **ACTION**

**TO:** Finance Committee  
Board of Directors

**FROM:** Director of Human Resources

**RE:** Resolutions Adopting the Restated Retirement Plans

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**Recommendation**

Recommend that the Board of Directors adopt attached Resolutions amending and approving each of the restated plan documents for the SunLine Transit Restated Retirement Income Plan for Bargaining Personnel and Non-Union Pension plans and SunLine Employee's Non-Union Restated Retirement System.

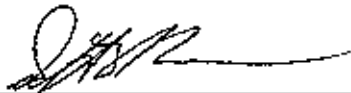
**Background**

Every five years the Internal Revenue Service (IRS) requires that the employer submit a Restated Plan Document and Favorable Determination Letter filings. SunLine's pension plans are considered government pension plans, which are to be restated in the IRS Cycle C. The deadline for IRS Cycle C filings is January 31, 2014.

The Restated Plan documents presented today incorporate all of the amendments which have been adopted since the previous IRS Favorable Determination Letters.

**Fiscal Implications**

This action will not have a fiscal impact.

  
\_\_\_\_\_  
Donald A. Bradburn





SunLine Transit Agency

RESOLUTION No. \_\_\_\_

**RESOLUTIONS ADOPTING THE  
SUNLINE TRANSIT AGENCY RESTATED RETIREMENT INCOME PLAN  
FOR BARGAINING UNIT PERSONNEL  
(as amended and restated effective January 1, 2014)**

By action of the Board of Directors of SunLine Transit Agency, a political subdivision of the State of California ("Employer") taken \_\_\_\_\_, 2014, the following resolutions were duly adopted:

WHEREAS, the Company established the SunLine Transit Agency Restated Retirement Income Plan for Bargaining Unit Personnel ("Plan") originally effective as of February 1, 1980; and

WHEREAS, the Company has reserved the right to amend the Plan pursuant to Section 11.06 therein; and

WHEREAS, the Company has determined that the Plan should be amended and restated, in its entirety, effective January 1, 2014 to comply with all legislation and regulations as reflected in the Cumulative List published by the Internal Revenue Service in Notice 2012-76 as well as subsequent Cumulative Lists that do not require changes in the Plan document;

NOW, THEREFORE, BE IT RESOLVED, that the Plan be, and it hereby is, adopted as amended and restated effective of January 1, 2014 in substantially the form presented hereto.

RESOLVED, FURTHER, that the appropriate officers of the Company be, and they hereby are, authorized and empowered, for and on behalf of the Company, to make, execute and deliver and file such documents, certificates and any other writings and to take such other action as may be necessary or appropriate, in the discretion of such officers, to carry out the intent and purpose of this and the foregoing resolutions, and to execute any change in order that such Plan and its underlying Trust shall continue to qualify under the provisions of Sections 401(a) and 501(a) of the Internal Revenue Code.

ATTEST:

\_\_\_\_\_  
Carolyn Rude  
CLERK OF THE BOARD  
SunLine Transit Agency

\_\_\_\_\_  
Glenn Miller  
CHAIRMAN of the Board  
SunLine Transit Agency

STATE OF CALIFORNIA     )  
  ) ss.  
COUNTY OF RIVERSIDE    )

I, CAROLYN RUDE, Clerk of the Board of Directors of the SunLine Transit Agency, do hereby certify that Resolution No. \_\_\_\_\_ was adopted at a regular meeting of the Board of Directors held on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by the following vote:

AYES:

NOES:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Carolyn Rude  
CLERK OF THE BOARD  
SunLine Transit Agency

APPROVED AS TO FORM:

\_\_\_\_\_  
General Counsel  
Jeffrey Goldfarb



SunLine Transit Agency

RESOLUTION No. \_\_\_\_

**RESOLUTION ADOPTING THE  
SUNLINE TRANSIT AGENCY NON-UNION  
RESTITATED EMPLOYEES RETIREMENT SYSTEM  
(as amended and restated effective January 1, 2014)**

By action of the Board of Directors of SunLine Transit Agency, a political subdivision of the State of California ("Employer") taken \_\_\_\_\_, 2013, the following resolution was duly adopted:

WHEREAS, the Company established the SunLine Transit Agency Non-Union Restated Employees Retirement System ("Plan") originally effective es of July 1, 2007; and

WHEREAS, the Company has reserved the right to amend the Plan pursuant to Section 11.05 therein; and

WHEREAS, the Company has determined that the Plan should be amended and restated, in its entirety, effective January 1, 2014 to comply with all legislation and regulations as reflected in the Cumulative List published by the Internal Revenue Service in Notice 2012-76 as well as subsequent Cumulative Lists that do not require changes in the Plan document;

NOW, THEREFORE, BE IT RESOLVED, that the Plan be, and it hereby is, adopted as amended and restated effective of January 1, 2014 in substantially the form presented hereto.

RESOLVED, FURTHER, that the appropriate officers of the Company be, and they hereby are, authorized and empowered, for and on behalf of the Company, to make, execute and deliver and file such documents, certificates and any other writings and to take such other action as may be necessary or appropriate, in the discretion of such officers, to carry out the intent and purpose of this and the foregoing resolutions, and to execute any change in order that such Plan and its underlying Trust shall continue to qualify under the provisions of Sections 401(a) and 501(a) of the Internal Revenue Code.

I hereby certify that the foregoing resolutions were duly adopted by the Company on the date first set forth above and that such resolutions have not been modified or revoked and remain in full force and effect.

ATTEST:

\_\_\_\_\_  
Carolyn Rude  
CLERK OF THE BOARD  
SunLine Transit Agency

\_\_\_\_\_  
Glenn Miller  
CHAIRMAN of the Board  
SunLine Transit Agency

STATE OF CALIFORNIA     )  
                                       ) ss.  
COUNTY OF RIVERSIDE    )

I, CAROLYN RUDE, Clerk of the Board of Directors of the SunLine Transit Agency, do hereby certify that Resolution No. \_\_\_\_\_ was adopted at a regular meeting of the Board of Directors held on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by the following vote:

AYES:

NOES:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Carolyn Rude  
CLERK OF THE BOARD  
SunLine Transit Agency

APPROVED AS TO FORM:

\_\_\_\_\_  
General Counsel  
Jeffrey Goldfarb

**SunLine Transit Agency**

**DATE:** January 22, 2014 **ACTION**

**TO:** Finance Committee  
Board of Directors

**FROM:** SunLine Project Manager

**RE:** Administration Building Change Orders

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**Recommendation**

Staff recommends that the Board of Directors delegate authority to the General Manager to negotiate and execute Change Orders with The IBI Group (Architect of Record) in an amount Not To Exceed \$54,847 for design work associated with the Administration Building Project:

**Background**

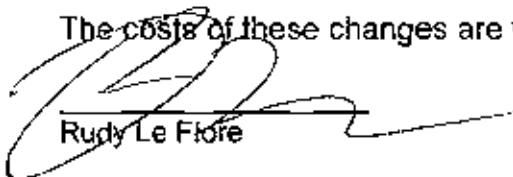
In December 2013 the SunLine Board of Directors approved several owner improvement changes to the Administration Building Project. These changes for the most part are for the design work associated with those changes. There are two additional changes caused by site conditions and LEED Commissioning support to SunLine.

The Breakout of these changes are as follows:

- Operations Modular Bldg. – Utilities Infrastructure Phase I **\$10,369.00**
- Board Room and Related Spaces – Redesign Phase II **\$9,489.00**
- Emergency Power Generator – Diesel – Fueled **\$20,742.00**
- Revise Asphalt Paved Road to Concrete Road – **\$6,542.30**
- Assistance to Owner in preparing the Owner's Project Requirements (OPR) for LEED Commissioning Requirement – **\$3,025.60**
- Harry Oliver Trail – Modified Curb Inlet/Catch Basin and Existing Verizon Line Support – **\$4,678.60**

**Financial Impact**

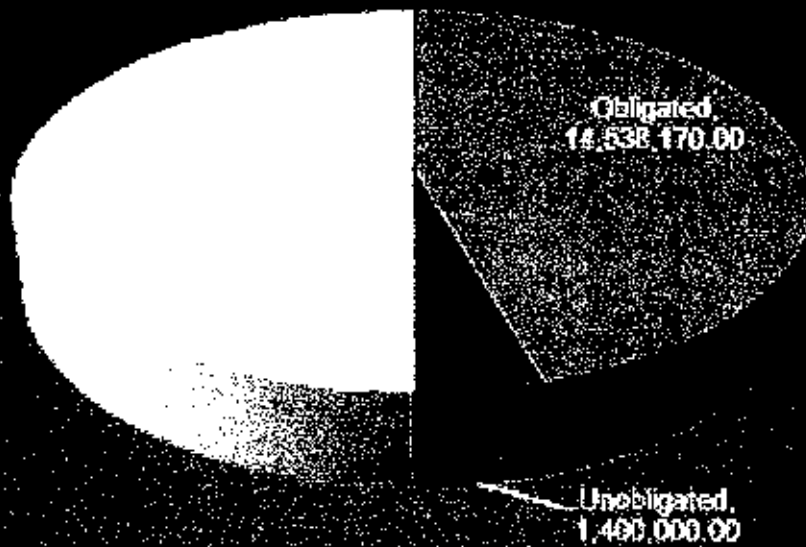
The costs of these changes are within the current project budget.

  
Rudy Le Flore

# Project Budget

## FINANCIAL INFORMATION (CONT'D)

New Financial Picture (If Approved)



SunLine Transit Agency  
Checks \$1,000 and Over  
For the month-December 2013

Vendor Name	Item Description	Check No.	Date	Amount	Budgeted (Y/N)	Contract (Y/N)	Remaining (estimated)	Funding Source
<b>Section Ia- Check payments issued against the Operating Fund - (Costs related to Transit Operations &amp; Maintenance)</b>								
SO CAL GAS CO.	Cost of utilities	660014	12/19/13	\$25,819.52	Y	N		Operating
CUMMINS PACIFIC	Cost to purchase vehicle parts	659818	12/02/13	\$25,097.97	Y	N		Operating
GOODYEAR TIRE & RUBBER CO	Cost for the vehicle tire lease agreement	659970	12/19/13	\$23,504.36	Y	N		Operating
GOODYEAR TIRE & RUBBER CO	Cost for the vehicle tire lease agreement	659874	12/05/13	\$17,662.76	Y	N		Operating
IMPERIAL IRRIGATION DIST	Cost of utilities	659983	12/19/13	\$17,269.87	Y	N		Operating
CUMMINS PACIFIC	Cost to purchase vehicle parts	659855	12/05/13	\$12,591.98	Y	N		Operating
ADVANCED WEB OFFSET, INC	Cost for printing Rider's Guide	660039	12/20/13	\$11,494.00	Y	N		Operating
CV PLASTICS, INC.	Cost to purchase bus stop supplies	659955	12/19/13	\$10,925.29	Y	N		Operating
NAPA AUTO PARTS	Cost to purchase vehicle parts	659995	12/19/13	\$6,340.70	Y	N		Operating
NEWFLYER	Cost to purchase vehicle parts	660077	12/20/13	\$6,130.02	Y	N		Operating
NEW FLYER	Cost to purchase vehicle parts	659893	12/05/13	\$5,613.51	Y	N		Operating
CUMMINS PACIFIC	Cost to purchase vehicle parts	660054	12/20/13	\$5,361.70	Y	N		Operating
IMPERIAL IRRIGATION DIST	Cost of utilities	659822	12/02/13	\$5,272.52	Y	N		Operating
TRANSIT PRODUCTS & SERVICES	Cost to purchase vehicle parts	660093	12/20/13	\$4,239.96	Y	N		Operating
HOMÉ DEPOT CRD SRVS	Cost to repair and service facility	659981	12/19/13	\$3,895.99	Y	N		Operating
ALLIEDBARTON SECURITY SERVICES	Onsite security services for facilities	659838	12/05/13	\$3,549.60	Y	Y	\$80,616.00	Operating
STRICKLAND KENNY INC.	Cost to purchase lubricants & oils	659915	12/05/13	\$3,188.85	Y	N		Operating
ROMAINE ELECTRIC CORP.	Cost to purchase vehicle parts	660006	12/19/13	\$2,764.21	Y	N		Operating
DESERT AIR CONDITIONING, INC.	Cost to repair and service facility	660055	12/20/13	\$2,625.84	Y	N		Operating
STRICKLAND KENNY INC.	Cost to purchase lubricants & oils	660090	12/20/13	\$2,590.66	Y	N		Operating
ALLIEDBARTON SECURITY SERVICES	Onsite security services for facilities	660041	12/20/13	\$2,484.72	Y	Y	\$78,131.00	Operating
IMPERIAL IRRIGATION DIST	Cost of utilities	660065	12/20/13	\$2,419.57	Y	N		Operating
PATRICK M. BRASSIL	Hydrogen maintenance	659825	12/02/13	\$2,160.00	Y	Y	\$162,599.00	Operating
A.C. PROPANE	Cost of utilities	660038	12/20/13	\$2,073.55	Y	N		Operating
PLAZA TOWING	Towing Service	660004	12/19/13	\$2,000.00	Y	N		Operating
SWRCB ACCOUNTING OFFICE	Cost for Annual operating permit	659918	12/05/13	\$1,791.00	Y	N		Operating
CARQUEST OF THE DESERT	Cost to purchase vehicle parts	659950	12/19/13	\$1,568.99	Y	N		Operating
STERICYCLE INC	Cost for Bio hazard removal	659914	12/05/13	\$1,563.72	Y	N		Operating
STRICKLAND KENNY INC.	Cost to purchase lubricants & oils	660017	12/19/13	\$1,558.55	Y	N		Operating
TK SERVICES, INC.	Cost to purchase vehicle parts	659922	12/05/13	\$1,539.16	Y	N		Operating
PATRICK M. BRASSIL	Hydrogen maintenance	660002	12/19/13	\$1,360.00	Y	Y	\$161,239.00	Operating
GOLDLINE USA	Cost to purchase vehicle parts	659969	12/19/13	\$1,275.00	Y	N		Operating
A.C. PROPANE	Cost of utilities	659931	12/19/13	\$1,274.15	Y	N		Operating
SMART CHEMISTRY CORPORATION	Cost of testing hydrogen samples	659827	12/02/13	\$1,250.00	Y	N		Operating
SMARTDRIVE SYSTEMS, INC.	Security equipment maintenance agreement	659909	12/05/13	\$1,240.00	Y	N		Operating
ELLSWORTH TRUCK & AUTO	Cost to purchase vehicle parts	660001	12/20/13	\$1,173.87	Y	N		Operating
FRANKLIN TRUCK PARTS	Cost to purchase vehicle parts	659966	12/19/13	\$1,061.76	Y	N		Operating
	Subtotal			\$223,773.35				
<b>Section Ib- Check payments issued against the Operating Fund - (Costs related to General Administration)</b>								
RUTAN & TUCKER, LLP	Cost for legal services	660009	12/19/13	\$50,928.96	Y	Y	147,949	Operating
NYHART COMPANY	Cost for pension consultant	659999	12/19/13	\$10,662.62	Y	N		Operating
RUTAN & TUCKER, LLP	Cost for legal services	660083	12/20/13	\$8,946.81	Y	Y		Operating
G & K SERVICES	Cost to service uniforms	659867	12/05/13	\$5,828.22	Y	Y	\$18,581.78	Operating

SunLine Transit Agency  
Checks \$1,000 and Over  
For the month-December 2013

Vendor Name	Item Description	Check No.	Date	Amount	Budgeted (Y/N)	Contract (Y/N)	Remaining (estimated)	Funding Source
AGREEMENT DYNAMICS, INC.	Cost for training on labor negotiating	659932	12/19/13	\$5,121.63	Y	N		Operating
KBM (MOORE MAINTENANCE)	Cost for janitorial services	659986	12/19/13	\$4,678.00	Y	Y	\$40,008.00	Operating
KIMCO STAFFING SERVICES, INC.	Cost for temporary employment services	659989	12/19/13	\$4,298.96	Y	N		Operating
VERIZON WIRELESS	Cost for wireless communications	660033	12/19/13	\$4,062.57	Y	N		Operating
TELEPACIFIC COMMUNICATIONS	Cost for utilities	659919	12/05/13	\$3,543.04	Y	N		Operating
TELEPACIFIC COMMUNICATIONS	Cost for utilities	660019	12/19/13	\$3,440.44	Y	N		Operating
CDW GOVERNMENT	Cost for office supplies	659816	12/02/13	\$3,412.80	Y	N		Operating
BURRTEC WASTE & RECYCLING	Cost for utilities	659939	12/19/13	\$2,649.58	Y	N		Operating
VALLEY OFFICE EQUIPMENT, INC.	Cost for fax/copy supplies	660031	12/19/13	\$2,235.50	Y	N		Operating
TIME WARNER CABLE	Cost for utilities	660023	12/19/13	\$2,204.75	Y	N		Operating
STEPHEN A. CRANE	Cost for advertisement	659913	12/05/13	\$2,000.00	Y	N		Operating
ORROCK, POPKA, FORTINO, TUCKER & FLEET-NET CORPORATION	Cost for insurance claim loss	660001	12/19/13	\$1,949.38	Y	N		Operating
KIMCO STAFFING SERVICES, INC.	Software Support - Accounting System	659864	12/05/13	\$1,860.00	Y	N		Operating
SERVICE SYSTEMS ASSOCIATES	Cost for temporary employment services	659866	12/05/13	\$1,803.49	Y	N		Operating
THE LIVING DESERT	Balance of Employee Gala (food)	660012	12/19/13	\$1,733.40	Y	N		Operating
DESERT RADIO GROUP	Deposit of Employee Gala (food)	659830	12/02/13	\$1,733.40	Y	N		Operating
EVERYTHING UNDER THE SUN	Advertising for Commuter 220	660057	12/20/13	\$1,480.00	Y	N		Operating
OFFICE DEPOT	Cost to print	659960	12/19/13	\$1,479.00	Y	N		Operating
KIMCO STAFFING SERVICES, INC.	Cost for office supplies	660080	12/20/13	\$1,457.99	Y	N		Operating
THE LIVING DESERT	Cost for temporary employment services	660070	12/20/13	\$1,454.29	Y	N		Operating
CAL-TEST, INC	Cost of Holiday Event	659834	12/04/13	\$1,409.40	Y	N		Operating
UPS	D&A Onsite Testing	659943	12/19/13	\$1,195.45	Y	N		Operating
EISENHOWER OCCUPATIONAL	Cost for freight postage	660095	12/20/13	\$1,167.19	Y	N		Operating
THE TRANSIT & PARATRANSIT	Medical-Exams and Testing	660060	12/20/13	\$1,115.00	Y	N		Operating
	Training Supplies for Operations	660022	12/19/13	\$1,042.00	Y	N		Operating
	<b>Subtotal</b>			<b>\$134,891.87</b>				

Note: 1)

**Section II - Check payments subject to the provisions of Grants, Contracts, Capital Projects or "Pass-through"**

BALLARD POWER SYSTEMS	American Fuel Cell Bus Project	659815	12/02/13	\$699,900.00	Y	Y	\$911,994.00	Capital
BAE SYSTEMS CONTROLS	American Fuel Cell Bus Project	659814	12/02/13	\$660,000.00	Y	Y	\$806,042.00	Capital
BALLARD POWER SYSTEMS	American Fuel Cell Bus Project	659831	12/04/13	\$348,567.50	Y	Y	\$563,428.00	Capital
DOUG WALL CONSTRUCTION	Fees for Admin Building	659832	12/04/13	\$324,751.18	Y	Y	\$9,364,542.00	Capital
UNICARS, HONDA, INC.	Support Vehicle for Maintenance	659835	12/04/13	\$56,797.42	Y	N		Capital
ND ELECTRICAL CONSTRUCTION, INC.	Bus Stop Improvement	659833	12/04/13	\$43,908.25	Y	Y	\$54,353.00	Capital
ARCADIS	Construction Managing - Admin building	659938	12/19/13	\$41,961.80	Y	Y	\$377,782.00	Capital
GEOCON WEST	Fees for Admin Building	659871	12/05/13	\$14,716.03	Y	Y	\$102,827.00	Capital
C.V.A.G.	JARC program - federal grant reimbursement	659940	12/19/13	\$14,222.20	Y	N		Capital
ND ELECTRICAL CONSTRUCTION, INC.	Bus Stop Improvement	659889	12/05/13	\$9,945.83	Y	Y	\$0.00	Capital
TRAPEZE GROUP	Operations Plan Project	660028	12/19/13	\$7,260.00	Y	Y	\$0.00	Capital
AMERICAN CAB	Taxi voucher program - federal grant	659934	12/19/13	\$6,749.42	Y	N		Capital
VERIZON	Relocate phone lines for Admin Bldg	660037	12/20/13	\$4,793.96	Y	N		Capital
YELLOW CAB OF THE DESERT	Taxi voucher program - federal grant	660036	12/19/13	\$4,369.54	Y	N		Capital
TRAPEZE GROUP	Operations Plan Project	659923	12/05/13	\$4,100.00	Y	Y	\$7,260.00	Capital
INDEPENDENT LIVING PARTNERSHIP	New Freedom Program	659880	12/05/13	\$2,579.37	Y	N		Capital
LONG ELECTRIC, INC.	Facility Improvement Project	660071	12/20/13	\$1,934.49	Y	Y		Capital



SunLine Transit Agency  
Checks \$1,000 and Over  
For the month-December 2013

Vendor Name	Item Description	Check No.	Date	Amount	Budgeted (Y/N)	Contract (Y/N)	Remaining (estimated)	Funding Source
DESERT CITY CAB	Taxi voucher program - federal grant	659958	12/19/13	\$1,869.15	Y	N		Capital
SOFTCHOICE	Cost for Computer Equipment	660015	12/19/13	\$1,819.07	Y	N		Capital
ENVIRONMENTAL SCIENCE ASSOC	Fees for Admin Building	659860	12/05/13	\$1,561.31	Y	Y	\$1,981.00	Capital
PSOMAS	Bus Stop Improvement	660005	12/19/13	\$1,246.70	Y	Y	\$14,489.00	Capital
DESERT ALARM	Security monitoring services	660056	12/20/13	\$1,120.00	Y	Y	\$8,560.00	Operating
	<b>Subtotal</b>			<b>\$2,254,173.22</b>				

Note: 2)  
Section III - Check payments related to payroll deductions, employee benefits, and other employee related liabilities

HEALTH NET	Group Health insurance premium	659821	12/02/13	\$221,081.86	Y	N		Operating
PERMA - Insurance	Workers comp & general liability (monthly)	660003	12/19/13	\$138,855.67	Y	N		Operating
U.S. BANK INSTITUTIONAL TRUST-	Pension deposits (paid per payroll)	660029	12/19/13	\$73,995.20	Y	N		Operating
U.S. BANK INSTITUTIONAL TRUST-	Pension deposits (paid per payroll)	659824	12/05/13	\$73,638.77	Y	N		Operating
PRUDENTIAL GROUP INSURANCE	Employee benefits	659826	12/02/13	\$15,967.84	Y	N		Operating
METLIFE SBC	Dental insurance	659990	12/19/13	\$6,927.51	Y	N		Operating
COLONIAL LIFE & ACCIDENT	Employee supplemental ins monthly	659852	12/05/13	\$6,129.45	Y	N		Operating
AMALGAMATED TRANSIT UNION	Union dues paid per payroll	659839	12/05/13	\$5,148.22	Y	N		Operating
AMALGAMATED TRANSIT UNION	Union dues paid per payroll	659833	12/19/13	\$5,087.91	Y	N		Operating
NATIONWIDE RETIREMENT SOLUTIONS	Deferred Compensation	659986	12/19/13	\$4,030.76	Y	N		Operating
CALIFORNIA STATE DISBURSEMENT	Employee garnishment paid per payroll	659842	12/19/13	\$2,670.92	Y	N		Operating
CALIFORNIA STATE DISBURSEMENT	Employee garnishment paid per payroll	659846	12/05/13	\$2,670.92	Y	N		Operating
EYE MED	Employee benefits	659961	12/19/13	\$2,384.68	Y	N		Operating
	<b>Subtotal</b>			<b>\$558,567.71</b>				

Note: Deductions are collected per payroll and the invoice is paid monthly, as indicated. Exceptions: Pensions, garnishments and union dues are paid per payroll.

**Total Checks Over \$1000** **\$3,171,406.15**

Summary	
Total of Checks Over \$1,000	\$3,171,406.15
Total of Checks Under \$1,000	\$43,732.21
Total of All Checks for the Month	\$3,215,138.36
Total Amount of Checks Prior Year - Same Month	\$652,552.50

November 2013 Statement

Page 1 of 3



Open Date: 10/23/2013 Closing Date: 11/21/2013

Account

Visa® Business Card  
SUNLINE TRANSIT  
CAROLYN RUDE

Cardmember Service (1-866-552-8855)  
BUS 6 13



**Activity Summary**

Previous Balance	+	\$4,323.79
Payments	-	\$1,316.74CR
Other Credits		\$0.00
Purchases	+	\$763.62
Balance Transfers		\$0.00
Advances		\$0.00
Other Debits		\$0.00
Fees Charged		\$0.00
Interest Charged	+	\$44.31
<b>New Balance</b>	=	<b>\$3,814.98</b>
Past Due		\$0.00
Minimum Payment Due		\$83.00
Credit Line		\$40,000.00
Available Credit		\$36,185.02
Days in Billing Period		30

**Payment Options:**



Mail payment coupon with a check



Pay online at myaccountaccess.com



Pay by phone 1-866-552-8855

Please detach and send coupon with check payable to: Cardmember Service

CPN 000640533

24-Hour Cardmember Service: 1-866-552-8855

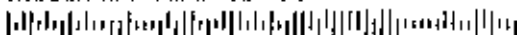
- ☎ to pay by phone
- 📍 to change your address

Account Number	
Payment Due Date	12/17/2013
New Balance	\$3,814.98
Minimum Payment Due	\$83.00

Amount Enclosed \$ \_\_\_\_\_

SUNLINE TRANSIT  
CAROLYN RUDE  
32505 HARRY DR IVLH TRL  
THOUSAND OAKS CA 92276-3501

Cardmember Service  
P.O. Box 790408  
St Louis, MO 63179-0408





SUNLINE TRANSIT  
CAROLYN RUDE

Cardmember Service 1-866-552-8855

**Transactions**

**Payments and Other Credits**

Post Date	Trans Date	Ref #	Transaction Description	Amount	Notation
10/30	10/30		PAYMENT THANK YOU	\$1,316.74CR	
<b>TOTAL THIS PERIOD</b>				<b>\$1,316.74CR</b>	

**Purchases and Other Debits**

Post Date	Trans Date	Ref #	Transaction Description	Amount	Notation
10/25	10/23	0018	PF CHANG'S #9300 RANCHO MIRAGE CA	\$246.02	
11/07	11/05	7615	USAIRWAYS0377324271823 CHICAGO IL DELTORO/APOLON 12/03/13 PALMSPRINGS TO PHOENIX ARIZ PHOENIX ARIZ TO WASHINGTON WASHINGTON TO PHOENIX ARIZ PHOENIX ARIZ TO PALMSPRINGS	\$517.60	
<b>TOTAL THIS PERIOD</b>				<b>\$763.62</b>	

**Interest Charged**

Post Date	Transaction Description	Amount	Notation
11/21	INTEREST CHARGE ON PURCHASES	\$44.31	
<b>TOTAL INTEREST THIS PERIOD</b>		<b>\$44.31</b>	

2013 Totals Year-to-Date	
Total Fees Charged in 2013	\$39.00
Total Interest Charged in 2013	\$92.92

**Company Approval** *(This area for use by your company)*

Signature/Approval: \_\_\_\_\_

Accounting Code: \_\_\_\_\_

November 2013 Statement 10/23/2013 - 11/21/2013

Page 3 of 3

SUNLINE TRANSIT  
CAROLYN RUDE

Cardmember Service ☎ 1-866-552-8855

**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 Rate	Variable	Interest Charge	Annual Percentage Rate	Expires with Statement	Interest Free Period
**BALANCE TRANSFER	\$0.00	\$0.00	YES	\$0.00	13.99%		NO
**PURCHASES	\$3,814.98	\$3,853.61	YES	\$44.31	13.99%		YES
**ADVANCES	\$0.00	\$0.00	YES	\$0.00	20.99%		NO

**Contact Us**

☎ Phone

Voice: 1-866-552-8855  
TDD: 1-888-352-6455  
Fax: 1-866-007-9053

❓ Questions

Cardmember Service  
P.O. Box 6353  
Fargo, ND 58125-6353



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Cardmember Service  
P.O. Box 790408  
St. Louis, MO 63179-0408



Online

myaccountaccess.com

Pacific Western Bank  
SunLine Transit Agency Visa Credit Card Statement  
Closing Date: November 21, 2013

Payments and other credits:

Detail:

10/25/13	PF Chang's	Lunch for October Board of Directors meeting.	\$ 246.02
11/07/13	US Airways	Airfare for Director of Operations, Polo Del Toro, APTA Leadership Meeting. (Approved by the Board)	\$ 517.60

Credit:

10/30/13	Payment	Credit card payment	\$1316.70 CR
11/21/13	Credit	Credit of interest charge on purchases. (Still disputing late charge with bank)	\$ 44.41 CR

December 2013 Statement

Page 1 of 2



Open Date: 11/22/2013 Closing Date: 12/19/2013

Account:

Visa® Business Card  
SUNLINE TRANSIT  
CAROLYN RUDE

Cardmember Service ☎ 1-866-552-8855  
aus 6 13



Activity Summary		
Previous Balance	+	\$3,814.98
Payments	-	\$3,814.98CR
Other Credits		\$0.00
Purchases	+	\$1,249.57
Balance Transfers		\$0.00
Advances		\$0.00
Other Debits		\$0.00
Fees Charged		\$0.00
Interest Charged		\$0.00
<b>New Balance</b>	<b>=</b>	<b>\$1,249.57</b>
Past Due		\$0.00
Minimum Payment Due		\$13.00
Credit Line		\$40,000.00
Available Credit		\$38,750.43
Days in Billing Period		28

Payment Options:



Mail payment coupon  
with a check



Pay online at  
myaccountaccess.com



Pay by phone  
1-866-552-8855

Please detach and send coupon with check payable to: Cardmember Service

CPN 000648593

24-Hour Cardmember Service: 1-866-552-8855

- ☎ to pay by phone
- 📧 to change your address

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SUNLINE TRANSIT  
CAROLYN RUDE  
32505 HARRY OLIVER TR  
THOUSAND PLMS CA 92776-3501

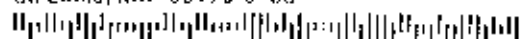


Account Number	
Payment Due Date	1/17/2014
New Balance	\$1,249.57
Minimum Payment Due	\$13.00

Amount Enclosed \$ \_\_\_\_\_

Cardmember Service

P.O. Box 790408  
St. Louis, MO 63179-0408





SUNLINE TRANSIT  
CAROLYN RUDE

Cardmember Service ☎ 1-866-552-8855

**Transactions**

**Payments and Other Credits**

Post Date	Trans Date	Ref #	Transaction Description	Amount	Notation
12/13	12/13		PAYMENT THANK YOU	\$3,814.98cr	
<b>TOTAL THIS PERIOD</b>				<b>\$3,814.98cr</b>	

**Purchases and Other Debits**

Post Date	Trans Date	Ref #	Transaction Description	Amount	Notation
12/05	12/04	7966	GRILL CONCEPIS - P PALM DESERT CA	\$257.04	
12/11	12/09	0351	HYATT REGENCY WASHINGT WASHINGTON DC 12/03/13 FOR 06 NIGHTS FOLIO: 0662	\$992.53	
<b>TOTAL THIS PERIOD</b>				<b>\$1,249.57</b>	

2013 Totals Year-to-Date	
Total Fees Charged in 2013	\$39.00
Total Interest Charged in 2013	\$92.92

**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 Rate	Variable	Interest Charge	Annual Percentage Rate	Expires with Statement	Interest Free Period
**BALANCE TRANSFER	\$0.00	\$0.00	YES	\$0.00	13.99%		NO
**PURCHASES	\$1,249.57	\$0.00	YES	\$0.00	13.99%		YES
**ADVANCES	\$0.00	\$0.00	YES	\$0.00	20.99%		NO

**Contact Us**

☎ Phone

Voice: 1-866-552-8855  
TDD: 1-888-352-6455  
Fax: 1-866-807-6053

❓ Questions

Cardmember Service  
P.O. Box 6353  
Fargo, ND 58129-6353



Mail payment coupon with a check

Cardmember Service  
P.O. Box 790408  
St. Louis, MO 63179-0408



Online

myaccountaccess.com

Pacific Western Bank  
SunLine Transit Agency Visa Credit Card Statement  
Closing Date: December 19, 2013

Payments and other credits:

Detail:

12/05/13	Grill Concepts	Lunch for the December Board of Directors meeting.	\$ 257.04
12/11/13	Hyatt Regency	Hotel Charges for Director of Operations, Polo Del Toro, APTA Leadership Meeting. (Approved by the Board)	\$ 992.53

Credit:

12/13/13	Payment	Credit card payment	\$3814.98 CR
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SunLine Transit Agency  
Budget Variance Report  
November 2013

Description	FY 13/14 Total Budget	Current Month			Year to Date		
		Actual	Budget	Favorable (Unfavorable)	YTD Actual	YTD Budget	Favorable (Unfavorable)
<b>Revenues:</b>							
Local Transportation Funds (LTF)	11,788,614	891,562	930,718	(89,156)	5,527,680	4,903,589	624,091
Measure A	5,217,000	434,750	434,750	0	2,173,750	2,173,750	0
FTA Section 5307	2,802,288	233,522	233,522	0	1,167,612	1,167,612	0
FTA Section 5311	420,188	35,016	35,016	0	175,078	175,078	0
FTA Section 5316	208,665	0	17,389	(17,389)	0	86,944	(86,944)
FTA Section 5317	46,000	0	3,833	(3,833)	0	19,167	(19,167)
Sunfuels - Outside Sales	600,200	36,988	50,017	(13,029)	169,947	250,083	(80,136)
CNG Rebate	300,000	0	25,000	(25,000)	235,216	125,000	110,216
Fare Box Revenue (Fixed Route)	3,230,000	255,473	269,187	(13,694)	1,201,360	1,345,833	(144,473)
Fare Box Revenue (Demand Response)	320,000	19,478	26,667	(7,189)	106,113	133,333	(27,221)
Taxi Vouchers	18,089	7,285	1,507	5,777	38,452	7,537	30,915
Interest and Other Revenue	195,000	3,597	16,250	(12,653)	29,018	81,250	(52,232)
<b>Total Operating Revenue</b>	<b>25,126,024</b>	<b>1,917,670</b>	<b>2,093,835</b>	<b>(176,165)</b>	<b>10,824,226</b>	<b>10,469,177</b>	<b>355,049</b>
<b>Expenses:</b>							
SunFuels - Outside (9)	322,203	29,290	26,850	(2,440)	155,301	134,251	(21,049)
SunFuels (10)	1,118,969	107,232	93,247	(13,984)	554,906	466,237	(88,669)
Operations-Fixed Route (11 & 12)	9,694,619	706,638	807,885	101,247	3,711,656	4,039,425	327,769
Operations-Dial-A-Ride (13 & 14)	2,589,485	221,816	215,790	(6,025)	1,123,497	1,078,952	(44,545)
Risk Management (15)	374,826	24,657	31,236	6,579	161,599	156,178	(5,422)
Maintenance (21 & 22)	4,354,771	330,603	362,898	32,295	1,742,524	1,814,488	71,964
Facility Maintenance-T.P. (23)	660,729	39,635	55,061	15,426	207,425	275,304	67,879
Facility Maintenance-Indio (24)	72,354	6,296	6,030	(266)	28,126	30,148	2,022
Stops & Zones Maintenance (25)	589,284	33,899	49,107	15,208	184,833	245,535	60,702
Marketing (31)	364,402	19,698	30,367	10,669	122,566	151,834	29,268
Human Resources (32)	471,331	46,186	39,278	(6,908)	233,546	196,388	(37,158)
General Administration (40)	1,106,912	131,087	92,243	(38,845)	562,088	461,213	(100,875)
Finance (41)	1,127,039	82,974	93,920	10,946	450,497	469,600	19,103
Information Technology (42)	389,134	22,146	32,428	10,282	126,691	162,139	35,448
Agency-wide (43)	1,325,852	172,294	110,488	(61,807)	901,919	552,438	(349,481)
Planning & Agency Development (49)	564,114	49,069	47,010	(2,059)	213,673	235,048	21,375
<b>Total Expenses</b>	<b>25,126,024</b>	<b>2,023,518</b>	<b>2,093,835</b>	<b>70,317</b>	<b>10,480,847</b>	<b>10,469,177</b>	<b>(11,671)</b>
<b>Total Operating Surplus(Deficit)</b>				<b>\$(105,848.06)</b>			<b>\$ 343,378.70</b>



## SunLine Transit Agency Monthly Ridership Report November 2013

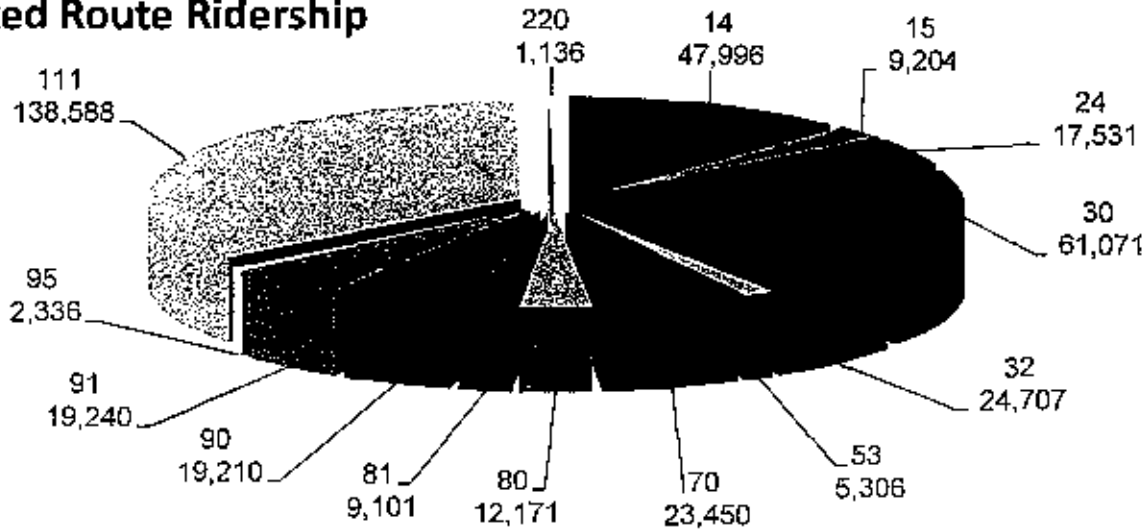
FY  
2013 & 2014

Fixed Route Line Description	Nov 2013	Nov 2012	Oct 2013	FY 2013		FY 2014 YTD	FY 2013 YTD	YTD		Bikes & Wheelchairs			
				Month Var.	% Var.			Var.	% Var.	Monthly	YTD	Monthly	YTD
14 DHS/PS	47,996	46,238	53,522	1,758	3.8%	228,596	222,075	6,521	2.9%	1,263	7,049	388	1,794
15 DHS	9,204	9,362	11,480	(158)	-1.7%	44,761	41,869	2,892	6.9%	133	588	65	300
24 PS/CC	17,531	17,380	19,871	151	0.9%	81,885	79,836	2,049	2.6%	294	1,842	193	891
30 CC/PS	61,071	67,263	67,366	(6,192)	-9.2%	288,386	317,644	(29,258)	-9.2%	1,624	8,847	384	2,548
32 PD/RM/TP/PS	24,707	25,130	28,440	(423)	-1.7%	117,688	109,562	8,126	7.4%	969	5,267	104	731
53 PD/IW	5,306	5,801	6,211	(495)	-8.5%	25,043	24,361	682	2.8%	223	1,021	11	50
70 LQ/BD	23,460	23,460	27,689	(10)	0.0%	99,137	99,156	(19)	0.0%	789	3,201	46	323
80 Indio	12,171	11,814	12,924	357	3.0%	58,597	61,279	(2,682)	-4.4%	119	640	102	473
81 Indio	9,101	8,968	9,997	133	1.5%	43,818	42,839	979	2.3%	104	557	116	485
90 Coachella/Indio	19,210	21,142	22,143	(1,932)	-9.1%	95,209	95,811	(602)	-0.6%	321	1,915	165	779
91 I/Cch/Th/Mecca	19,240	19,390	21,958	(150)	-0.8%	91,949	88,417	3,532	4.0%	461	2,244	78	381
95 I/Cch/Th/Mecca	2,336	-	2,605	2,336	0.0%	7,250	-	7,250	0.0%	62	228	8	16
111 PS/Indio	138,588	145,607	150,367	(7,019)	-4.8%	662,598	672,415	(9,817)	-1.5%	4,449	23,244	967	4,944
220 PD to Riverside	1,136	1,344	1,378	(208)	-15.5%	6,348	3,659	2,689	73.5%	35	205	9	40
<b>Fixed route total</b>	<b>391,047</b>	<b>402,899</b>	<b>435,951</b>	<b>(11,852)</b>	<b>-2.9%</b>	<b>1,851,265</b>	<b>1,858,923</b>	<b>(7,658)</b>	<b>-0.4%</b>	<b>10,846</b>	<b>56,848</b>	<b>2,636</b>	<b>13,755</b>
<b>Demand Response</b>													
SunDial	10,765	11,014	12,560	(249)	-2.3%	57,802	56,303	1,499	2.7%				
<b>System total</b>	<b>401,812</b>	<b>413,913</b>	<b>448,511</b>	<b>(12,101)</b>	<b>-2.9%</b>	<b>1,909,067</b>	<b>1,915,226</b>	<b>(6,159)</b>	<b>-0.3%</b>				
	<b>Nov-13</b>	<b>Nov-12</b>	<b>Oct-13</b>										
Weekdays:	20	21	23										
Saturdays:	5	4	4										
Sundays:	4	4	4										
<b>Total Days:</b>	<b>29</b>	<b>29</b>	<b>31</b>										

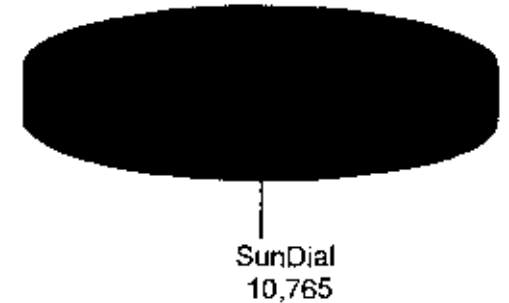
**Please note:**  
 No transit service on Thursday, November 28, 2013 due to Thanksgiving Day Holiday.  
 Line 95 implemented on September 1, 2013 - Weekday service only.

# SunLine Transit Agency Monthly Ridership Report November - 2013

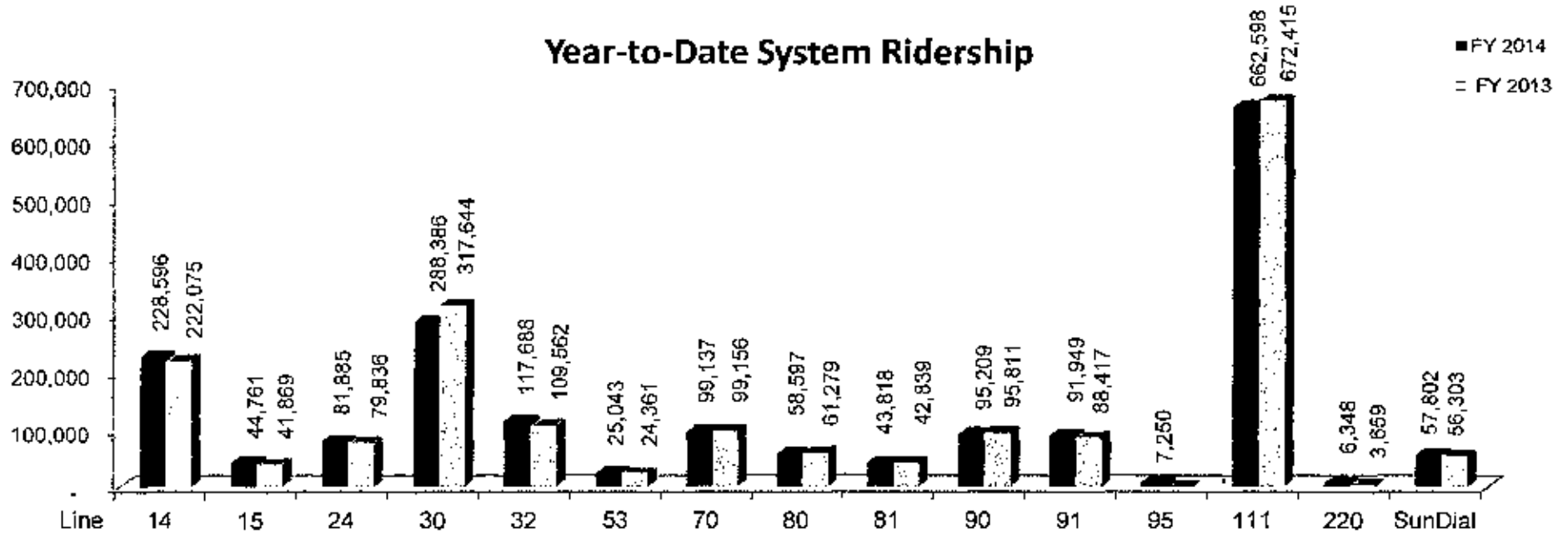
## Fixed Route Ridership



## Demand Response Ridership



## Year-to-Date System Ridership



Submitted by: \_\_\_\_\_ Date: \_\_\_\_\_ Approved by: \_\_\_\_\_ Date: \_\_\_\_\_



**Complimentary Paratransit Service**  
*Serving Persons with Disabilities Throughout the Coachella Valley*

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**SunDial Operational Notes**  
**November 2013**

1. **ON-TIME PERFORMANCE**

<u>Last Year</u>	<u>This Year</u>	
89.5%	91.9%	Total trips carried in the on-time window
1,126	839	Total trips late during the month
10,788	9,690	Total trips

2. **RIDERSHIP and MILEAGE**

<u>Last Year</u>	<u>This Year</u>	
11,014	10,765	Total passengers for the month
91,164	95,663	Total miles traveled for the month

3. **SAFETY**

<u>Last Year</u>	<u>This Year</u>	
0	0	Total preventable accidents

4. **RIDE-A-LONG & ONBOARD EVALUATIONS**

<u>Last Year</u>	<u>This Year</u>	
0	0	Total ride-a-long evaluations
0	0	Total onboard inspections
0	0	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>	
1,510	1,439	Total mobility device boarding's

cc: Lauren Skiver, Carolyn Rude, Polo Del Toro, Mannie Thomas, Diane Beebe



**SunDial Operational Notes**  
**December 2013**

1. ON-TIME PERFORMANCE

<u>Last Year</u>	<u>This Year</u>	
90.4%	93.0%	Total trips carried in the on-time window
940	704	Total trips late during the month
9,886	9,391	Total trips

2. RIDERSHIP and MILEAGE

<u>Last Year</u>	<u>This Year</u>	
10,088	10,426	Total passengers for the month
86,015	93,788	Total miles traveled for the month

3. SAFETY

<u>Last Year</u>	<u>This Year</u>	
0	1	Total preventable accidents

4. RIDE-A-LONG & ONBOARD EVALUATIONS

<u>Last Year</u>	<u>This Year</u>	
12	0	Total ride-a-long evaluations
0	2	Total onboard inspections
0	0	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>	
1,390	1,497	Total mobility device boarding's

cc: Lauren Skiver, Carolyn Rude, Polo Del Toro, Mannie Thomas, Diane Beebe

SunLine Transit Agency

DATE: January 22, 2014

INFORMATION

TO: Board of Directors

FROM: Director of Finance

RE: Revision of Budget Policy #B-020704

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**Background**

Staff has requested that the Bylaws, Policies and Procedures Committee review the proposed changes to the Budget Policy and bring forward a full recommendation to the Board of Directors in February.

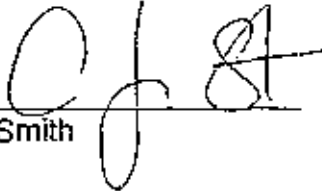
Upon the approval of the SunLine Board of Directors, staff would like to amend the Budget Policy in an attempt to clarify the budget process and its relationship with the development and approval of the Short Range Transit Plan (SRTP), which documents the Agency service and operating/capital plans and revenue assumptions.

The changes capture the following goals:

- To update the Policy to be consistent with the current budget planning process and to further define how the Agency does business.
- To further clarify the flow of budget information during the internal planning and approval process.
- To clarify the equal importance of, and partnership between, the budget and SRTP (rather than the SRTP taking precedence over the budget).

**Fiscal Impact**

There is no financial impact to this request for approval.

  
CJ Smith

## BUDGET POLICY

### PURPOSE

SunLine Transit Agency (SunLine) shall prepare an annual operating and capital budget. The purpose of this policy is to outline the budget procedure.

~~The annual Short Range Transit Plan (SRTP) and agency operating and capital budget are developed in parallel in the first half of each calendar year for the following fiscal year. They are based upon federal, state, and local funding estimates and consumer-price index (CPI) information provided by Riverside County Transportation Commission (RCTC) and an assessment of costs and needs completed by the agency for the new budget year.~~

~~The SRTP annual report is a three-year horizon planning document, produced annually, with the first year being matched to the agency budget (and subject to the same board review and approval). The subsequent two years documented in the SRTP are planning estimates.~~

~~The allocation of funds from RCTC is based on the transit services and capital projects specified in the annual SRTP. Claims for funds may be claimed subsequent to approval of the allocation by the Commission, and include Local Transportation Funds (LTF), Measure A Specialized Transit Funds, and State Transit Assistance Funds (STA).~~

### PROCEDURES

~~> The first half of each calendar year, department directors, the Director of Finance, and the General Manager formulate the Agency's operating and capital budget, both reflecting new needs, cost variations, and the experience from recent and current budget years.~~

~~> Expenditure requests are submitted to the Director of Finance and General Manager, along with explanations for requests and variances. The same group assists the Director of Transit Planning in developing the SRTP for the coming year.~~

~~> Both the budget and SRTP documents reflect, based upon appropriate funding available and agency needs. These The Operating and Capital budgets documents are presented by the agency General Manager to the Board's Finance Committee. Upon recommendation of the Finance Committee, the operating budget is then submitted to the Board of Directors for approval.~~

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- > SunLine Board review and approval no later than June for the following fiscal year commencing July 1, identified in the SRTP.
- > As well as the operating budget, an outline, description, and cost estimate for each new capital project item is included in the SRTP, as well as the Agency's fleet inventory and bus replacement program. The same new capital projects plus carryover of existing multi-year capital projects are listed in the agency capital budget.
- The allocation of funds from RCTC is based on the transit services and capital projects specified in the annual SRTP and budget documents. Claims for funds may be made subsequent to approval of the allocation by the SunLine Board (in May or June of each year) then by the Commission (RCTC) in June/July of each year.
- > The SRTP and budget documents reflect the same revenue assumptions include Local Transportation Funds (LTF), Measure A Specialized Transit Funds, and State Transit Assistance Funds (STA) which are distributed by RCTC monthly (LTF, Measure A) or as reimbursement for capital expenses (STA). RCTC policy is to only allow STA funding to be used for annual capital expenses. LTF and Measure A are used to fund the annual operating budget.
- > Staff presents an initial SRTP to RCTC staff for review and commentary, followed by submission to the Agency's Board of Directors, for their review and approval. Upon adoption, the document is submitted to RCTC for final approval. This establishes the transit services plan and funding levels for the coming fiscal year ending June 30.
- > Department directors develop operating budget requests within the parameters of funding set by the SRTP, based upon analysis of two prior years' and the current year's expenditures, plus anticipated needs for the coming year. Expenditure requests are submitted to the Director of Finance and General Manager, along with explanations for requests and variances.
- > The operating budget is submitted by the General Manager to the Board's Finance Committee. Upon recommendation of the Finance Committee, the operating budget is then submitted to the Board of Directors for approval.
- > Expenditures in excess of appropriated funds may not be made without requesting a budget modification approval from the SunLine Finance Committee and full Board, with a subsequent SRTP amendment approval from RCTC (such SRTP amendments are grouped together where possible to reduce administrative burden at RCTC). SunLine Transit Agency will carefully monitor appropriations for both operating and capital expenditures, to ensure that appropriated funding levels are not exceeded.

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SunLine Transit Agency  
Finance Policies & Procedures  
Budget Policy  
Policy No: B-020704

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Revised: ~~2014~~ 6-05  
Adopted: ~~8-4-04~~ 2014

- The General Manager may amend the Agency's budget by transferal of funds between line items and departments, up to 5% of the annual budget in any given year. However, the "bottom line" of the budget may not be increased or decreased without Board approval, and an -of-an S RTP amendment is subsequently required for any increase. All such transfers must be reported to the Finance Committee at their next regular meeting.

SunLine Transit Agency

DATE: January 22, 2014 INFORMATION  
TO: Finance Committee  
Board of Directors  
FROM: SunLine Project Manager  
RE: Construction Schedule

---

Background

SunLine has received Proposed Change Orders from Doug Wall Construction requesting an additional 28 days for an excusable delay.

As the Board may recall, there was a presentation in December that forecast that Substantial Completion would be in August 2014 with Final Completion in October 2014. These changes may affect those dates.

The Proposed Change Orders are based on the fact that the permits were not available because the property title was not cleared up until the end of August. Staff have reviewed these changes, and while negotiations are not complete there appears to be some merit to the claims.

Conversations with the contractor indicate they though they may be entitled to an excusable delay but they are working to recover the approved contract schedule dates presented to the Board in December 2013. Staff will keep the Board apprised of any further changes in the project delivery dates.

Financial Impact

Any cost impact will be negotiated as part of the budgeted project contingency.

  
Rudy Le Flore

**SunLine Transit Agency**

**DATE:** January 22, 2014 **INFORMATION**  
**TO:** Board of Directors  
**FROM:** Director of Transit Planning  
**RE:** Line 30 Ridership

---

**Background**

This item responds to a question from Board Vice Chairman Greg Pettis (Cathedral City) regarding ridership declines on Line 30.

Line 30 travels between Cathedral City and Palm Springs. The Line 30 carried a total of 773,473 rides in FY 2012-13, a slight decrease (-14,701 or -1.9%) over FY 2011/12. However, since the beginning of this fiscal year FY 2013-14, Line 30 ridership has declined just over 9%, or 29,258 less rides for the first five months (July through November).

This decline in Line 30 ridership can largely be attributed to the Ramon Road repaving project in Cathedral City, between Date Palm Drive and Landau Blvd (one mile segment). This is a key section of route 30 accounting for 23% of all boardings in FY 2012/13.

The Ramon Road repaving project commenced in June, 2013 and immediately resulted in challenges for buses not being able to consistently access up to four bus stop locations in each direction, as well as delays to traffic flow in both directions (lanes reduced three to one). This was despite the best efforts of SunLine, Cathedral City, and contractor staff to provide safe access for buses. Line 30 was subsequently diverted between June, 28 and October 12, 2013, to travel 0.5 miles west of the project site via Date Palm Drive, McCallum Way, and Landau Blvd to allow access to temporary stops and avoid the traffic disruption.

Ridership remained down over 9% in November, 2013 after the repaving was completed and the route was returned to normal. Commencing January 6, 2014, SunLine increased service on Line 30 from every 30 minutes to every 20 minutes daytime weekdays to help rebuild and increase ridership on Line 30. Ridership will continue to be monitored.

**Recommendation**

This item is for information only.

  
\_\_\_\_\_  
Joseph Forgiarini

SunLine Transit Agency

DATE: January 22, 2014 INFORMATION  
TO: Board of Directors  
FROM: Director of Transit Planning  
RE: 2014 Bus Stop Improvements - New Bus Shelters List Phase 5

---

**Background**

During mid-2013, SunLine installed 70 new bus shelters throughout its service area in the Coachella Valley.

A draft list of 39 proposed sites to receive bus shelters in 2014 are provided for Board information. Thirty five sites will be for new shelters, while the four for Palm Desert are relocations of out of service bus shelters. Selection was based on highest average daily ridership and physical suitability of sites to accommodate the shelters and concrete pads.

The contracts for shelters and concrete pads will be brought to the Board for approval later in 2014.

**Financial Impact**

This project will be funded by federal and state funding. A project budget and RFP/contract(s) for new shelter and concrete pad construction/installation will be brought to the Board for approval in the coming months. Project completion is expected by June 30, 2014.

**Recommendation**

This item is for information only.



Joseph Forgiarini



**SUNLINE BUS STOP IMPROVEMENT PROGRAM - PHASE 5  
BUS STOP RIDERSHIP FOR PROPOSED NEW BUS SHELTERS**

Updated: 1/16/13

<u>Bus Stop #</u>	<u>On Street</u>	<u>Cross Street</u>	<u>Position</u>	<u>Location</u>	<u>Direction</u>	<u>Lineal Feet</u> <u>or</u>	<u>Existing Amenities</u>	<u>Shelter Color</u>	<u>Per Day Average Boardings</u>
<b>Cathedral City</b>									
162	Avn. Maravilla	Rosero Rd.	Nearside	Northwest	Southbound	32	Signage/Pole	Blue	10.98
218	Avn. Maravilla	Espada Rd.	Nearside	Northwest	Southbound	32	Signage/Pole	Blue	9.30
522	Dale Palm Dr.	Conversa Rd.	Nearside	Northwest	Southbound	30	Bench & Waste Cntr.	Blue	12.70
639	E. Palm Cyn. Dr.	Perez Rd.	Farside	Southeast	Eastbound	111	Bench & Waste Cntr.	Blue	5.62
508	Ramon Rd.	Crossley Rd.	Farside	Northwest	Westbound	30	Bench & Waste Cntr.	Blue	7.38
654	30th Ave.	Avn. Xinimo	Nearside	Southwest	Eastbound	32	Signage/Pole	Blue	4.00
675	Avn. Maravilla	Tachevah Cr.	Nearside	Southeast	Northbound	32	Signage/Pole	Blue	4.65

Total Number of Bus Stops: 7

<b>Coachella</b>									
219	Harrison St.	8th St.	Farside	Southwest	Southbound	91	Signage/Pole	Blue	5.00

Total Number of Bus Stops: 1

<b>Desert Hot Springs</b>									
617	Palm Dr.	Camino Companero	Farside	Northwest	Northbound	14	Bench & Waste Cntr.	Brown	4.32
823	Palm Dr.	4th St.	Farside	Northwest	Northbound	14	Bench & Waste Cntr.	Brown	5.79
826	Mission Lakes Blvd.	El Mirador Blvd.	Farside	Northwest	Westbound	14	Bench & Waste Cntr.	Brown	18.12
830	Hacienda Ave.	Tamas Dr.	Farside	Southeast	Eastbound	15	Seema Seat	Brown	6.30

Total Number of Bus Stops: 4

<u>Bus Stop #</u>	<u>On Street</u>	<u>Cross Street</u>	<u>Position</u>	<u>Location</u>	<u>Direction</u>	<u>Lineal Feet</u> <u>or</u>	<u>Existing Amenities</u>	<u>Shelter Color</u>	<u>Per Day Average Boardings</u>
<b>INDIO</b>									
221	Calhoun St.	Ave. 48	Farside	Northwest	Northbound	90	Seema Seat	Brown	6.13
335	Dr. Carreon Blvd.	Santa Rosa Villas	Farside	Southeast	Eastbound	81	Bench & Waste Cntr.	Brown	4.34
358	Dr. Carreon Blvd.	Van Buren St.	Farside	Northwest	Westbound	80	Bench & Waste Cntr.	Brown	52.92
381	Monroe St.	Santa Rosa St.	Nearside	Southeast	Northbound	80	Bench & Waste Cntr.	Brown	36.95
502	Calhoun St.	Wexford Ave.	Farside	Southwest	Southbound	90	Bench & Waste Cntr.	Brown	5.16
549	Hwy. 111	Shields Rd.	Farside	Southeast	Eastbound	111	Bench & Waste Cntr.	Brown	6.49
856	Dr. Carreon Blvd.	Bristol St.	Farside	Northwest	Westbound	80 & 90	Seema Seat	Brown	5.01

Total Number of Bus Stops: 7

**La Quinta**

705	Calle Sinaloa	Avn. Herrera	Nearside	Southeast	Eastbound	70	Signage/Pole	Brown	16.07
705	Calle Sinaloa	Avn. Manfaca	Farside	Southeast	Eastbound	70	Signage/Pole	Brown	5.52

Total Number of Bus Stops: 2

**Palm Desert**

199	Monterey Ave.	Fred Waring Dr.	Farside	Northeast	Northbound	32	Bench & Waste Cntr.	Brown	52.1
272	Fred Waring Dr.	Town Center Wy.	Farside	Southeast	Eastbound	32, 53 & 111	Signage/Pole	Brown	3.99
715	Washington St.	Hoxley Ln. E.	Farside	Southwest	Southbound	70	Bench & Waste Cntr.	Brown	48.52
962	Cook St.	Country Club Dr.	Farside	Northeast	Northbound	55	Bench & Waste Cntr.	Brown	2.33

Total Number of Bus Stops: 4

**Bus Stop #**    **On Street**    **Cross Street**    **Position**    **Location**    **Direction**    **Local Served by**    **Existing Amenities**    **Shelter Color**    **Per Day Average Boardings**

**PALM SPRINGS**

131	Ramon Rd	Camino Real	Farside	Southeast	Eastbound	30	Bench & Waste Cntr.	Brown	5.91
144	Ramon Rd.	Paseo Dorotea	Farside	Southeast	Eastbound	30	Bench & Waste Cntr.	Brown	19.22
187	Ramon Rd.	Hermosa Dr.	Farside	Northwest	Westbound	30	Bench & Waste Cntr.	Brown	4.49
142	Ramon Rd.	Desert Wy.	Nearside	Southwest	Eastbound	30	Bench & Waste Cntr.	Brown	20.28
143	Ramon Rd.	El Placer Rd.	Farside	Southeast	Eastbound	30	Bench & Waste Cntr.	Brown	9.77
145	Ramon Rd.	Valle Rd.	Nearside	Southwest	Eastbound	30	Bench & Waste Cntr.	Brown	6.72
179	Ramon Rd.	Paseo Dorotea	Farside	Northwest	Westbound	30	Bench & Waste Cntr.	Brown	17.44
180	Ramon Rd.	El Placer Rd.	Farside	Northwest	Westbound	30	Bench & Waste Cntr.	Brown	9.59
211	Gateway Dr.	N. Palm Cyn. Dr.	Farside	Southeast	Eastbound	24	Bench & Waste Cntr.	Brown	5.85
631	S. Palm Cyn. Dr.	Mesquite Ave.	Nearside	Northwest	Southbound	111	Bench & Waste Cntr.	Brown	8.24
675	Palm Cyn. Dr.	Mesquite Ave.	Nearside	Southeast	Northbound	111	Bench & Waste Cntr.	Brown	7.52
733	Sunrise Wy	Tahquitz Cyn. Wy.	Farside	Northeast	Northbound	24	Bench & Waste Cntr.	Brown	20.45

Total Number of Bus Stops: 12

**Rancho Mirage**

61	Ramon Rd.	Rattler Rd	Farside	Southeast	Eastbound	32	Signage/Pole	Brown	20.0
650	Hwy. 111	Indian Trail Rd	Farside	Northwest	Westbound	111	Bench & Waste Cntr.	Brown	6.09

Total Number of Bus Stops: 2

## SunLine Transit Agency

**DATE:** January 22, 2014 **INFORMATION**

**TO:** Finance Committee  
Board of Directors

**FROM:** Director of Transit Planning

**RE:** Job Access Reverse Commute Funding Update

---

### **Background**

In early-2013, SunLine Transit Agency and Coachella Valley Association of Governments (CVAG) competed successfully for Federal Transit Administration FY 11 and FY 12 Job Access Reverse Commute (JARC) funding in a Co-ordinated Transportation Call for Projects conducted by Riverside County Transportation Commission (RCTC) in early 2013:

- SunLine North Shore Bus Route: \$217,270
- SunLine Additional Commuter Link 220 Funding: \$65,856
- CVAG Roy's Center Transportation Program: \$110,000

However, as a result of a dispute during 2013 between transit unions and the California state government over terms imposed through the Public Employee Pension Reform Act (PEPRA), these funding awards were not certified in a timely manner by the Federal Department of Labor (DOL) as part of a grant award process. SunLine is the direct recipient for the funds going to both SunLine and CVAG, so the issue impacted both agencies, though SunLine was involved in imposing any pension changes on its staff.

As a result of the delay to November, 2013 of the DOL certification of the SunLine JARC grant, the FY 11 portion of the JARC funds lapsed on September 30, 2013, as recently confirmed by FTA. This means the FY 11 funds (SunLine \$141,563 and CVAG \$54,065) could not be placed in a grant and were lost to the agencies. The FY 12 JARC funds are being successfully placed in an FTA grant, which is now under final FTA review.

### **Financial Impact**

The financial impact of these lapsed funds may be the need to replace them with local funding in the SunLine FY 2014-15 operating budget and Short Range Transit Plan to complete the projects as planned. However, RCTC is exploring legal options to recover the FY 11 funds given they were lost due to circumstances not relevant to either agency. SunLine will keep the Board advised of progress in regard to this matter.

### **Recommendation**

This item is for information only.

  
Joseph Forgiarini



**AGENDA  
FINANCE COMMITTEE**

**January 22, 2014  
10:30 a.m. – 12:00 p.m.**

**G.M. Conference Room  
SunLine Transit Agency  
Thousand Palms, CA**

1. **Call to Order**
2. **Roll Call**
3. **Public Comments**
4. **Committee Member Comments**

----- **DISCUSSION** -----

- |  |                   |
|--|-------------------|
| 5. <b><u>FY 13 Audit Update (CJ Smith)</u></b>                                     | <b>Discussion</b> |
| Discussion with auditors on moving forward with the FY 2013 Agency Audit. (Page 1) |                   |

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

- |  |                |
|--|----------------|
| 6. <b><u>Budget Adjustment for Purchase of Telephone System (CJ Smith)</u></b>   | <b>Approve</b> |
| Request to the Board to approve budget adjustment to move forward with the purchase of an Agency telephone system. (Pages 2-3)   |                |
| 7. <b><u>Approval of Updated Union and Non-Union Pension Plans (Donald Bradburn)</u></b>   | <b>Approve</b> |
| Request to the Board to adopt attached Resolutions for updated <a href="#">Union</a> and <a href="#">Non-Union</a> Pension Plans. (Separate attachments) (Pages 4-8)               |                |
| 8. <b><u>Administration Building Change Orders (Rudy Le Flore)</u></b>   | <b>Approve</b> |
| Request to the Board to delegate authority to the General Manager to execute Change Order with IBI Group for design work associated with the Administration building. (Pages 9-10) |                |



----- **RECEIVE & FILE** -----

**9. Consent Calendar**

**Receive and File**

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

- a) Checks over \$1,000 for November, December, 2013 (Pages 11-13)
- b) Credit card statement for November, December, 2013 (Pages 14-20)
- c) Monthly Budget Reports for November, 2013 (Page 21)

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

**10. Construction Schedule (Rudy Le Flore)**

**Information**

Report to the Board on proposed Change Orders from Doug Wall Construction requesting additional 28 days for an excusable delay. (Page 22)

**11. Job Access Reverse Commute Funding Update (Joe Forgiarini)**

**Information**

Update to the Board on the FY 12 JARC funding and the effects of the dispute during 2013 between transit unions and the California state government over terms imposed through PEPRA. (Page 23)

----- **DISCUSSION** -----

**12. Update on Grant Funding Report (CJ Smith)**

**Information**

Update to the Board on the progress of creating a quarterly grant funding report. (Page 24)

**13. Adjourn**

SunLine Transit Agency

DATE: January 22, 2014  
TO: Finance Committee  
FROM: Director of Finance  
RE: FY 13 Audit Update

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DISCUSSION

**Background**

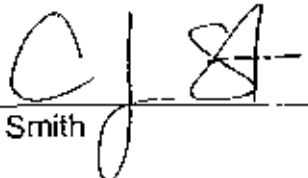
SunLine Transit Agency started its fiscal audit on August 26, 2013. During that week staff worked with auditors to begin field-testing, finish year-end entries and provide required documents. A second on-site visit occurred September 23 – October 4, 2013. The estimated issue date for financial statements was November 8, 2013.

At the onset of the fiscal year, staff anticipated certain issues but during the process additional challenges were presented that caused unexpected delay. Staff requested and was granted an extension from RCTC extending the deadline to March 31, 2014, but are working diligently to have audit reports issued by January 31, 2014.

As mentioned by Roger Snoble, Interim General Manager, at the September Board meeting, it has been a difficult time for the Finance Department and there were a number of transactional accounting errors that needed to be corrected. The FY 13 audit was a big undertaking considering the anticipated challenges but during the process there were a number of issues that arose that were unforeseen or unknown at the time of preparing the audit schedule. Some of the more challenging items that had to be corrected and/or completed prior to preparing financial statements included:

- Bank reconciliations for the entire fiscal year 13 for all eleven bank accounts.
- The change from accrual accounting to cash accounting mid-year.
- Reconciliations had not been completed (i.e. fixed assets, prop 1 b and unearned revenue, AR and AP aging).
- Receivables were not entered impacting the recognition of revenue in the correct period.

The audit reports are currently under review by the auditing firm. Staff is anticipating follow-up questions from the auditors and is committed to a quick turnaround time. Staff and the audit team have agreed to a new issue date of 1/31.

  
CJ Smith

**SunLine Transit Agency**

**DATE:** January 22, 2014 **ACTION**  
**TO:** Finance Committee  
Board of Directors  
**FROM:** Director of Finance  
**RE:** Telephone System Update and Budget Adjustment

---

**Recommendation**

Recommend that the Board of Directors approve moving \$35,000 from the Information Technology Systems line item to the New Phone System line item in the FY14 budget.

**Background**

At the September, 2013 Board Meeting, staff presented an agenda item for approval by the Board of Directors for the selection of a new phone system. The Board asked questions and requested that staff examine the process with a focus on addressing the methodology of selection. After a review of the entire process, it was determined that the best way to quantify this value was to conduct a more rigorous solicitation process.

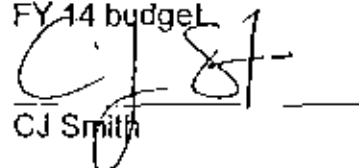
SunLine issued an RFP on December 9, 2013 and proposals are due by January 24, 2014. Staff plans to complete evaluations and negotiations in time to bring this item before the Board in the first quarter of 2014.

Although the project will require additional funds, the new phone system is sustainable, expandable to accommodate future growth, and will be moved to the new administration building.

**Fiscal Impact**

SunLine's estimated cost for this project is \$150,000. This project is approved in the FY 14 capital budget for \$115,000. If approved, the additional \$35,000 will be transferred from the Information Technology System Projects line item to the New Phone System line item in the capital budget. Pricing for this project was based on an estimate from approximately three years ago and that is the reason why the project is now more than planned in the FY 14 budget.

It is important to note that in September 2013 Staff proposed to use Local Transportation Funds (LTF) because the 5307 capital grant that contained this project was on hold due to the Public Employees' Pension Reform Act (PEPRA) situation. The grant is now available and the project will be funded with 5307 that are identified in the FY 14 budget.

  
CJ Smith

## SUMMARY OF CAPITAL PROJECTS



### Fiscal Year 13-14 Projects

There are expected to be 20 capital projects active at SunLine Transit Agency in FY 13-14. These include 8 new projects seeking new funding (\$5,948,149 new funding request), as well as 12 other ongoing projects carried over from FY 12-13 (already funded). The most significant projects in terms of cost include the new administrative building at Thousand Palms, two new Fuel Cell Buses, American Fuel Cell Bus warranty, fixed route fleet overhauls, replacing 18 paratransit vans, new and replacement solar panels, Thousand Palms yard repaving, and design and construction of a new CNG fueling station at Thousand Palms. Many of these investments ensure SunLine remains a leader in alternative fuel technology. Other projects are ongoing for the upkeep of the non-revenue fleet, facilities, tools and equipment, facilities, IT and office furniture.

### Projected Fiscal Year 14-15 Projects

This is a preliminary capital budget plan for FY14-15, focused on ongoing capital projects, including completion of the new administrative building and CNG fueling station. This list will be added to as additional needs are identified during FY13-14.

### Capital Budget Summary

Item Description	Expended in Prior Fiscal Years	FY 13-14 Proposed Budget	FY 14-15 Proposed Budget	Cost Remaining in Future Fiscal Years	Estimated Cost at Completion
Administrative Building	300,000	12,460,000	4,178,170	-	15,938,170
Maintenance and Tools	143,580	75,000	75,000	-	293,500
Facilities - Indio	141,900	50,000	50,000	-	241,900
Two Fuel Cell Buses	2,000,000	3,464,307	-	-	5,464,307
Solar Panels		1,819,964	-	-	1,819,964
New Phone System		115,000	-	-	115,000
New Fareboxes		60,000	-	-	60,000
Office Furniture	7,580	25,000	25,000	-	57,500
Fencing Project	466,247	53,000	-	-	519,247
Facilities - Thousand Palms	33,000	50,000	50,000	-	133,000
American Fuel Cell Bus Warranty		1,200,000	-	-	1,200,000
Thousand Palms Yard Repaving		1,092,465	-	-	1,092,465
Transit Studies (BRT & Indio Future)		287,500	-	-	287,500
CNG Bus Rehabilitation		825,000	1,100,000	-	1,925,000
Replacement Paratransit Vans		2,120,000	1,210,000	-	3,330,000
Transit Stop Enhancements		2,450,735	400,000	-	2,850,735
Bus Camera System Upgrade		459,080	135,000	-	594,000
Information Technology System Projects		300,000	250,000	-	550,000
New CNG Fueling Station Design and		2,700,000	2,500,000	-	5,200,000
Expansion/Replacement Non-Revenue		660,000	212,000	-	872,000
<b>*Totals</b>	<b>3,092,147</b>	<b>29,266,971</b>	<b>10,185,170</b>	<b>-</b>	<b>42,544,288</b>

*\*This budget may be impacted by the ongoing labor dispute at the national level which may delay the start of affected federally funded projects.*

*\* Capital Projects Plan for 2013/14 includes a \$2.5 Million reserve of STA funding.*

**SunLine Transit Agency**

**DATE:** January 22, 2014 **ACTION**  
**TO:** Finance Committee  
Board of Directors  
**FROM:** Director of Human Resources  
**RE:** Resolutions Adopting the Restated Retirement Plans

---

**Recommendation**

Recommend that the Board of Directors adopt attached Resolutions amending and approving each of the restated plan documents for the SunLine Transit Restated Retirement Income Plan for Bargaining Personnel and Non-Union Pension plans and SunLine Employee's Non-Union Restated Retirement System.

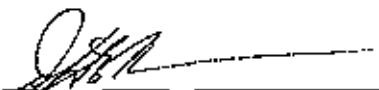
**Background**

Every five years the Internal Revenue Service (IRS) requires that the employer submit a Restated Plan Document and Favorable Determination Letter filings. SunLine's pension plans are considered government pension plans, which are to be restated in the IRS Cycle C. The deadline for IRS Cycle C filings is January 31, 2014.

The Restated Plan documents presented today incorporate all of the amendments which have been adopted since the previous IRS Favorable Determination Letters.

**Fiscal Implications**

This action will not have a fiscal impact.

  
\_\_\_\_\_  
Donald A. Bradburn



SunLine Transit Agency

RESOLUTION No. \_\_\_\_

**RESOLUTIONS ADOPTING THE  
SUNLINE TRANSIT AGENCY RESTATED RETIREMENT INCOME PLAN  
FOR BARGAINING UNIT PERSONNEL  
(as amended and restated effective January 1, 2014)**

By action of the Board of Directors of SunLine Transit Agency, a political subdivision of the State of California ("Employer") taken \_\_\_\_\_, 2014, the following resolutions were duly adopted:

WHEREAS, the Company established the SunLine Transit Agency Restated Retirement Income Plan for Bargaining Unit Personnel ("Plan") originally effective as of February 1, 1980; and

WHEREAS, the Company has reserved the right to amend the Plan pursuant to Section 11.06 therein; and

WHEREAS, the Company has determined that the Plan should be amended and restated, in its entirety, effective January 1, 2014 to comply with all legislation and regulations as reflected in the Cumulative List published by the Internal Revenue Service in Notice 2012-76 as well as subsequent Cumulative Lists that do not require changes in the Plan document;

NOW, THEREFORE, BE IT RESOLVED, that the Plan be, and it hereby is, adopted as amended and restated effective of January 1, 2014 in substantially the form presented hereto.

RESOLVED, FURTHER, that the appropriate officers of the Company be, and they hereby are, authorized and empowered, for and on behalf of the Company, to make, execute and deliver and file such documents, certificates and any other writings and to take such other action as may be necessary or appropriate, in the discretion of such officers, to carry out the intent and purpose of this and the foregoing resolutions, and to execute any change in order that such Plan and its underlying Trust shall continue to qualify under the provisions of Sections 401(a) and 501(a) of the Internal Revenue Code.

ATTEST:

\_\_\_\_\_  
Carolyn Rude  
CLERK OF THE BOARD  
SunLine Transit Agency

\_\_\_\_\_  
Glenn Miller  
CHAIRMAN of the Board  
SunLine Transit Agency

STATE OF CALIFORNIA     )  
  ) ss.  
COUNTY OF RIVERSIDE    )

I, CAROLYN RUDE, Clerk of the Board of Directors of the SunLine Transit Agency, do hereby certify that Resolution No. \_\_\_\_\_ was adopted at a regular meeting of the Board of Directors held on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_, by the following vote:

AYES:

NOES:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_ day of \_\_\_\_\_, 20\_\_\_.

\_\_\_\_\_  
Carolyn Rude  
CLERK OF THE BOARD  
SunLine Transit Agency

APPROVED AS TO FORM:

\_\_\_\_\_  
General Counsel  
Jeffrey Goldfarb



SunLine Transit Agency

RESOLUTION No. \_\_\_\_\_

**RESOLUTION ADOPTING THE  
SUNLINE TRANSIT AGENCY NON-UNION  
RESTATED EMPLOYEES RETIREMENT SYSTEM  
(as amended and restated effective January 1, 2014)**

By action of the Board of Directors of SunLine Transit Agency, a political subdivision of the State of California ("Employer") taken \_\_\_\_\_, 2013, the following resolution was duly adopted:

WHEREAS, the Company established the SunLine Transit Agency Non-Union Restated Employees Retirement System ("Plan") originally effective as of July 1, 2007; and

WHEREAS, the Company has reserved the right to amend the Plan pursuant to Section 11.05 therein; and

WHEREAS, the Company has determined that the Plan should be amended and restated, in its entirety, effective January 1, 2014 to comply with all legislation and regulations as reflected in the Cumulative List published by the Internal Revenue Service in Notice 2012-76 as well as subsequent Cumulative Lists that do not require changes in the Plan document;

NOW, THEREFORE, BE IT RESOLVED, that the Plan be, and it hereby is, adopted as amended and restated effective of January 1, 2014 in substantially the form presented hereto.

RESOLVED, FURTHER, that the appropriate officers of the Company be, and they hereby are, authorized and empowered, for and on behalf of the Company, to make, execute and deliver and file such documents, certificates and any other writings and to take such other action as may be necessary or appropriate, in the discretion of such officers, to carry out the intent and purpose of this and the foregoing resolutions, and to execute any change in order that such Plan and its underlying Trust shall continue to qualify under the provisions of Sections 401(a) and 501(a) of the Internal Revenue Code.

I hereby certify that the foregoing resolutions were duly adopted by the Company on the date first set forth above and that such resolutions have not been modified or revoked and remain in full force and effect.

ATTEST:

\_\_\_\_\_  
Carolyn Rude  
CLERK OF THE BOARD  
SunLine Transit Agency

\_\_\_\_\_  
Glenn Miller  
CHAIRMAN of the Board  
SunLine Transit Agency



STATE OF CALIFORNIA     )  
  ) ss.  
COUNTY OF RIVERSIDE    )

I, CAROLYN RUDE, Clerk of the Board of Directors of the SunLine Transit Agency, do hereby certify that Resolution No. \_\_\_\_\_ was adopted at a regular meeting of the Board of Directors held on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by the following vote:

AYES:

NOES:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Carolyn Rude  
CLERK OF THE BOARD  
SunLine Transit Agency

APPROVED AS TO FORM:

\_\_\_\_\_  
General Counsel  
Jeffrey Goldfarb

**SunLine Transit Agency**

**DATE:** January 22, 2014 **ACTION**  
**TO:** Finance Committee  
Board of Directors  
**FROM:** SunLine Project Manager  
**RE:** Administration Building Change Orders

---

**Recommendation**

Staff recommends that the Board of Directors delegate authority to the General Manager to negotiate and execute Change Orders with The IBI Group (Architect of Record) in an amount Not To Exceed \$54,847 for design work associated with the Administration Building Project:

**Background**

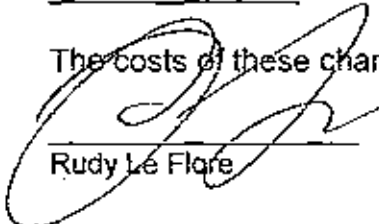
In December 2013 the SunLine Board of Directors approved several owner improvement changes to the Administration Building Project. These changes for the most part are for the design work associated with those changes. There are two additional changes caused by site conditions and LEED Commissioning support to SunLine.

The Breakout of these changes are as follows:

- Operations Modular Bldg. – Utilities Infrastructure Phase I **\$10,369.00**
- Board Room and Related Spaces – Redesign Phase II **\$9,489.00**
- Emergency Power Generator – Diesel – Fueled **\$20,742.00**
- Revise Asphalt Paved Road to Concrete Road – **\$6,542.30**
- Assistance to Owner in preparing the Owner's Project Requirements (OPR) for LEED Commissioning Requirement – **\$3,025.60**
- Harry Oliver Trail – Modified Curb Inlet/Catch Basin and Existing Verizon Line Support – **\$4,678.60**

**Financial Impact**

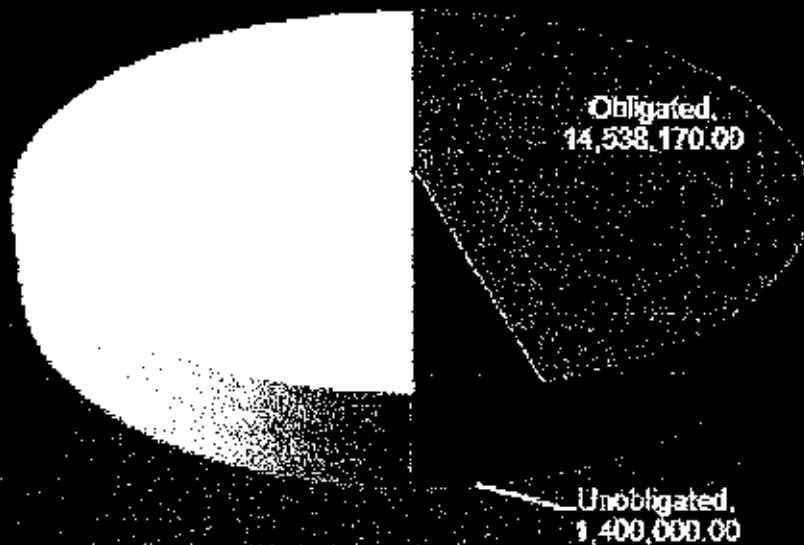
The costs of these changes are within the current project budget.

  
\_\_\_\_\_  
Rudy Le Flore

# Project Budget

## FINANCIAL INFORMATION (CONT'D)

New Financial Picture (if Approved)



SunLine Transit Agency  
Checks \$1,000 and Over  
For the month-November 2013

Vendor Name	Item Description	Check No.	Date	Amount	Budgeted (Y/N)	Contract (Y/N)	Remaining (estimated)	Funding Source
<b>Section Ia- Check payments issued against the Operating Fund - (Costs related to Transit Operations &amp; Maintenance)</b>								
SO CAL GAS CO.	Cost of utilities	659801	11/27/13	\$89,646.22	Y	N		Operating
CUMMINS PACIFIC	Cost to purchase vehicle parts	659651	11/14/13	\$19,162.76	Y	N		Operating
CUMMINS PACIFIC	Cost to purchase vehicle parts	659758	11/27/13	\$15,675.61	Y	N		Operating
IMPERIAL IRRIGATION DIST	Cost of utilities	659671	11/14/13	\$14,233.89	Y	N		Operating
CUMMINS PACIFIC	Cost to purchase vehicle parts	659580	11/05/13	\$12,854.89	Y	N		Operating
CUMMINS PACIFIC	Cost to purchase vehicle parts	659711	11/21/13	\$9,324.07	Y	N		Operating
FLEET REFINISHING	Cost to purchase vehicle parts	659769	11/27/13	\$6,813.57	Y	N		Operating
GOODYEAR TIRE & RUBBER CO	Cost for the vehicle tire lease agreement	659773	11/27/13	\$5,408.00	Y	N		Operating
ROMAINE ELECTRIC CORP.	Cost to purchase vehicle parts	659797	11/27/13	\$3,700.05	Y	N		Operating
NAPA AUTO PARTS	Cost to purchase vehicle parts	659681	11/14/13	\$3,593.01	Y	N		Operating
ELLSWORTH TRUCK & AUTO	Cost to purchase vehicle parts	659762	11/27/13	\$2,883.59	Y	N		Operating
ROMAINE ELECTRIC CORP.	Cost to purchase vehicle parts	659593	11/05/13	\$2,865.54	Y	N		Operating
CREATIVE BUS SALES	Cost to purchase vehicle parts	659754	11/27/13	\$2,864.39	Y	N		Operating
NEW FLYER	Cost to purchase vehicle parts	659790	11/27/13	\$2,814.73	Y	N		Operating
FRANKLIN TRUCK PARTS	Cost to purchase vehicle parts	659658	11/14/13	\$2,734.72	Y	N		Operating
TK SERVICES, INC.	Cost to purchase vehicle parts	659805	11/27/13	\$2,562.71	Y	N		Operating
GOLDLINE USA	Cost to purchase vehicle parts	659572	11/05/13	\$2,550.00	Y	N		Operating
ALLIEDBARTON SECURITY SERVICES	Onsite security services for facilities	659743	11/27/13	\$2,484.72	Y	Y	\$84,165.00	Operating
GRAINGER	Cost to purchase vehicle parts	659681	11/14/13	\$2,468.88	Y	N		Operating
TK SERVICES, INC.	Cost to purchase vehicle parts	659600	11/05/13	\$2,449.17	Y	N		Operating
HOME DEPOT CRD SRVS	Cost to repair and service facility	659670	11/14/13	\$2,322.95	Y	N		Operating
CARQUEST OF THE DESERT	Cost to purchase vehicle parts	659646	11/14/13	\$2,215.19	Y	N		Operating
NEW FLYER	Cost to purchase vehicle parts	659683	11/14/13	\$2,084.71	Y	N		Operating
CREATIVE BUS SALES	Cost to purchase vehicle parts	659710	11/21/13	\$2,077.38	Y	N		Operating
IMPERIAL IRRIGATION DIST	Cost of utilities	659779	11/27/13	\$2,012.88	Y	N		Operating
TRANSPORTATION POWER	Cost to purchase vehicle parts	659807	11/27/13	\$1,738.91	Y	N		Operating
NEW FLYER	Cost to purchase vehicle parts	659584	11/05/13	\$1,813.23	Y	N		Operating
GRAINGER	Cost to purchase vehicle parts	659573	11/05/13	\$1,388.97	Y	N		Operating
ALLIEDBARTON SECURITY SERVICES	Onsite security services for facilities	659633	11/14/13	\$1,242.36	Y	Y	\$86,650.00	Operating
SMARTDRIVE SYSTEMS, INC.	Security equipment maintenance agreement	659595	11/05/13	\$1,240.00	Y	N		Operating
GFI GENFARE	Cost to repair fareboxes	659772	11/27/13	\$1,232.98	Y	N		Operating
PACIFIC PRODUCTS & SERVICES	Cost to purchase bus stop supplies	659586	11/05/13	\$1,228.17	Y	N		Operating
STRICKLAND KENNY INC.	Cost to purchase lubricants & oils	659803	11/27/13	\$1,176.80	Y	N		Operating
CREATIVE BUS SALES	Cost to purchase vehicle parts	659611	11/08/13	\$1,080.72	Y	N		Operating
	<b>Subtotal</b>			<b>\$229,745.57</b>				
<b>Section Ib- Check payments issued against the Operating Fund - (Costs related to General Administration)</b>								
ADVANTAGE LAW GROUP	Cost of legal services-settlement	659554	11/05/13	\$27,500.00	Y	N		Operating
ROGER SNOBLE	Cost for General consultant	659592	11/05/13	\$22,250.00	Y	Y	NTE	Operating
KL EXECUTIVE SEARCH, LLC	Cost to recruit General Manager	659699	11/19/13	\$13,713.61	Y	N		Operating
LAUREN SKIVER	Cost of relocation for new GM	659722	11/21/13	\$9,217.98	Y	N		Operating
FLEET-NET CORPORATION	Software Support - Staff Training	659770	11/27/13	\$9,000.00	Y	N		Operating
G & K SERVICES	Cost to service uniforms	659569	11/05/13	\$6,748.81	Y	Y	\$24,410.00	Operating
NYHART COMPANY	Cost for pension consultant	659724	11/21/13	\$5,257.97	Y	N		Operating

SunLine Transit Agency  
Checks \$1,000 and Over  
For the month-November 2013

Vendor Name	Item Description	Check No.	Date	Amount	Budgeted (Y/N)	Contract (Y/N)	Remaining (estimated)	Funding Source
KBM (MOORE MAINTENANCE)	Cos for janitorial services	659678	11/05/13	\$4,678.00	Y	Y	\$44,684.00	Operating
EISENHOWER OCCUPATIONAL	Medical-Exams and Testing	659653	11/14/13	\$3,480.00	Y	N		Operating
VERIZON WIRELESS	Cost for wireless communications	659695	11/14/13	\$3,263.74	Y	N		Operating
DESERT SUN PUBLISHING	Cost for public notices	659712	11/21/13	\$3,244.00	Y	N		Operating
TIME WARNER CABLE	Cost for utilities	659693	11/14/13	\$3,019.61	Y	N		Operating
TRIBRIDGE HOLDINGS	Cost for Contracted Services	659694	11/14/13	\$2,340.00	Y	N		Operating
BURRTEC WASTE & RECYCLING	Cost for utilities	659637	11/14/13	\$2,335.74	Y	N		Operating
IMPRINT, INC	Cost for DBE event items	659631	11/14/13	\$2,290.08	Y	N		Operating
VALLEY OFFICE EQUIPMENT, INC.	Cost for fax/copy supplies	659739	11/21/13	\$2,109.34	Y	N		Operating
KIMCO STAFFING SERVICES, INC.	Cost for temporary employment services	659579	11/05/13	\$2,102.66	Y	N		Operating
BJS DESERT TROPHIES	Cost for Employee awards	659568	11/05/13	\$2,047.68	Y	N		Operating
FLEET-NET CORPORATION	Software Support - Accounting System	659567	11/05/13	\$1,860.00	Y	N		Operating
BELATRIX AT THE CLASSIC CLUB	DBE Outreach	659700	11/19/13	\$1,853.60	Y	N		Operating
CDW GOVERNMENT	Cost for office supplies	659749	11/27/13	\$1,146.30	Y	N		Operating
OFFICE DEPOT	Cost for office supplies	659618	11/08/13	\$1,113.21	Y	N		Operating
	<b>Subtotal</b>			<b>\$130,572.33</b>				

Note: 1)

**Section II - Check payments subject to the provisions of Grants, Contracts, Capital Projects or "Pass-through"**

DOUG WALL CONSTRUCTION	Fees for Admin Building	659605	11/06/13	\$502,344.03	Y	Y	\$9,689,293.00	Capital
CREATIVE BUS SALES	Cost for new vehicles (DAR)	659558	11/05/13	\$98,755.98	Y	Y	\$0.00	Capital
APOLLO VIDEO TECHNOLOGY	Cost for Security Camera Equipment	659635	11/14/13	\$40,051.80	Y	Y		Capital
IBI GROUP	Fees for Admin Building	659718	11/21/13	\$13,356.26	Y	Y	\$110,002.00	Capital
APOLLO VIDEO TECHNOLOGY	Cost for Security Camera Equipment	659703	11/21/13	\$9,176.00	Y	Y		Capital
CDW GOVERNMENT	Cost of to upgrade bus camera's	659647	11/14/13	\$9,072.00	Y	Y		Capital
PVC CONSULTING	American Fuel Cell Bus Project	659796	11/27/13	\$8,625.00	Y	Y	\$10,175.00	Capital
GEOCON WEST	Fees for Admin Building	659717	11/21/13	\$8,554.58	Y	Y	\$117,543.00	Capital
AMERICAN CAB	Taxi voucher program - federal grant	659634	11/14/13	\$7,410.33	Y	N		Capital
WORK ZONE CAM, LLC	Admin Building Video Service	659697	11/14/13	\$6,114.96	Y	Y		Capital
YELLOW CAB OF THE DESERT	Taxi voucher program - federal grant	659698	11/14/13	\$3,870.16	Y	N		Capital
INDEPENDENT LIVING PARTNERSHIP	New Freedom Program	659780	11/27/13	\$3,301.48	Y	N		Capital
MOWERS PLUS, INC	Maintenance Equipment Project	659581	11/05/13	\$3,174.09	Y	N		Capital
INDEPENDENT LIVING PARTNERSHIP	New Freedom Program	659672	11/14/13	\$3,091.44	Y	N		Capital
TRAPEZE GROUP	Operations Plan Project	659603	11/05/13	\$1,888.23	Y	Y		Capital
SOFTCHOICE	Cost for Computer Equipment	659623	11/08/13	\$1,836.83	Y	N		Capital
DESERT CITY CAB	Taxi voucher program - federal grant	659652	11/14/13	\$1,496.24	Y	N		Capital
DESERT ALARM	Security monitoring services	659563	11/05/13	\$1,120.00	Y	Y	\$9,680.00	Operating
R & C SERVICES	Fees for Admin Building	659619	11/08/13	\$1,017.50	Y	Y	\$1,982.50	Capital
	<b>Subtotal</b>			<b>\$724,256.91</b>				

Note: 2) CREATIVE BUS SALES - Last payment on Contract

**Section III - Check payments related to payroll deductions, employee benefits, and other employee related liabilities**

HEALTH NET	Group Health insurance premium	659575	11/05/13	\$220,646.58	Y	N		Operating
PERMA - insurance	Workers comp & general liability (monthly)	659727	11/21/13	\$87,141.60	Y	N		Operating

**SunLine Transit Agency**  
**Checks \$1,000 and Over**  
**For the month-November 2013**

Vendor Name	Item Description	Check No.	Date	Amount	Budgeted (Y/N)	Contract (Y/N)	Remaining (estimated)	Funding Source
U.S. BANK INSTITUTIONAL TRUST-	Pension deposits (paid per payroll)	659737	11/21/13	\$72,971.28	Y	N		Operating
U.S. BANK INSTITUTIONAL TRUST-	Pension deposits (paid per payroll)	659625	11/08/13	\$71,558.16	Y	N		Operating
PRUDENTIAL GROUP INSURANCE	Employee benefits	659589	11/05/13	\$15,777.93	Y	N		Operating
METLIFE SBC	Dental insurance	659580	11/05/13	\$5,799.47	Y	N		Operating
COLONIAL LIFE & ACCIDENT	Employee supplemental ins monthly	659648	11/14/13	\$6,129.45	Y	N		Operating
AMALGAMATED TRANSIT UNION	Union dues paid per payroll	659701	11/21/13	\$5,044.48	Y	N		Operating
AMALGAMATED TRANSIT UNION	Union dues paid per payroll	659607	11/08/13	\$4,631.07	Y	N		Operating
CALIFORNIA STATE DISBURSEMENT	Employee garnishment paid per payroll	659608	11/08/13	\$2,788.16	Y	N		Operating
CALIFORNIA STATE DISBURSEMENT	Employee garnishment paid per payroll	659706	11/21/13	\$2,788.16	Y	N		Operating
PERMA - Insurance	Workers comp & general liability (monthly)	659728	11/21/13	\$2,536.90	Y	N		Operating
EYE MED	Employee benefits	659613	11/08/13	\$2,373.28	Y	N		Operating
	<b>Subtotal</b>			<b>\$501,188.52</b>				

*Note: Deductions are collected per payroll and the invoice is paid monthly, as indicated. Exceptions: Pensions, garnishments and union dues are paid per payroll.*

**Total Checks Over \$1000** **\$1,585,763.33**

Summary	
Total of Checks Over \$1,000	\$1,585,763.33
Total of Checks Under \$1,000	\$42,609.21
Total of All Checks for the Month	<b>\$1,628,372.54</b>
Total Amount of Checks Prior Year - Same Month	<b>\$853,406.22</b>

November 2013 Statement



Open Date: 10/23/2013 Closing Date: 11/21/2013

Account

Visa® Business Card  
SUNLINE TRANSIT  
CAROLYN RUDE

Cardmember Service ☎ 1-866-552-8855  
BUS 6 13

New Balance	\$3,814.98
Minimum Payment Due	\$83.00
Payment Due Date	12/17/2013
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%.	

Previous Balance	+	\$4,323.79
Payments	-	\$1,316.74CR
Other Credits		\$0.00
Purchases	+	\$763.62
Balance Transfers		\$0.00
Advances		\$0.00
Other Debits		\$0.00
Fees Charged		\$0.00
Interest Charged	+	\$44.31
<b>New Balance</b>	=	<b>\$3,814.98</b>
Past Due		\$0.00
Minimum Payment Due		\$83.00
Credit Line		\$40,000.00
Available Credit		\$36,185.02
Days in Billing Period		30

Payment Options:



Mail payment coupon with a check



Pay online at myaccountaccess.com



Pay by phone 1-866-552-8855

Please detach and send coupon with check payable to: Cardmember Service

CPN 000648533

24-Hour Cardmember Service: 1-866-552-8855

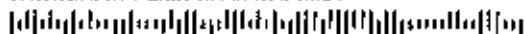
- ☎ to pay by phone
- ☎ to change your address

Account Number	
Payment Due Date	12/17/2013
New Balance	\$3,814.98
Minimum Payment Due	\$83.00

Amount Enclosed \$ \_\_\_\_\_

SUNLINE TRANSIT  
CAROLYN RUDE  
32505 HARRY OLIVER TRL  
THOUSAND PLMS CA 92276-3501

Cardmember Service  
P.O. Box 790408  
St. Louis, MO 63179 0408





SUNLINE TRANSIT  
CAROLYN RUDE

Cardmember Service ☎ 1-866-552-8855

**Transactions**

**Payments and Other Credits**

Post Date	Trans Date	Ref #	Transaction Description	Amount	Notation
10/30	10/30		PAYMENT THANK YOU	\$1,316.74CR	_____
<b>TOTAL THIS PERIOD</b>				<b>\$1,316.74CR</b>	

**Purchases and Other Debits**

Post Date	Trans Date	Ref #	Transaction Description	Amount	Notation
10/25	10/23	0018	PF CHANG'S #9300 RANCHO MIRAGE CA	\$246.02	_____
11/07	11/05	7615	USAIRWAYS037732427 1823 CHICAGO IL DELTORQ/APOLON 12/03/13 PALMSPRINGS TO PHOENIX ARIZ PHOENIX ARIZ TO WASHINGTON WASHINGTON TO PHOENIX ARIZ PHOENIX ARIZ TO PALMSPRINGS	\$517.60	_____
<b>TOTAL THIS PERIOD</b>				<b>\$763.62</b>	

**Interest Charged**

Post Date	Transaction Description	Amount	Notation
11/21	INTEREST CHARGE ON PURCHASES	\$44.31	_____
<b>TOTAL INTEREST THIS PERIOD</b>		<b>\$44.31</b>	

<b>2013 Totals Year-to-Date</b>	
Total Fees Charged in 2013	\$39.00
Total Interest Charged in 2013	\$92.92


**Company Approval** *(This area for use by your company)*

Signature/Approval: \_\_\_\_\_

Accounting Code: \_\_\_\_\_



SUNLINE TRANSIT  
CAROLYN RUDE

Cardmember Service  1-866-552-8855


**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 Rate	Variable	Interest Charge	Annual Percentage Rate	Expires with Statement	Interest Free Period
**BALANCE TRANSFER	\$0.00	\$0.00	YES	\$0.00	13.99%		NO
**PURCHASES	\$3,814.99	\$3,853.61	YES	\$44.31	13.99%		YES
**ADVANCES	\$0.00	\$0.00	YES	\$0.00	20.99%		NO

**Contact Us**

 **Phone**  
Voice: 1-866-552-8855  
TDD: 1-888-352-6455  
Fax: 1-866-807-9053

 **Questions**  
Cardmember Service  
P.O. Box 6353  
Fargo, ND 58125-6353

 **Mail payment coupon with a check**  
Cardmember Service  
P.O. Box 790408  
St. Louis, MO 63179-0408

 **Online**  
[myaccountaccess.com](http://myaccountaccess.com)

Pacific Western Bank  
SunLine Transit Agency Visa Credit Card Statement  
Closing Date: November 21, 2013

Payments and other credits:

Detail:

10/25/13	PF Chang's	Lunch for October Board of Directors meeting.	\$ 246.02
11/07/13	US Airways	Airfare for Director of Operations, Polo Del Toro, APTA Leadership Meeting. (Approved by the Board)	\$ 517.60

Credit:

10/30/13	Payment	Credit card payment	\$1316.70 CR
11/21/13	Credit	Credit of interest charge on purchases. (Still disputing late charge with bank)	\$ 44.41 CR

December 2013 Statement



Open Date: 11/22/2013 Closing Date: 12/19/2013

Account:

Visa® Business Card  
SUNLINE TRANSIT  
CAROLYN RUDE

Cardmember Service ☎ 1-866-552-8855  
BUS 6 13



Activity Summary

Previous Balance	+	\$3,814.98
Payments	-	\$3,814.98CR
Other Credits		\$0.00
Purchases	+	\$1,249.57
Balance Transfers		\$0.00
Advances		\$0.00
Other Debits		\$0.00
Fees Charged		\$0.00
Interest Charged		\$0.00
<b>New Balance</b>	<b>=</b>	<b>\$1,249.57</b>
Past Due		\$0.00
Minimum Payment Due		\$13.00
Credit Line		\$40,000.00
Available Credit		\$38,750.43
Days in Billing Period		28

Payment Options:



Mail payment coupon with a check



Pay online at myaccountaccess.com



Pay by phone 1-866-552-8855

Please detach and send coupon with check payable to: Cardmember Service

CPN 000648503

24-Hour Cardmember Service: 1-866-552-8855

- ☎ to pay by phone
- 📍 to change your address

000040682 1 AB 0,384 000638110080069 P

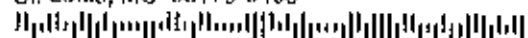
SUNLINE TRANSIT  
CAROLYN RUDE  
32505 HARRY OLIVER TRL  
THOUSAND PLMS CA 92276-3501

Account Number	
Payment Due Date	1/17/2014
New Balance	\$1,249.57
Minimum Payment Due	\$13.00

Amount Enclosed \$ \_\_\_\_\_

Cardmember Service

P.O. Box 790408  
St. Louis, MO 63179-0408





SUNLINE TRANSIT  
CAROLYN RUDE

Cardmember Service ☎ 1-866-552-8855

**Transactions**

**Payments and Other Credits**

Post Date	Trans Date	Ref #	Transaction Description	Amount	Notation
12/13	12/13		PAYMENT THANK YOU	\$3,814.98CR	
<b>TOTAL THIS PERIOD</b>				<b>\$3,814.98CR</b>	

**Purchases and Other Debits**

Post Date	Trans Date	Ref #	Transaction Description	Amount	Notation
12/05	12/04	7966	GRILL CONCEPTS - P PALM DESERT CA	\$257.04	
12/11	12/09	0351	HYATT REGENCY WASHINGT WASHINGTON DC 12/03/13 FOR 06 NIGHTS FOLIO. 0662	\$992.53	
<b>TOTAL THIS PERIOD</b>				<b>\$1,249.57</b>	

2013 Totals Year-to-Date	
Total Fees Charged in 2013	\$39.00
Total Interest Charged in 2013	\$92.92

**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 Rate	Variable	Interest Charge	Annual Percentage Rate	Expires with Statement	Interest Free Period
**BALANCE TRANSFER	\$0.00	\$0.00	YES	\$0.00	13.99%		NO
**PURCHASES	\$1,249.57	\$0.00	YES	\$0.00	13.99%		YES
**ADVANCES	\$0.00	\$0.00	YES	\$0.00	20.99%		NO

**Contact Us**

<p> <b>Phone</b></p> <p>Voice: 1-866-552-8855 TDD: 1-888-352-6455 Fax: 1-866-807-9053</p>	<p> <b>Questions</b></p> <p>Cardmember Service P.O. Box 6353 Fargo, ND 58125 6353</p>	<p> <b>Mail payment coupon with a check</b></p> <p>Cardmember Service P.O. Box 790408 St. Louis, MO 63179-0408</p>	<p> <b>Online</b></p> <p>myaccountaccess.com</p>
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Pacific Western Bank  
SunLine Transit Agency Visa Credit Card Statement  
Closing Date: December 19, 2013

Payments and other credits:

Detail:

12/05/13	Grill Concepts	Lunch for the December Board of Directors meeting.	\$ 257.04
12/11/13	Hyatt Regency	Hotel Charges for Director of Operations, Polo Del Toro, APTA Leadership Meeting. (Approved by the Board)	\$ 992.53

Credit:

12/13/13	Payment	Credit card payment	\$3814.98 CR
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SunLine Transit Agency  
Budget Variance Report  
November 2013

Description	FY 13/14 Total Budget	Current Month			Year to Date		
		Actual	Budget	Favorable (Unfavorable)	YTD Actual	FY 13/14 YTD Budget	Favorable (Unfavorable)
<b>Revenues:</b>							
Local Transportation Funds (LTF)	11,768,614	891,562	980,718	(89,156)	5,527,680	4,903,589	624,091
Measure A	5,217,000	434,750	434,750	0	2,173,750	2,173,750	0
FTA Section 5307	2,802,268	233,522	233,522	0	1,167,612	1,167,612	0
FTA Section 5311	420,188	35,016	35,016	0	175,078	175,078	0
FTA Section 5316	208,665	0	17,389	(17,389)	0	86,944	(86,944)
FTA Section 5317	46,000	0	3,833	(3,833)	0	19,167	(19,167)
Sunfuels - Outside Sales	600,200	36,988	50,017	(13,029)	169,947	250,083	(80,136)
CNG Rebate	300,000	0	25,000	(25,000)	235,216	125,000	110,216
Fare Box Revenue (Fixed Route)	3,230,000	255,473	269,167	(13,694)	1,201,360	1,345,833	(144,473)
Fare Box Revenue (Demand Response)	320,000	19,478	26,667	(7,189)	106,113	133,333	(27,221)
Taxi Vouchers	18,089	7,285	1,507	5,777	38,452	7,537	30,915
Interest and Other Revenue	195,000	3,597	16,250	(12,653)	29,018	81,250	(52,232)
<b>Total Operating Revenue</b>	<b>25,126,024</b>	<b>1,917,670</b>	<b>2,093,835</b>	<b>(176,165)</b>	<b>10,824,226</b>	<b>10,469,177</b>	<b>355,049</b>
<b>Expenses:</b>							
SunFuels - Outside (9)	322,203	29,290	26,850	(2,440)	155,301	134,251	(21,049)
SunFuels (10)	1,118,969	107,232	93,247	(13,984)	554,906	466,237	(88,669)
Operations-Fixed Route (11 & 12)	9,694,619	706,638	807,885	101,247	3,711,656	4,039,425	327,769
Operations-Dial-A-Ride (13 & 14)	2,589,485	221,816	215,790	(6,025)	1,123,497	1,078,952	(44,545)
Risk Management (15)	374,826	24,657	31,236	6,579	161,599	156,178	(5,422)
Maintenance (21 & 22)	4,354,771	330,603	362,898	32,295	1,742,524	1,814,488	71,964
Facility Maintenance-T.P. (23)	660,729	39,635	55,061	15,426	207,425	275,304	67,879
Facility Maintenance-Indio (24)	72,354	6,296	6,030	(266)	28,126	30,148	2,022
Stops & Zones Maintenance (25)	589,284	33,899	49,107	15,208	184,833	245,535	60,702
Marketing (31)	364,402	19,698	30,367	10,669	122,566	151,834	29,268
Human Resources (32)	471,331	46,186	39,278	(6,908)	233,546	196,388	(37,158)
General Administration (40)	1,106,912	131,087	92,243	(38,845)	562,088	461,213	(100,875)
Finance (41)	1,127,039	82,974	93,920	10,946	450,497	469,600	19,103
Information Technology (42)	389,134	22,146	32,428	10,282	126,691	162,139	35,448
Agency-wide (43)	1,325,852	172,294	110,488	(61,807)	901,919	552,438	(349,481)
Planning & Agency Development (49)	564,114	49,069	47,010	(2,059)	213,673	235,048	21,375
<b>Total Expenses</b>	<b>25,126,024</b>	<b>2,023,518</b>	<b>2,093,835</b>	<b>70,317</b>	<b>10,480,847</b>	<b>10,469,177</b>	<b>(11,671)</b>
<b>Total Operating Surplus(Deficit)</b>				<b>\$ (105,848.06)</b>			<b>\$ 343,378.70</b>

**SunLine Transit Agency**

**DATE:** January 22, 2014 **INFORMATION**  
**TO:** Finance Committee  
Board of Directors  
**FROM:** SunLine Project Manager  
**RE:** Construction Schedule

---

**Background**

SunLine has received Proposed Change Orders from Doug Wall Construction requesting an additional 28 days for an excusable delay.

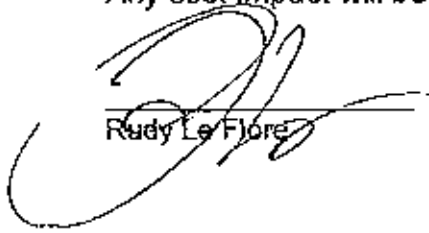
As the Board may recall, there was a presentation in December that forecast that Substantial Completion would be in August 2014 with Final Completion in October 2014. These changes may affect those dates.

The Proposed Change Orders are based on the fact that the permits were not available because the property title was not cleared up until the end of August. Staff have reviewed these changes, and while negotiations are not complete there appears to be some merit to the claims.

Conversations with the contractor indicate they though they may be entitled to an excusable delay but they are working to recover the approved contract schedule dates presented to the Board in December 2013. Staff will keep the Board apprised of any further changes in the project delivery dates.

**Financial Impact**

Any cost impact will be negotiated as part of the budgeted project contingency.

  
Rudy Le Flore

**SunLine Transit Agency**

**DATE:** January 22, 2014 **INFORMATION**

**TO:** Finance Committee  
Board of Directors

**FROM:** Director of Transit Planning

**RE:** Job Access Reverse Commute Funding Update

---

**Background**

In early-2013, SunLine Transit Agency and Coachella Valley Association of Governments (CVAG) competed successfully for Federal Transit Administration FY 11 and FY 12 Job Access Reverse Commute (JARC) funding in a Co-ordinated Transportation Call for Projects conducted by Riverside County Transportation Commission (RCTC) in early 2013:

- SunLine North Shore Bus Route: \$217,270
- SunLine Additional Commuter Link 220 Funding: \$65,856
- CVAG Roy's Center Transportation Program: \$110,000

However, as a result of a dispute during 2013 between transit unions and the California state government over terms imposed through the Public Employee Pension Reform Act (PEPRA), these funding awards were not certified in a timely manner by the Federal Department of Labor (DOL) as part of a grant award process. SunLine is the direct recipient for the funds going to both SunLine and CVAG, so the issue impacted both agencies, though SunLine was involved in imposing any pension changes on its staff.

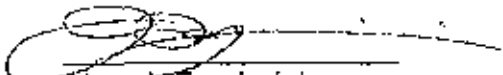
As a result of the delay to November, 2013 of the DOL certification of the SunLine JARC grant, the FY 11 portion of the JARC funds lapsed on September 30, 2013, as recently confirmed by FTA. This means the FY 11 funds (SunLine \$141,563 and CVAG \$54,065) could not be placed in a grant and were lost to the agencies. The FY 12 JARC funds are being successfully placed in an FTA grant, which is now under final FTA review.

**Financial Impact**

The financial impact of these lapsed funds may be the need to replace them with local funding in the SunLine FY 2014-15 operating budget and Short Range Transit Plan to complete the projects as planned. However, RCTC is exploring legal options to recover the FY 11 funds given they were lost due to circumstances not relevant to either agency. SunLine will keep the Board advised of progress in regard to this matter.

**Recommendation**

This item is for information only.

  
Joseph Forgiarini



**SunLine Transit Agency**

**DATE:** January 22, 2014

**DISCUSSION**

**TO:** Finance Committee

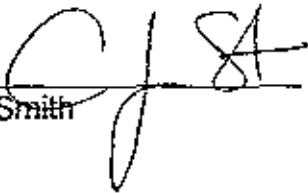
**FROM:** Director of Finance

**RE:** Update on Grant Funding Report

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**Background**

At the September Board meeting, the Board requested that staff present information showing available funding to the Board quarterly. Staff will be presenting a grant summary report as requested at the February meeting. In addition, staff would like further clarification on what is being requested by the Committee.

  
CJ Smith



**AGENDA  
BYLAWS, POLICY AND PROCEDURES COMMITTEE**

**January 22, 2014  
10:00 a.m. – 10:30 a.m.**

**G.M. Conference Room  
SunLine Transit Agency  
Thousand Palms, CA**

1. **Call to Order**
2. **Roll Call**
3. **Public Comments**
4. **Committee Member Comments**

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

5. **Revision of Budget Policy #B-020704 (CJ Smith)** **Approve**  
Discuss and request recommendation to bring revised attached Budget Policy #B-020704 to the full Board at the February Board meeting. (Pages 1-4)

----- **DISCUSSION** -----

6. **IT Security Policy #B090304 & EEO Plan (Lauren Skiver)** **Discussion**  
Discussion with Committee moving forward with changes to the IT Security Policy and EEO Plan. ([IT Security Policy](#) and [EEO Plan](#) separate attachment) (Page 5)
7. **Adjourn**

**SunLine Transit Agency**

**DATE:** January 22, 2014 **ACTION**  
**TO:** Bylaws, Policy and Procedures Committee  
**FROM:** Director of Finance  
**RE:** Revision of Budget Policy #B-020704

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**Recommendation**

Recommend that the Bylaws, Policy and Procedures Committee review the proposed policy changes and bring forward a full recommendation to the Board at the February Board meeting.

**Background**

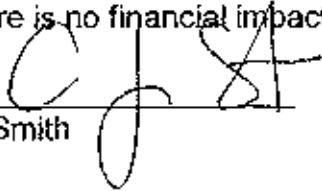
Upon the approval of the SunLine Board of Directors, staff would like to amend the Budget Policy in an attempt to clarify the budget process and its relationship with the development and approval of the Short Range Transit Plan (SRTP) which documents the Agency service and operating/capital plans and revenue assumptions.

The changes capture the following goals:

- To update the Policy to be consistent with the current budget planning process and to further define how the Agency does business.
- To further clarify the flow of budget information during the internal planning and approval process.
- To clarify the equal importance of, and partnership between, the budget and SRTP (rather than the SRTP taking precedence over the budget).

**Fiscal Impact**

There is no financial impact to this request for approval.

  
\_\_\_\_\_  
CJ Smith

## BUDGET POLICY

### PURPOSE

SunLine Transit Agency (SunLine) shall prepare an annual operating and capital budget. The purpose of this policy is to outline the budget procedure.

~~The annual Short Range Transit Plan (SRTP) and agency operating and capital budget are developed in parallel in the first half of each calendar year for the following fiscal year. They are based upon federal, state, and local funding estimates and consumer price index (CPI) information provided by Riverside County Transportation Commission (RCTC) and an assessment of costs and needs completed by the agency for the new budget year.~~

~~The SRTP annual report is a three-year horizon planning document, produced annually with the first year being matched to the agency budget (and subject to the same board review and approval). The subsequent two years documented in the SRTP are planning estimates.~~

~~The allocation of funds from RCTC is based on the transit services and capital projects specified in the annual SRTP. Claims for funds may be claimed subsequent to approval of the allocation by the Commission, and include Local Transportation Funds (LTF), Measure A Specialized Transit Funds, and State Transit Assistance Funds (STA).~~

### PROCEDURES

~~➤ The first half of each calendar year, department directors, the Director of Finance, and the General Manager formulate the Agency's operating and capital budget, both reflecting new needs, cost variations, and the experience from recent and current budget years.~~

~~➤ Expenditure requests are submitted to the Director of Finance and General Manager, along with explanations for requests and variances. The same group assists the Director of Transit Planning in developing the SRTP for the coming year.~~

~~➤ Both the budget and SRTP documents reflect, based upon appropriate funding available and agency needs. These The Operating and Capital budgets documents are presented by the agency General Manager to the Board's Finance Committee. Upon recommendation of the Finance Committee, the operating budget is then submitted to the Board of Directors for approval.~~

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➤ SunLine Board review and approval no later than June for the following fiscal year commencing July 1, identified in the SRTP:

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➤ As well as the operating budget, an outline, description, and cost estimate for each new capital project item is included in the SRTP, as well as the Agency's fleet inventory and bus replacement program. The same new capital projects plus carryover of existing multi-year capital projects are listed in the agency capital budget.

— The allocation of funds from RCTC is based on the transit services and capital projects specified in the annual SRTP and budget documents. Claims for funds may be made subsequent to approval of the allocation by the SunLine Board (in May or June of each year) than by the Commission (RCTC) in June/July of each year.

➤ The SRTP and budget documents reflect the same revenue assumptions include Local Transportation Funds (LTF), Measure A Specialized Transit Funds, and State Transit Assistance Funds (STA) which are distributed by RCTC monthly (LTF, Measure A) or as reimbursement for capital expenses (STA). RCTC policy is to only allow STA funding to be used for annual capital expenses. LTF and Measure A are used to fund the annual operating budget.

➤ Staff presents an initial SRTP to RCTC staff for review and commentary, followed by submission to the Agency's Board of Directors, for their review and approval. Upon adoption, the document is submitted to RCTC for final approval. This establishes the transit services plan and funding levels for the coming fiscal year ending June 30.

➤ Department directors develop operating budget requests within the parameters of funding set by the SRTP, based upon analysis of two prior years' and the current year's expenditures, plus anticipated needs for the coming year. Expenditure requests are submitted to the Director of Finance and General Manager, along with explanations for requests and variances.

➤ The operating budget is submitted by the General Manager to the Board's Finance Committee. Upon recommendation of the Finance Committee, the operating budget is then submitted to the Board of Directors for approval.

➤ Expenditures in excess of appropriated funds may not be made without requesting a budget modification approval from the SunLine Finance Committee and full Board, with a subsequent SRTP amendment approval from RCTC (such SRTP amendments are grouped together where possible to reduce administrative burden at RCTC). SunLine Transit Agency will carefully monitor appropriations for both operating and capital expenditures, to ensure that appropriated funding levels are not exceeded.

SunLine Transit Agency  
Finance Policies & Procedures  
Budget Policy  
Policy No: B-020704

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Revised: ~~2014~~-~~6~~-05  
Adopted: ~~8-4~~-042014

- The General Manager may amend the Agency's budget by transferal of funds between line items and departments, up to 5% of the annual budget in any given year. However, the "bottom line" of the budget may not be increased or decreased without Board approval, and an ~~an~~ S RTP amendment is subsequently required for any increase. All such transfers must be reported to the Finance Committee at their ~~next~~ regular meeting.

SunLine Transit Agency

DATE: January 22, 2014 DISCUSSION  
TO: Bylaws, Policy and Procedures Committee  
FROM: General Manager  
RE: Policy Changes

---


**Background**

The Bylaws, Policy and Procedures Committee has been formed by the SunLine Board of Directors. Staff would like to discuss the expectations of this Committee relative to Staff coordination of policy changes and the lead time for Committee review and recommendations for approval.

Included in this discussion, staff would like to discuss the EEO Plan Policy, the IT Security Policy, and the Budget Policy with the Committee Members.

**Financial Impact**

There is no financial impact associated with this item.

  
Lauren Skiver

# SUNLINE SERVICES GROUP BOARD MEETING AGENDA

Wednesday, January 22, 2014  
12:00 pm  
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 Glenn Miller

2. **Flag Salute**

3. **Roll Call**

4. **Finalization of Agenda**

5. **Presentations**

6. **Correspondence**  
None.

7. **Public 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.

**Receive Comments**



**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.

----- **ACTION** -----**9. Approval of Minutes****Approve**

Minutes of the December 4, 2013 Board of Directors Meeting  
(Pages 1-4)

**10. Allocation of Non-Temporary Taxicabs to American Cab and Yellow Cab of the Desert (Michael Jones)****Approve**

Request to the Board to approve award of thirty non-temporary taxicabs to American Cab and twenty non-temporary cabs to Yellow Cab of the Desert. (Pages 5-8)

----- **RECEIVE AND FILE** -----**11. Consent Calendar****Receive and File**

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

- a) SSG/SRA checks over \$1000 issued November, December, 2013  
(Pages 9-10)
- b) SSG/SRA Monthly Budget Reports, November, 2013. (Page 11)
- c) Taxi Vehicle/Rides Analysis for November, December, 2013. (Pages 12-13)

----- **INFORMATION** -----**12. Transportation Network Companies (TNC) Mobile Applications (Michael Jones)****Information**

Report to the Board on issues relating to the Public Utilities Commission's decision to regulate TNCs and how it relates to SunLine's regulation of taxis. (Pages 14-15)

**13. Next Meeting Date**

February 26, 2014

12 o'clock Noon – Kelly Board Room

**14. Adjourn**

**MINUTES**  
**SunLine Services Group**  
**Board of Directors Meeting**  
**December 4, 2013**

A regular meeting of the SunLine Services Group Board of Directors was held on Wednesday, December 4, 2013 at 12:00pm 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 12:00p.m. by Chairman Glenn Miller.
2. **Flag Salute**  
Mayor Don Adolph led all in a salute to our flag.
3. **Roll Call**  
Completed.

**Members Present**

Glenn Miller, Chairman, Councilmember, City of Indio  
Greg Pettis, Vice Chairman, Councilmember, City of Cathedral City  
Rick Hutcheson, Councilmember, City of Palm Springs  
G. Dana Hobart, Councilmember, City of Rancho Mirage  
Robert Spiegel, Councilmember, City of Palm Desert  
Douglas Hanson, Councilmember, City of Indian Wells  
Don Adolph, Mayor, City of La Quinta  
John J. Benoit, Supervisor, County of Riverside

**Members Absent**

Eduardo Garcia, Mayor, City of Coachella  
Yvonne Parks, Mayor, City of Desert Hot Springs

**Guests:**

Lauren Skiver, General Manager  
Jeff Goldfarb, Legal Counsel, Rutan & Tucker  
Bill Shaeffer, Legal Counsel, Rutan & Tucker  
Carolyn Rude, Special Asst. to the G.M./Clerk of the Board  
Rudy Le Flore, General Manager's Management Analyst  
Don Bradburn, Director of Human Resources  
Tommy Edwards, Advanced Technology Project Manager  
Mike Morrow, Director of Maintenance  
CJ Smith, Director of Finance  
Michael Jones, Taxi Administrator  
Mannie Thomas, Manager of Operations and Safety Training  
Joseph Friend, Senior IT & Systems Analyst  
Dave Robin, Risk Manager  
Stephanie Buriel, Senior Administrative Assistant  
Lee Greer, Assistant Taxi Cab Administrator I  
Harmon Singh, Assistant Taxi Cab Administrator II

Anthony Garcia, Motor Coach Operator  
Asterio Gonzales, Motor Coach Operator  
Javier Salazar, Motor Coach Operator  
Vanessa Mora, Desktop Support Technician  
David Manriquez, Facility Maintenance Assistant  
Francine DePalo, Administrative Assistant

4. **Finalization of Agenda**

No changes to agenda.

5. **Presentations**

No presentations.

6. **Correspondence**

None.

7. **Public Comments**

**NON - AGENDA ITEMS:**

No public comments.

**AGENDA ITEMS:**

No public comments.

8. **Board Member Comments**

No Board member comments.

9. **Approval of Minutes**

Mayor Adolph moved to approve the minutes of the October 23, 2013 Board meeting. The motion was seconded by Councilmember Hanson and approved unanimously with the abstention of the City of Palm Desert.

10. **Discuss and Approve Change of Board Meeting Time**

Chairman Miller stated that Board Member Dana Hobart had asked that a discussion and possible action item to change committee and Board meeting times. Councilmember Hobart stated that he was hoping to meet in the morning, ending by noon to free up the afternoon. Councilmember Hobart made a motion to change the Committee meetings to begin at either 8:00am or 8:30am and Board meeting at 9:00am. Councilmember Hanson seconded the motion. Councilmember Spiegel stated he liked the current times, but suggested that committee meetings begin a half an hour later. Chairman Miller concurred unless there was a time when staff needed more time. The meetings were completed within a half an hour. After further discussion among Board members, it was decided that the meeting times would remain as is with Finance and Tax Committee meetings beginning at 11:30am, unless staff needed more time. Councilmember Hobart stated that he would like to withdraw the motion as he did not want to move forward with the item if it was going to inconvenience any Board members.

**11. Desert City Cab Transfer of Assets**

Taxi Administrator, Mike Jones, addressed the Board requesting staff recommendation for the Board to approve the transfer of assets from two former Airport Taxi Inc. DBA Desert City Cab franchise owners (Sohan Singh & Jose Arturo Diaz) to the two remaining franchise owners (Mohammad Mahboob Hossain & Kanwardrip Labana). SunLine Services Group Ordinance outlines the requirements, under Section 1.090.5, that the Franchise must take in order to notify us. Airport Taxi did so; we put together based on the foregoing, the name, the address, the purpose, experience. Mr. Jones stated that staff went through, more or less, a full RPF from the Franchise and found it favorable. Staff is asking the Board for approval.

Councilmember Hanson asked if Mohammad Mahboob Hossain and Kanwardrip Labana were in the audience and if they would become the sole owners. Mab, from City Cab, stated that yes, they would be the sole owners.

Vice Chair Pettis moved for approval. Councilmember Spiegel seconded the motion and was approved by a unanimous vote.

**12. Applications for Franchise Extension**

Taxi Administrator, Mike Jones, addressed the Board requesting staff recommendation for the Board to approve the three individual five-year franchise extensions beginning October 1, 2014 for American Cab, Airport Taxi and Yellow Cab of the Desert. Mr. Jones stated that under the Ordinance, it indicates the availability and what we are to do in order to review the franchises. Each franchise submitted an application that was preapproved by the Board. Staff reviewed and recommends the Board to approve the five year extension for all three franchises.

Councilmember Spiegel moved for approval. Councilmember Hanson seconded the motion and was approved by a unanimous vote.

**13. FY 2014 Budget Amendment II**

Taxi Administrator Mike Jones addressed the Board requesting staff recommendation for the Board to approve the transfer of \$29,000 from the SSG fund to the SRA budget to initiate the search for the improved technology solutions geared towards more efficient data collection and regulatory oversight. Mr. Jones stated that this type of technology is going to allow staff to receive alerts for excessive taxicab driver time behind the wheel; it will allow staff to go from a manual meter reading process, which impacts staff and the drivers, to an electronic process. Mr. Jones stated that this will give staff the ability to obtain the number of minutes behind the road, the minutes on each ride, the cost of each ride which will help staff to manage the fleet so that the taxi industry is not oversaturated going forward.

Chairman Miller stated the money was originally set aside for CNG. There was a certain amount of money set aside and was not part of the cab money. We have spent \$35,000 last month. Chairman Miller asked staff to look at a

comprehensive way to look at the remaining funds to make sure we are not spending it without looking at other appropriate opportunities to benefit the cab companies, such as marketing. He stated that we need to use the money for something that benefits the cabs and SunLine. Chairman Miller stated that we have already spent \$64,000.

Councilmember Hutcheson further stated that per the staff report, the remaining balance of \$130,633 is planned to be used to offset increases to the per ride surcharge for FY 14/15.

Councilmember Spiegel moved for approval. Councilmember Hutcheson seconded the motion and was approved by a unanimous vote.

14. Consent Calendar

- a) SSG/SRA checks over \$1000 issued October, 2013
- b) SSG/SRA Monthly Budget Reports October, 2013.
- c) Taxi Vehicle/Rides Analysis, October, 2013.

Vice Chairman Pettis moved for approval of the consent calendar. Councilmember Spiegel seconded the motion and was approved by a unanimous vote.

15. Next Meeting Date

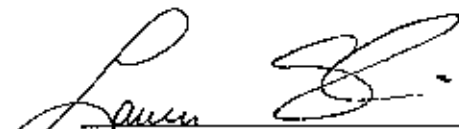
Chairman Miller announced that the next regular meeting of the Board of Directors will be held January 22, 2014 at 12 noon – Kelly Board Room, 32-505 Harry Oliver Trail, Thousand Palms, CA 92276.

16. Adjourn

Chairman Miller adjourned the meeting at 12:16p.m.

Respectfully Submitted,

  
Carolyn Rude  
Clerk of the Board

  
Lauren Skiver  
General Manager

Date 1/15/14

**SunLine Services Group**

**DATE:** January 22, 2014 **ACTION**

**TO:** Taxi Committee  
Board of Directors

**FROM:** Taxi Administrator

**RE:** Allocation of Non-Temporary Taxicab Awards to American Cab & Yellow Cab of the Desert

---

**Recommendation**

Recommend that the Board of Directors approve the allocation of:

- A. Thirty non-temporary taxicab awards to American Cab;
- B. Twenty non-temporary taxicab awards to Yellow Cab of the Desert

**Background**

There are two types of taxicab awards used by SunLine Services Group (SSG) for taxicab allocation:

- **Non-temporary** are awards that are issued to the franchise for on demand seven days, twenty four hour operation. SSG Board approved.
- **Temporary** are intended to exist for an undetermined amount time. Approved by Taxi Administrator.

October 1, 2009, the Coachella Valley franchise system was formed and four applicants were given a set number of taxicab awards to operate a taxicab franchise within our jurisdiction. The total number of non-temporary awards issued were one hundred eighty.

July 28, 2010, the SSG Board of Directors were placed on notice by then operating franchise Classic Yellow Cab, they no longer desired to operate taxicab services in the Coachella Valley. Classic Yellow Cab ceased taxicab operations the first week of September, 2010, returning fifty non-temporary taxicab awards to SSG. SunLine Regulatory Administration chose to allocate these taxicab awards as temporary to allow for all three franchises to adjust to the needs of the business.

All franchises were provided an opportunity to ask for temporary awards. To be approved for additional temporary awards, the franchise must demonstrate a need to SunLine Regulatory Administration. Through this review, each of the three remaining

franchises were initially awarded - twelve temporary awards increase for American Cab and Airport Taxi Inc. DBA Desert City Cab, and ten to Yellow Cab of the Desert.

At the October 24, 2012 Board meeting, the Taxi Committee provided detailed guidance regarding the need for additional information to assist the Board of Directors in making informed decisions relative to the allocation of unallocated non-temporary taxicab permits and the possible need for an RFP for an additional franchise. Under the RFP to Provide Taxi Consulting Service, some of the items included in the scope of work were:

- A. Should there be a firm ceiling on the number of non-temporary taxis allowed any single franchise?
- B. How would you recommend the SunLine Board assign the currently non-allocated, non-temporary permits, and why?
- C. Please comment on the use of the per-ride/per-day standard in promoting professional full time taxi franchises.

May 22, 2013, a recommendation was presented to the Board for action. This item was the award contract for a Taxi Study. The Board decided during this meeting not to move forward with the taxi study. The SSG Board felt that the need of a RFP for an additional franchise could be developed later, but that the fifty non-temporary permits already being allocated as non-permanent awards could be allocated within the current three franchise system.

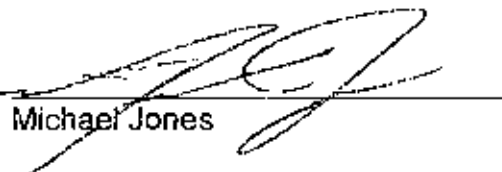
December 4, 2013, SSG Board of Directors approved the applications for franchise extension on all three currently operating franchises in the Coachella Valley.

Both **American Cab** and **Yellow Cab of the Desert** have demonstrated on a continuous year around basis, through monthly ridership, the ability and need for the conversion of their temporary awards to non-temporary.

The number of non-temporary awards would remain at one hundred and eighty as originally allocated on October 1, 2009.

#### Fiscal Impact

None.

  
Michael Jones



Fiscal Year Ending 2012	Month	Vehicles	Total Rides	Avg Rides			
Airport Taxi	Jul	39	7703	6.37			
American Cab		56	15913	9.17			
Yellow Cab of the Desert		30	6775	7.28			
Airport Taxi	Aug	33	6920	6.76			
American Cab		57	15619	8.84			
Yellow Cab of the Desert		33	6857	6.7			
Airport Taxi	Sep	38	7695	6.75			
American Cab		57	18236	10.66			
Yellow Cab of the Desert		36	8515	7.88			
Airport Taxi	Oct	43	10653	7.99			
American Cab		57	21262	12.03			
Yellow Cab of the Desert		39	11094	9.18			
Airport Taxi	Nov	46	11240	8.14			
American Cab		57	21033	12.3			
Yellow Cab of the Desert		41	11900	9.67			
Airport Taxi	Dec	45	9852	7.06			
American Cab		57	18630	10.54			
Yellow Cab of the Desert		41	10698	8.42			
Airport Taxi	Jan	49	11892	7.83			
American Cab		57	20700	11.71			
Yellow Cab of the Desert		46	12456	8.73			
Airport Taxi	Feb	51	14857	10.05			
American Cab		57	24096	14.58			
Yellow Cab of the Desert		48	14886	10.69			
Airport Taxi	Mar	51	16283	10.3			
American Cab		57	28732	16.26			
Yellow Cab of the Desert		50	17947	11.58			
Airport Taxi	Apr	56	19761	11.76			
American Cab		64	29988	15.62			
Yellow Cab of the Desert		50	21827	14.55			
Airport Taxi	May	49	13286	8.75			
American Cab		63	21683	11.1			
Yellow Cab of the Desert		46	14122	9.9			
Airport Taxi	Jun	41	9491	7.72	47.888889	117315	8.844444
American Cab		57	19488	11.4	58.444444	205612	12.83778
Yellow Cab of the Desert		42	10211	8.1	44.777778	125141	10.09111
		Avg Veh	Total Rides	Avg R/V			
Airport Taxi		48	117315	8.84			
American Cab		58	205612	12.84			
Yellow Cab of the Desert		45	125141	10.09			

Fiscal Year Ending 2013	Month	Vehicles	Total Rides	Avg Rides			
Airport Taxi	Jul	42	8622	6.62			
American Cab		52	16333	10.13			
Yellow Cab of the Desert		38	8064	6.85			
Airport Taxi	Aug	38	8294	7.04			
American Cab		57	17950	10.16			
Yellow Cab of the Desert		38	8787	7.46			
Airport Taxi	Sep	39	9164	7.83			
American Cab		52	19286	12.36			
Yellow Cab of the Desert		40	10459	8.72			
Airport Taxi	Oct	45	10394	7.45			
American Cab		58	21113	11.74			
Yellow Cab of the Desert		46	13794	9.67			
Airport Taxi	Nov	52	10723	6.87			
American Cab		65	22815	11.7			
Yellow Cab of the Desert		48	14957	10.39			
Airport Taxi	Dec	53	10353	6.3			
American Cab		66	21881	10.69			
Yellow Cab of the Desert		49	14197	9.35			
Airport Taxi	Jan	50	11624	7.5			
American Cab		66	22908	11.2			
Yellow Cab of the Desert		48	15188	10.21			
Airport Taxi	Feb	54	12971	8.58			
American Cab		69	25254	13.07			
Yellow Cab of the Desert		51	17334	12.14			
Airport Taxi	Mar	52	16973	10.53			
American Cab		68	33030	15.67			
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Airport Taxi	Apr	53	18069	11.36			
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Yellow Cab of the Desert		55	24283	14.72			
Airport Taxi	May	52	12514	7.76			
American Cab		73	27252	12.04			
Yellow Cab of the Desert		54	16485	9.85			
Airport Taxi	Jun	49	8805	5.99	51.111111	112426	8.037778
American Cab		68	20865	10.23	67.666667	230564	12.43222
Yellow Cab of the Desert		49	12546	8.53	50.444444	150555	10.87444
		Avg Veh	Total Rides	Avg R/V			
Airport Taxi		51	112426	8.04			
American Cab		68	230564	12.43			
Yellow Cab of the Desert		54	150555	10.87			

SunLine Regulatory Administration  
 Checks \$1,000 and Over  
 For the month-November 2013

Vendor Name	Item Description	Check No.	Date	Amount	Budgeted (Y/N)	Contract (Y/N)	Contract Amount Remaining (estimated)	Funding source
<b>Section I - General operating expenses and payroll liability reimbursements to SunLine Transit Agency</b>								
SUNLINE TRANSIT AGENCY	Payroll liability reimbursements - 11/8/13	89785	11/08/13	\$10,000.60	Y	N		Operating
SUNLINE TRANSIT AGENCY	Payroll liability reimbursements - 11/22/13	89796	11/21/13	\$9,803.85	Y	N		Operating
SUNLINE TRANSIT AGENCY	Operating Expense Allocations Aug - Oct 2013	89795	11/21/13	\$7,474.98	Y	N		Operating
JEFFREY J PRICE	Advertisement	89790	11/21/13	\$1,506.00	Y	N		Operating
	<b>Subtotal</b>			\$28,785.43				
<b>Section II - Legal Fees for litigation, Retainer &amp; Consultancy</b>								
	<b>Total Checks Over \$1,000</b>			\$28,785.43				
<b>Summary</b>								
Total of Checks Over \$1,000				\$28,785.43				
Total of Checks Under \$1,000				\$3,031.75				
Total of All Checks for the Month				\$31,817.18				
Total Amount of Checks Prior Year - Same Month				\$36,708.71				

SunLine Regulatory Administration  
 Checks \$1,000 and Over  
 For the month-December 2013

Vendor Name	Item Description	Check No.	Date	Amount	Budgeted (Y/N)	Contract (Y/N)	Contract Amount Remaining (estimated)	Funding source
<b>Section I - General operating expenses and payroll liability reimbursements to SunLine Transit Agency</b>								
SUNLINE TRANSIT AGENCY	Payroll liability reimbursements - 12/06/13	89805	12/05/13	\$9,940.68	Y	N		Operating
MACIAS GINI & O'CONNELL LLP	Audit Services Sept-Oct 2013	89802	12/05/13	\$1,365.46	Y	N		Operating
	<b>Subtotal</b>			<b>\$11,306.14</b>				
<b>Section II - Legal Fees for litigation, Retainer &amp; Consultancy</b>								
	<b>Total Checks Over \$1,000</b>			<b>\$11,306.14</b>				
<b>Summary</b>								
Total of Checks Over \$1,000				\$11,306.14				
Total of Checks Under \$1,000				\$370.92				
Total of All Checks for the Month				<b>\$11,677.06</b>				
Total Amount of Checks Prior Year - Same Month				<b>\$36,285.73</b>				

SunLine Regulatory Agency  
Budget Variance Report  
November 2013

Description	FY 13/14 Total Budget	Current Month			Year to Date		
		Actual	Budget	Favorable (Unfavorable)	YTD Actual	FY 13/14 YTD Budget	Favorable (Unfavorable)
<b>Revenues:</b>							
Meter Readings	332,346	27,228	27,696	(468)	114,586	138,478	(23,892)
Revenue Fines	5,000	250	417	(167)	1,350	2,083	(733)
Vehicle Inspection Revenue	17,000	1,550	1,417	133	6,250	7,083	(833)
Vehicle Reinspection Revenue	500	0	42	(42)	0	208	(208)
New Driver Permit Revenue	5,500	935	458	477	4,280	2,292	1,988
Driver Transfer Revenue	1,980	385	165	220	1,320	825	495
Driver Renewal Revenue	12,100	660	1,008	(348)	4,455	5,042	(587)
Driver Permit Reinstatement/Replacement	90	10	8	3	40	38	3
Vehicle Transfer Revenue	65	0	5	(5)	910	27	883
Vehicle Permit Revenue	102,000	15,300	8,500	6,800	36,650	42,500	(5,850)
Other Revenue	85,357	6,000	7,113	(1,113)	12,000	35,565	(23,565)
Interest Revenue	120	3	10	(7)	17	50	(33)
Other Income	29,000		2,417			12,083	
<b>Total revenue</b>	<b>591,058</b>	<b>52,321</b>	<b>49,255</b>	<b>5,483</b>	<b>181,857</b>	<b>246,274</b>	<b>(64,417)</b>
<b>Expenses:</b>							
Salaries and Wages	237,766	17,079	19,814	2,735	78,290	99,069	20,779
Fringe Benefits	120,549	9,736	10,046	310	43,842	50,229	6,387
Services	118,400	8,011	9,867	1,855	22,608	49,333	26,726
Supplies and Materials	3,800	605	317	(289)	2,197	1,583	(614)
Miscellaneous	27,475	1,607	2,290	683	8,344	11,448	3,104
Technology Solutions	29,000		2,417			12,083	
<b>Total Expenses</b>	<b>536,990</b>	<b>37,038</b>	<b>44,749</b>	<b>5,294</b>	<b>155,282</b>	<b>223,746</b>	<b>68,464</b>
<b>Total Operating Surplus (Deficit)</b>	<b>54,068</b>	<b>\$ 15,282.76</b>			<b>\$ 26,575.26</b>		

**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	CABS	TRIPS	TRIP/VEH	CABS	TRIPS	TRIP/VEH	CABS	TRIPS	TRIP/VEH	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
<b>TOTALS</b>	<b>2357</b>	<b>461,074</b>	<b>196</b>	<b>2752</b>	<b>463,967</b>	<b>169</b>	<b>3000</b>	<b>464,103</b>	<b>155</b>	<b>2627</b>	<b>436,589</b>	<b>166</b>	<b>2216</b>	<b>441,934</b>	<b>199</b>

	FY 09/10			FY 10/11			FY 11/12			FY 12/13			FY 13/14		
	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	132	33,019	250	154	36,388	236
AUG	155	23,671	153	148	29,238	198	123	29,459	240	133	35,031	263	153	38,550	252
SEP	158	29,239	185	150	31,807	212	131	34,446	263	131	38,754	296	155	39,874	257
OCT	153	37,468	245	117	40,222	344	139	43,009	309	149	45,301	304	172	49,781	289
NOV	153	40,466	264	126	40,494	321	144	44,173	307	165	48,495	294	177	54,456	308
DEC	160	32,084	201	128	36,226	283	143	39,180	274	168	46,431	276	174	48,480	279
JAN	155	38,276	247	133	45,232	340	152	45,048	296	164	49,720	303			#DIV/0!
FEB	157	36,557	233	132	42,331	321	156	53,840	345	174	55,559	319			#DIV/0!
MAR	159	44,219	278	138	48,942	355	158	62,962	398	174	71,774	412			#DIV/0!
APR	167	57,645	345	141	60,821	431	170	71,576	421	184	77,798	423			#DIV/0!
MAY	157	42,074	268	142	43,910	309	156	49,091	315	179	56,251	314			#DIV/0!
JUN	156	29,940	192	120	31,088	259	140	39,190	280	166	42,216	254			#DIV/0!
<b>TOTALS</b>	<b>1900</b>	<b>438,126</b>	<b>231</b>	<b>1626</b>	<b>481,522</b>	<b>296</b>	<b>1737</b>	<b>542,365</b>	<b>312</b>	<b>1919</b>	<b>600,349</b>	<b>313</b>	<b>985</b>	<b>267,529</b>	<b>272</b>

	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	APR	71,576	APR	77,798	JUL	38,550
LOWEST TRIPS	AUG	23,671	AUG	29,238	AUG	29,459	JUL	33,019	NOV	54,456
MOST VEHICLES	JUL	170	JUL	151	APR	170	APR	184	NOV	177
LEAST VEHICLES	NOV	153	NOV	117	AUG	123	SEP	131	AUG	153
MOST TRIPS/VEH	APR	345	APR	1004	APR	421	APR	423	NOV	289
LEAST TRIPS/VEH	AUG	153	AUG	198	AUG	240	JUL	250	JUL	308

## SunLine Services Group

**DATE:** January 22, 2014 **INFORMATION**

**TO:** Taxi Committee  
Board of Directors

**FROM:** Taxi Administrator

**RE:** Transportation Network Companies Mobile Applications

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### Information

This report is being written to convey to the Board of Directors issues relating to the Public Utility Commissions decision to regulate Transportation Network Companies and how that relates to SunLine's regulation to taxis.

Transportation Network Companies (TNCs) are companies that use electronic mobile applications to prearrange rides for potential passengers. In order to comply with the applicable statutes and regulations, all TNC drivers must be able to prove that a ride was matched on the TNC software application as evidence of prearrangement. These TNCs are distinguished from the taxicab companies regulated by SunLine in the Coachella Valley in many ways.

Firstly, as of September 19, 2013, California became the first state to regulate TNCs. The California Public Utilities Commission (PUC) regulates TNCs. The PUC instituted 28 rules and regulations applicable to TNCs. The Safety and Enforcement Division of the Public Utilities Commission enforces these rules. Each TNC must possess a class P permit from the PUC. The TNC must conduct criminal background checks, have adequate insurance, conduct driver-training programs, conduct annual vehicle inspections, as well as other requirements.

Pursuant to California Government Code, SunLine's taxis are regulated by the Cities of the Coachella Valley (via a Joint Powers Agreement). Government Code § 53075.5 states in relevant part that, "...every city or county shall protect the public health, safety, and welfare by adopting an ordinance or resolution in regard to taxicab transportation service rendered in vehicles designed for carrying not more than eight persons, excluding the driver, which is operated within the jurisdiction of the city or county."

Secondly, Companies like Lyft, UBERX and Sidecar, defined as Transportation Network Companies, use online platforms to connect passengers to drivers who are using their own vehicles. The drivers lease the majority of taxis in the Coachella Valley.

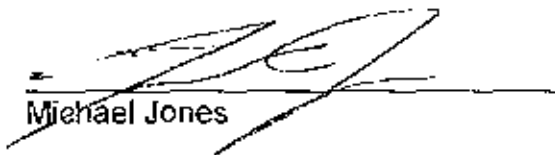


These TNCs cannot operate cars at a taxi stand or staging area, as their rides must be "pre-arranged."

Finally, TNCs cannot conduct any operations on the property of or into any airport unless the airport authority involved authorizes such operations. The taxis regulated by SunLine do not have this restriction. The great majority of rides provided by SunLine regulated taxis originate and terminate at the Palm Springs International Airport.

#### CHALLENGE FOR SUNLINE

Currently, SunLine must monitor public information relating to operations of these TNCs in the Coachella Valley to ensure they are not adversely affecting public safety and the vibrant taxi industry in the Coachella Valley. Once information of non-compliance is documented by SRA, this information must then be reported to the Safety and Enforcement Division of the PUC. Since the PUC has occupied this area of the industry, SunLine cannot put forth regulations governing this area of commerce.



Michael Jones



**AGENDA  
TAXI COMMITTEE MEETING**

**January 22, 2014  
11:30am – 12:00pm**

**Board Room  
SunLine Transit Agency  
Thousand Palms, CA**

(Public Comments will be accepted on each Agenda item upon the conclusion of the staff report on that item. Public comments on non-agendized items will be accepted during the Public comments section. Comments may be limited to 3 minutes in length. Please notify the Committee Chair if you wish to comment.)

1. **Call to Order**

2. **Roll Call**

3. **Confirmation of Agenda**

4. **Public Comments**

**Receive Comments**

Anyone wishing to address the Taxi Committee on items not on the Agenda should do so at this time. Each presentation is limited to three minutes.

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

5. **Allocation of Non-Temporary Taxicabs to American Cab and Yellow Cab of the Desert (Michael Jones)**

**Approve**

Request to the Board to approve award of thirty non-temporary taxicabs to American Cab and twenty non-temporary cabs to Yellow Cab of the Desert. (Pages 1-4)

----- **RECEIVE AND FILE** -----

6. **Consent Calendar**

**Receive and File**

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

- a) SSG/SRA checks over \$1000 issued November, 2013. (Pages 5-6)
- b) SSG/SRA Monthly Budget Reports November, December, 2013. (Page 7)
- c) Taxi Vehicle/Rides Analysis November, December, 2013. (Pages 8-9)

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

- 7. **Transportation Network Companies (TNC) Mobile Applications**      **Information Applications (Michael Jones)**  
Report to the Board on issues relating to the Public Utilities Commission's decision to regulate TNCs and how it relates to SunLine's regulation of taxis. (Pages 10-11)
- 8. **Adjourn**

## SunLine Services Group

**DATE:** January 22, 2014 **ACTION**

**TO:** Taxi Committee  
Board of Directors

**FROM:** Taxi Administrator

**RE:** Allocation of Non-Temporary Taxicab Awards to American Cab & Yellow Cab of the Desert

---

### Recommendation

Recommend that the Board of Directors approve the allocation of:

- A. Thirty non-temporary taxicab awards to American Cab;
- B. Twenty non-temporary taxicab awards to Yellow Cab of the Desert

### Background

There are two types of taxicab awards used by SunLine Services Group (SSG) for taxicab allocation:

- **Non-temporary** are awards that are issued to the franchise for on demand seven days, twenty four hour operation. SSG Board approved.
- **Temporary** are intended to exist for an undetermined amount time. Approved by Taxi Administrator.

October 1, 2009, the Coachella Valley franchise system was formed and four applicants were given a set number of taxicab awards to operate a taxicab franchise within our jurisdiction. The total number of non-temporary awards issued were one hundred eighty.

July 28, 2010, the SSG Board of Directors were placed on notice by then operating franchise Classic Yellow Cab, they no longer desired to operate taxicab services in the Coachella Valley. Classic Yellow Cab ceased taxicab operations the first week of September, 2010, returning fifty non-temporary taxicab awards to SSG. SunLine Regulatory Administration chose to allocate these taxicab awards as temporary to allow for all three franchises to adjust to the needs of the business.

All franchises were provided an opportunity to ask for temporary awards. To be approved for additional temporary awards, the franchise must demonstrate a need to SunLine Regulatory Administration. Through this review, each of the three remaining

franchises were initially award - twelve temporary awards increase for American Cab and Airport Taxi Inc. DBA Desert City Cab, and ten to Yellow Cab of the Desert.

At the October 24, 2012 Board meeting, the Taxi Committee provided detailed guidance regarding the need for additional information to assist the Board of Directors in making informed decisions relative to the allocation of unallocated non-temporary taxicab permits and the possible need for an RFP for an additional franchise. Under the RFP to Provide Taxi Consulting Service, some of the items included in the scope of work were:

- A. Should there be a firm ceiling on the number of non-temporary taxis allowed any single franchise?
- B. How would you recommend the SunLine Board assign the currently non-allocated, non-temporary permits, and why?
- C. Please comment on the use of the per-ride/per-day standard in promoting professional full time taxi franchises.

May 22, 2013, a recommendation was presented to the Board for action. This item was the award contract for a Taxi Study. The Board decided during this meeting not to move forward with the taxi study. The SSG Board felt that the need of a RFP for an additional franchise could be developed later, but that the fifty non-temporary permits already being allocated as non-permanent awards could be allocated within the current three franchise system.


December 4, 2013, SSG Board of Directors approved the applications for franchise extension on all three currently operating franchises in the Coachella Valley.

Both **American Cab** and **Yellow Cab of the Desert** have demonstrated on a continuous year around basis, through monthly ridership, the ability and need for the conversion of their temporary awards to non-temporary.

The number of non-temporary awards would remain at one hundred and eighty as originally allocated on October 1, 2009.

### Fiscal Impact

None.



Michael Jones

Fiscal Year Ending 2012	Month	Vehicles	Total Rides	Avg Rides			
Airport Taxi	Jul	39	7703	6.37			
American Cab		56	15913	9.17			
Yellow Cab of the Desert		30	6775	7.28			
Airport Taxi	Aug	33	6920	6.76			
American Cab		57	15619	8.84			
Yellow Cab of the Desert		33	6857	6.7			
Airport Taxi	Sep	38	7695	6.75			
American Cab		57	18236	10.66			
Yellow Cab of the Desert		36	8515	7.88			
Airport Taxi	Oct	43	10653	7.99			
American Cab		57	21262	12.03			
Yellow Cab of the Desert		39	11094	9.18			
Airport Taxi	Nov	46	11240	8.14			
American Cab		57	21033	12.3			
Yellow Cab of the Desert		41	11900	9.67			
Airport Taxi	Dec	45	9852	7.06			
American Cab		57	18630	10.54			
Yellow Cab of the Desert		41	10698	8.42			
Airport Taxi	Jan	49	11892	7.83			
American Cab		57	20700	11.71			
Yellow Cab of the Desert		46	12456	8.73			
Airport Taxi	Feb	51	14857	10.05			
American Cab		57	24096	14.58			
Yellow Cab of the Desert		48	14886	10.69			
Airport Taxi	Mar	51	16283	10.3			
American Cab		57	28732	16.26			
Yellow Cab of the Desert		50	17947	11.58			
Airport Taxi	Apr	56	19761	11.76			
American Cab		64	29988	15.62			
Yellow Cab of the Desert		50	21827	14.55			
Airport Taxi	May	49	13286	8.75			
American Cab		63	21683	11.1			
Yellow Cab of the Desert		46	14122	9.9			
Airport Taxi	Jun	41	9491	7.72	47.888889	117315	8.844444
American Cab		57	19488	11.4	58.444444	205612	12.83778
Yellow Cab of the Desert		42	10211	8.1	44.777778	125141	10.09111
		<b>Avg Veh</b>	<b>Total Rides</b>	<b>Avg R/V</b>			
Airport Taxi		48	117315	8.84			
American Cab		58	205612	12.84			
Yellow Cab of the Desert		45	125141	10.09			

Fiscal Year Ending 2013	Month	Vehicles	Total Rides	Avg Rides			
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Yellow Cab of the Desert		48	14957	10.39			
Airport Taxi	Dec	53	10353	6.3			
American Cab		66	21881	10.69			
Yellow Cab of the Desert		49	14197	9.35			
Airport Taxi	Jan	50	11624	7.5			
American Cab		66	22908	11.2			
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Yellow Cab of the Desert		51	17334	12.14			
Airport Taxi	Mar	52	16973	10.53			
American Cab		68	33030	15.67			
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		Avg Veh	Total Rides	Avg R/V			
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American Cab		68	230564	12.43			
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SunLine Regulatory Administration  
 Checks \$1,000 and Over  
 For the month-November 2013

Vendor Name	Item Description	Check No.	Date	Amount	Budgeted (Y/N)	Contract (Y/N)	Contract Amount Remaining (estimated)	Funding source
<b>Section I - General operating expenses and payroll liability reimbursements to SunLine Transit Agency</b>								
SUNLINE TRANSIT AGENCY	Payroll liability reimbursements - 11/8/13	89785	11/08/13	\$10,000.60	Y	N		Operating
SUNLINE TRANSIT AGENCY	Payroll liability reimbursements - 11/22/13	89796	11/21/13	\$9,803.85	Y	N		Operating
SUNLINE TRANSIT AGENCY	Operating Expense Allocations Aug - Oct 2013	89795	11/21/13	\$7,474.98	Y	N		Operating
JEFFREY J PRICE	Advertisement	89790	11/21/13	\$1,506.00	Y	N		Operating
	<b>Subtotal</b>			<b>\$28,785.43</b>				
<b>Section II - Legal Fees for litigation, Retainer &amp; Consultancy</b>								
	<b>Total Checks Over \$1,000</b>			<b>\$28,785.43</b>				
<b>Summary</b>								
Total of Checks Over \$1,000				\$28,785.43				
Total of Checks Under \$1,000				\$3,031.75				
Total of All Checks for the Month				\$31,817.18				
Total Amount of Checks Prior Year - Same Month				\$35,708.71				



SunLine Regulatory Administration  
 Checks \$1,000 and Over  
 For the month-December 2013

Vendor Name	Item Description	Check No.	Date	Amount	Budgeted (Y/N)	Contract (Y/N)	Contract Amount Remaining (estimated)	Funding source
<b>Section I - General operating expenses and payroll liability reimbursements to SunLine Transit Agency</b>								
SUNLINE TRANSIT AGENCY	Payroll liability reimbursements - 12/06/13	89803	12/05/13	\$9,940.68	Y	N		Operating
MACIAS GINI & O'CONNELL LLP	Audit Services Sept-Oct 2013	89802	12/05/13	\$1,365.46	Y	N		Operating
	<b>Subtotal</b>			<b>\$11,306.14</b>				
<b>Section II - Legal Fees for litigation, Retainer &amp; Consultancy</b>								
	<b>Total Checks Over \$1,000</b>			<b>\$11,306.14</b>				
<b>Summary</b>								
Total of Checks Over \$1,000				\$11,306.14				
Total of Checks Under \$1,000				\$370.92				
Total of All Checks for the Month				\$11,677.06				
Total Amount of Checks Prior Year - Same Month				\$36,285.73				

SunLine Regulatory Agency  
 Budget Variance Report  
 November 2013

Description	FY 13/14 Total Budget	Current Month			Year to Date		
		Actual	Budget	Favorable (Unfavorable)	YTD Actual	FY 13/14 YTD Budget	Favorable (Unfavorable)
<b>Revenues:</b>							
Meter Readings	332,346	27,228	27,696	(468)	114,586	138,478	(23,892)
Revenue Fines	5,000	250	417	(167)	1,350	2,083	(733)
Vehicle Inspection Revenue	17,000	1,550	1,417	133	6,250	7,083	(833)
Vehicle Reinspection Revenue	500	0	42	(42)	0	208	(208)
New Driver Permit Revenue	5,500	935	458	477	4,280	2,292	1,988
Driver Transfer Revenue	1,980	385	165	220	1,320	825	495
Driver Renewal Revenue	12,100	660	1,008	(348)	4,455	5,042	(587)
Driver Permit Reinstatement/Replacement	90	10	8	3	40	38	3
Vehicle Transfer Revenue	65	0	5	(5)	910	27	883
Vehicle Permit Revenue	102,000	15,300	8,500	6,800	36,650	42,500	(5,850)
Other Revenue	85,357	6,000	7,113	(1,113)	12,000	35,565	(23,565)
Interest Revenue	120	3	10	(7)	17	50	(33)
Other Income	29,000		2,417			12,083	
<b>Total revenue</b>	<b>591,058</b>	<b>52,321</b>	<b>49,255</b>	<b>5,483</b>	<b>181,857</b>	<b>246,274</b>	<b>(64,417)</b>
<b>Expenses:</b>							
Salaries and Wages	237,766	17,079	19,814	2,735	78,290	99,069	20,779
Fringe Benefits	120,549	9,736	10,046	310	43,842	50,229	6,387
Services	118,400	8,011	9,867	1,855	22,608	49,333	26,726
Supplies and Materials	3,800	605	317	(289)	2,197	1,583	(614)
Miscellaneous	27,475	1,607	2,290	683	8,344	11,448	3,104
Technology Solutions	29,000		2,417			12,083	
<b>Total Expenses</b>	<b>536,990</b>	<b>37,038</b>	<b>44,749</b>	<b>5,294</b>	<b>155,282</b>	<b>223,746</b>	<b>68,464</b>
<b>Total Operating Surplus (Deficit)</b>	<b>54,068</b>	<b>\$ 15,282.76</b>			<b>\$ 26,575.26</b>		

2013  
 11/15/13  
 11:00 AM

**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	CABS	TRIPS	TRIP/VEH	CABS	TRIPS	TRIP/VEH	CABS	TRIPS	TRIP/VEH	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
<b>TOTALS</b>	<b>2357</b>	<b>461,074</b>	<b>196</b>	<b>2752</b>	<b>463,967</b>	<b>169</b>	<b>3000</b>	<b>464,103</b>	<b>155</b>	<b>2627</b>	<b>436,589</b>	<b>166</b>	<b>2216</b>	<b>441,934</b>	<b>199</b>

	FY 09/10			FY 10/11			FY 11/12			FY 12/13			FY 13/14		
	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	132	33,019	250	154	36,388	236
AUG	155	23,671	153	148	29,238	198	123	29,459	240	133	35,031	263	153	38,550	252
SEP	158	29,239	185	150	31,807	212	131	34,446	263	131	38,754	296	155	39,874	257
OCT	153	37,468	245	117	40,222	344	139	43,009	309	149	45,301	304	172	49,781	289
NOV	153	40,466	264	126	40,494	321	144	44,173	307	165	48,495	294	177	54,456	308
DEC	160	32,084	201	128	36,226	283	143	39,180	274	168	46,431	276	174	48,480	279
JAN	155	38,276	247	133	45,232	340	152	45,048	296	164	49,720	303			#DIV/0!
FEB	157	36,557	233	132	42,331	321	156	53,840	345	174	55,559	319			#DIV/0!
MAR	159	44,219	278	138	48,942	355	158	62,962	398	174	71,774	412			#DIV/0!
APR	167	57,645	345	141	60,821	431	170	71,576	421	184	77,798	423			#DIV/0!
MAY	157	42,074	268	142	43,910	309	156	49,091	315	179	56,251	314			#DIV/0!
JUN	156	29,940	192	120	31,088	259	140	39,190	280	166	42,216	254			#DIV/0!
<b>TOTALS</b>	<b>1900</b>	<b>438,126</b>	<b>231</b>	<b>1626</b>	<b>481,522</b>	<b>296</b>	<b>1737</b>	<b>542,365</b>	<b>312</b>	<b>1919</b>	<b>600,349</b>	<b>313</b>	<b>985</b>	<b>267,529</b>	<b>272</b>

	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	APR	71,576	APR	77,798	JUL	38,550
LOWEST TRIPS	AUG	23,671	AUG	29,238	AUG	29,459	JUL	33,019	NOV	54,456
MOST VEHICLES	JUL	170	JUL	151	APR	170	APR	184	NOV	177
LEAST VEHICLES	NOV	153	NOV	117	AUG	123	SEP	131	AUG	153
MOST TRIPS/VEH	APR	345	APR	1004	APR	421	APR	423	NOV	289
LEAST TRIPS/VEH	AUG	153	AUG	198	AUG	240	JUL	250	JUL	308

## SunLine Services Group

**DATE:** January 22, 2014 **INFORMATION**

**TO:** Taxi Committee  
Board of Directors

**FROM:** Taxi Administrator

**RE:** Transportation Network Companies Mobile Applications

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### Information

This report is being written to convey to the Board of Directors issues relating to the Public Utility Commissions decision to regulate Transportation Network Companies and how that relates to SunLine's regulation to taxis.

Transportation Network Companies (TNCs) are companies that use electronic mobile applications to prearrange rides for potential passengers. In order to comply with the applicable statutes and regulations, all TNC drivers must be able to prove that a ride was matched on the TNC software application as evidence of prearrangement. These TNCs are distinguished from the taxicab companies regulated by SunLine in the Coachella Valley in many ways.

Firstly, as of September 19, 2013, California became the first state to regulate TNCs. The California Public Utilities Commission (PUC) regulates TNCs. The PUC instituted 28 rules and regulations applicable to TNCs. The Safety and Enforcement Division of the Public Utilities Commission enforces these rules. Each TNC must possess a class P permit from the PUC. The TNC must conduct criminal background checks, have adequate insurance, conduct driver-training programs, conduct annual vehicle inspections, as well as other requirements.

Pursuant to California Government Code, SunLine's taxis are regulated by the Cities of the Coachella Valley (via a Joint Powers Agreement). Government Code § 53075.5 states in relevant part that, "...every city or county shall protect the public health, safety, and welfare by adopting an ordinance or resolution in regard to taxicab transportation service rendered in vehicles designed for carrying not more than eight persons, excluding the driver, which is operated within the jurisdiction of the city or county."

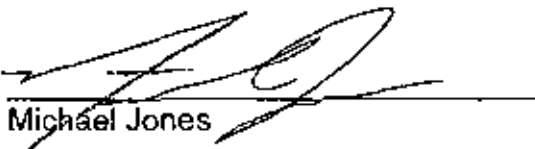
Secondly, Companies like Lyft, UBERX and Sidecar, defined as Transportation Network Companies, use online platforms to connect passengers to drivers who are using their own vehicles. The drivers lease the majority of taxis in the Coachella Valley.

These TNCs cannot operate cars at a taxi stand or staging area, as their rides must be "pre-arranged."

Finally, TNCs cannot conduct any operations on the property of or into any airport unless the airport authority involved authorizes such operations. The taxis regulated by SunLine do not have this restriction. The great majority of rides provided by SunLine regulated taxis originate and terminate at the Palm Springs International Airport.

#### CHALLENGE FOR SUNLINE

Currently, SunLine must monitor public information relating to operations of these TNCs in the Coachella Valley to ensure they are not adversely affecting public safety and the vibrant taxi industry in the Coachella Valley. Once information of non-compliance is documented by SRA, this information must then be reported to the Safety and Enforcement Division of the PUC. Since the PUC has occupied this area of the industry, SunLine cannot put forth regulations governing this area of commerce.

  
Michael Jones

**SUNLINE TRANSIT AGENCY RESTATED  
RETIREMENT INCOME PLAN FOR BARGAINING  
UNIT PERSONNEL**

RESTATEMENT

EFFECTIVE  
JANUARY 1, 2014



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**SUNLINE TRANSIT AGENCY RESTATED RETIREMENT  
INCOME PLAN FOR BARGAINING UNIT PERSONNEL**

**PRELIMINARY MATTERS**

The purpose of this Plan is to provide retirement benefits to Employees. This Plan is designated as a defined benefit pension plan.

This Plan is for the exclusive benefit of the Participants and their Beneficiaries, and it shall be interpreted and administered in a manner consistent with the provisions of the Internal Revenue Code of 1986, as amended. It shall be impossible at any time prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries under this Plan for any part of the assets, income, or forfeitures of this Plan to be used for, or diverted to, purposes other than the exclusive benefit of the Participants or their Beneficiaries.

This Plan shall be interpreted and administered in a manner that is uniformly and consistently applicable to all Participants under similar circumstances. At no time shall there be discrimination in favor of Employees who are Highly Compensated Employees whether or not they are Participants.

This Plan is intended to comply with all legislative and regulatory changes as reflected in the Cumulative List published by the Internal Revenue Service in Notice 2012-76 as well as subsequent Cumulative Lists that do not require changes in the Plan document.

Unless this document clearly states otherwise, the rights and benefits, if any, of Participants who are not Employees on the Effective Date of this restatement shall be determined in accordance with the terms and provisions of the Plan in effect on the date their employment terminated.

Although portions of this Plan may incorporate rules required by ERISA for plans subject to ERISA, such incorporation shall not be deemed to be an election to subject this Plan, the Employer, fiduciaries and other persons to the requirements of ERISA. Rights and obligations under this Plan shall be determined only by reference to the terms of the Plan and laws which are applicable to the Plan.

**HISTORY**

WHEREAS, effective February 1, 1980, the Plan Sponsor established a pension plan known as the "Sunline Transit Retirement Income Plan for Bargaining Unit Personnel"; and

WHEREAS, the Plan was restated in its entirety effective April 13, 1995; and

WHEREAS, the Plan was restated in its entirety effective April 30 1997; and

WHEREAS, the Plan was restated in its entirety effective July 1, 2007; and

WHEREAS, effective January 1, 2014, the Plan is amended and restated in its entirety by this 2014 Plan (herein called the "2014 Plan" or the "Plan"), as defined in Article I (General Definitions) herein and the plan is now known as the "SunLine Transit Agency Restated Retirement Income Plan for Bargaining Unit Personnel"; and

WHEREAS, the effect of this 2014 Plan shall begin January 1, 2014 for all purposes, unless indicated otherwise herein.

#### INTENTION

It is the intention of the Employer to establish and maintain this governmental plan, as defined in Internal Revenue Code Section 414(d) and the Regulations thereunder, for the benefit of its eligible employees and their beneficiaries.

## ARTICLE I – GENERAL DEFINITIONS

- 1.01 Accrued Benefit means, as of the date of determination, the greater of (a) or (b):
- (a) The Standard Retirement Benefit for any Participant which would be payable at the later of his Normal Retirement Date or the date of determination in the Normal Form of Benefit, based upon Credited Service for Benefit Accrual Purposes and Average Compensation as of the date of determination. Only Credited Service for Benefit Accrual Purposes earned as a Participant will be used.
  - (b) Minimum Benefit. For Participants employed on or before February 1, 1980 with at least 5 years of Credited Service for Benefit Accrual Purposes, the monthly minimum benefit shall be \$400 upon retirement after attainment of age 62. For Participants first employed after February 1, 1980, the monthly minimum benefit shall be payable upon retirement after attainment of age 62 with at least 10 years of Credited Service for Benefit Accrual Purposes.
- 1.02 Actuarial Equivalent means a benefit of equivalent value based upon Tables B and C, as may be adjusted from time to time. For ages and purposes other than those shown in Tables B and C, Actuarial Equivalent shall be determined using 7% interest and the 1971 Group Annuity Table for males.
- 1.03 Actuary means the person, firm or corporation appointed by the Plan Sponsor to render actuarial services in connection with the Plan.
- 1.04 Administrator means the committee or the person or group of persons designated by the Plan Sponsor as Administrator of the Plan, but if no committee or no other Administrator is specifically designated, the Plan Sponsor shall be considered the Administrator.
- 1.05 Adopting Employer means any entity which adopts this Plan with the consent of the Plan Sponsor and becomes a party to the Trust. In addition to all other terms and conditions in the Plan, Adopting Employers will be subject to, and must comply with, the terms and conditions set forth in Article XV (Adopting Employer Provisions), if applicable. An affiliate of the Plan Sponsor is not considered an Adopting Employer unless such affiliate has specifically adopted the Plan. If the Plan does not contain Article XV (Adopting Employer Provisions) setting forth the provisions for Adopting Employers, there will be no Adopting Employers of the Plan.
- 1.06 Anniversary Date means each January 1 while the Plan is in effect.
- 1.07 Average Compensation means, in the case of each Participant, as of the date of determination, the highest monthly average obtained when the sum of any 36 consecutive



monthly Compensation for Benefit Determination Purposes amounts (or if the Participant has fewer than 36 monthly Compensation for Benefit Determination Purposes amounts, the sum of all of his monthly Compensation for Benefit Determination Purposes amounts) is divided by the number of months for which he was compensated by the Employer in the period from which the monthly Compensation for Benefit Determination Purposes amounts were derived.

- 1.08 **Beneficiary** means any one or more primary or contingent beneficiaries designated by the Participant to receive any benefit payable under the Plan on or after the Participant's death. Upon the divorce of the Participant and Spouse, the Spouse is removed as Beneficiary under the Plan, if applicable, unless a Qualified Domestic Relations Order requires otherwise or a subsequent Beneficiary designation is made.

In the event that no designated Beneficiary survives the Participant, such benefit shall be paid in the following order of priority, if living at the time of the Participant's death:

- (a) The Participant's Spouse;
- (b) The Participant's children, including adopted children;
- (c) The Participant's parents;
- (d) The Participant's brothers and sisters; or
- (e) The Participant's estate.

If the primary beneficiary dies before receiving all benefits to which the Beneficiary is entitled, the balance of such payments shall be paid to the contingent beneficiary, if any, designated by the Participant, or otherwise, the present value of such payments shall be paid to the estate of the primary beneficiary.

The value of any death benefit which becomes payable to executors shall be commuted into and paid in one lump sum.

The designation of Beneficiary shall be made, changed or revoked, in writing, in the form and manner prescribed by the Administrator. However, the Participant's spouse must consent in writing to any change in Beneficiary.

- 1.09 **Code** means the Internal Revenue Code of 1986, as it may be amended from time to time.
- 1.10 **Code Section 401(a)(17) Compensation Limit** means, for any Plan Year or Limitation Year, the statutory limit that applies to each Participant's annual Compensation for a specific compensation determination period as determined under Code Section 401(a)(17) and the Regulations thereunder, including applicable cost of living

adjustments. This limit was reset to \$200,000 as of January 1, 2002 by the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA") and has increased to \$260,000 in 2014 as a result of cost of living adjustments.

If a compensation determination period is less than 12 consecutive months (for example, a short Plan Year or a Plan that determines benefit accruals separately for each month), then the Code Section 401(a)(17) Compensation Limit will be multiplied by a fraction, the numerator of which is the number of months in the compensation determination period, and the denominator of which is 12.

If Compensation for any prior compensation determination period is used in determining a Participant's Plan benefits for the current Plan Year, then the annual Compensation for such prior compensation determination period is subject to the applicable Code Section 401(a)(17) Compensation Limit as in effect for that prior compensation determination period.

- 1.11 Code Section 415 Safe Harbor Compensation** means wages, salaries, and fees for professional services and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Employer maintaining the Plan, including, but not limited to, commissions paid to salespersons, compensation for services based on a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, and reimbursements, or other expense allowances under a non-accountable plan as described in Treasury Regulation §1.62-2(c).

A Participant's Code Section 415 Safe Harbor Compensation will exclude the following:

- (a) Employer contributions (other than elective contributions described in Code Sections 402(c)(3), 408(k)(6), 408(p)(2)(A)(i), or 457(b)) to a plan of deferred compensation (including a simplified employee pension described in Code Section 408(k) or a simple retirement account described in Code Section 408(p), and whether or not qualified) to the extent such contributions are not included in the employee's gross income for the taxable year in which contributed or any distributions (whether or not includible in gross income when distributed) from a plan of deferred compensation (whether or not qualified);
- (b) Other amounts which received special tax benefits, such as premiums for group-term life insurance (but only to the extent that the premiums are not includible in the gross income of the employee and are not salary reduction amounts that are described in Code Section 125); and
- (c) Other items of remuneration that are similar to any of the items listed in (a) and (b) above.

For Limitation Years beginning on or after the later of the original Effective Date of the Plan or July 1, 2007, Code Section 415 Safe Harbor Compensation includes PostSeverance Compensation.

For Limitation Years beginning after the later of the original Effective Date of the Plan or December 31, 1997, Code Section 415 Safe Harbor Compensation paid or made available during such Limitation Year shall include amounts that would otherwise be included in Compensation but for an election under Code Sections 125(a), 402(e)(3), 402(h)(1)(B), 402(k), 403(b) or 457(b).

For Limitation Years beginning after the later of the original Effective Date of the Plan or December 31, 2000, Code Section 415 Safe Harbor Compensation paid or made available during such Limitation Year shall include amounts that would otherwise be included in Compensation but for an election under Code Section 132(f)(4).

For years beginning after the later of the original Effective Date of the Plan or December 31, 2008, (i) an individual receiving a differential wage payment, as defined by Code Section 3401(h)(2), is treated as an employee of the employer making the payment, (ii) the differential wage payment is treated as compensation, and (iii) the Plan is not treated as failing to meet the requirements of any provision described in Code Section 414(u)(1)(C) by reason of any contribution or benefit which is based on the differential wage payment.

- 1.12 Collective Bargaining Agreement means any labor contract as amended or extended from time to time between the Employer and the Union, as applicable to the particular Participant. The Union is Amalgamated Transit Union – Local 1277.
- 1.13 Committee means the Committee appointed to administer the Plan.
- 1.14 Compensation means the following with respect to determining the amount of, and the allocation of, the various Employer contributions permitted under the terms of the Plan:
- (a) Compensation for Benefit Determination Purposes. In determining the amount of a Participant's Accrued Benefit and Standard Retirement Benefit (as defined in Article V (Standard Retirement Benefit)), the term Compensation for Benefit Determination Purposes means a Participant's average monthly base salary received during a Plan Year.

Compensation for Benefit Determination Purposes shall not include overtime, commissions, bonuses and any other similar forms of extra pay, expenses reimbursements such as automobile, moving and educational reimbursements and contributions to or benefits from any benefit plans sponsored by the Employer including Workers Compensation and Unemployment Disability Insurance.

Compensation earned while not a Participant in the Plan shall be excluded.

For Limitation Years beginning after the later of the original Effective Date of the Plan or December 31, 1997, Compensation for Benefit Determination Purposes paid or made available during such Limitation Year shall include amounts that would otherwise be included in Compensation for Benefit Determination Purposes but for an election under Code Sections 125(a), 402(e)(3), 402(h)(1)(B), 402(k), 403(b), 457(b) or 132(f)(4).

For purposes of leave of absence due to a Disability Retirement Benefit (Section 7.04), Compensation for Benefit Determination Purposes means the Participant's base monthly rate of pay in effect at the time the Disability began. If paid hourly, Compensation for Benefit Determination Purposes shall be equal to the hourly rate multiplied by the number of hours regularly scheduled to be worked each month.

- (b) Code Section 401(a)(17) Compensation Limit. In determining Compensation for all purposes, a Participant's Compensation for any compensation determination period will not exceed the Code Section 401(a)(17) Compensation Limit.
- (c) Compensation for Code Section 415 Purposes. In determining the limitation under Code Section 415, the term Compensation means a Participant's Code Section 415 Safe Harbor Compensation received during a Plan Year.

Compensation for Code Section 415 Purposes includes Post-Severance Compensation.

**1.15 Computation Period means:**

- (a) Vesting: For purposes of service used for determining vesting, the Computation Period means the 12 consecutive month period beginning on an employee's Employment Commencement Date and each Employment Anniversary.
- (b) Benefit Accruals: For purposes of service used for determining the Accrued Benefit, the Computation Period means the 12 consecutive month period beginning on an employee's Employment Commencement Date and each Employment Anniversary.

**1.16 Credited Service for Benefit Accrual Purposes means the years, calculated to the nearest completed month of an Employee's continuous employment with the Employer from the most recent date of hire, including service prior to the Effective Date, as an Eligible Employee, excluding Leaves of Absence except as otherwise specified in this Section.**

Credited Service for Benefit Accrual Purposes shall include:

- (a) Absence from employment for any cause, which does not result in a loss of seniority under the Collective Bargaining Agreement, and which is in accordance with the Memorandum of Understanding in existence at the time the leave began.
- (b) Leaves of Absence during which the Participant is receiving, entitled to receive, or determining his rights to receive, temporary benefits under the provisions of the State Workers' Compensation and Unemployment Disability laws, as described in Section 1.34.
- (c) Temporary Leaves of Absence to engage in Union duties, during which time the Eligible Employee with continue participation and will be entitled to the benefits described in the Plan. Full-time employees of the Union on Leave of Absence from SunLine Transit Agency shall be entitled to continuous participation and have the period of the Leave of Absence considered as time worked. Such Employees shall not suffer any impairment of the continuous service or earnings for the purpose of calculating either Credited Service or Compensation under the terms of the Plan.
- (d) Periods of Military Leave as described in Section 1.36.

In the event an Employee fails to return to the employment of the Employer promptly upon the conclusion of a Leave of Absence, then such Employee shall be deemed to have terminated as of the date such event commenced.

Credited Service may also include the Participant's accumulated unused sick leave as of the date of termination. Such additional credit shall be calculated based upon the ratio of such unused hours of sick leave to 2,080 work hours.

**1.17 Credited Service for Vesting Purposes** means Credited Service for Benefit Accrual Purposes, except it shall also include service while not an Eligible Employee.

**1.18 Disability** means a physical or mental condition of a Participant which prevents him from performing his employment with the Employer for reasons not constituting cause for discharge. Disability shall be determined by the Committee with the advice of competent medical authority, in accordance with uniform policies consistently applied upon the basis of evidence of permanent disqualification from the job classification held at the time of such disability.

**1.19 Disability Retirement Date** means the first day of the month next following the date on which (prior to his Normal Retirement Date) a Participant's employment terminates because of his Disability after completion of 5 years of Credited Service for Vesting Purposes.

1.20 **Early Retirement Date** means the first day of the month next following the date on which the Participant retires (prior to his Normal Retirement Date) after attaining age 55 and completing 5 years of Credited Service for Vesting Purposes, or the Participant has completed 25 years of Credited Service for Vesting Purposes.

1.21 **Effective Date** means, with respect to this 2014 Plan, January 1, 2014. The original effective date of the Plan is February 1, 1980.

1.22 **Eligible Employee** means each Employee who is actively employed by the Employer except the following classification(s) shall not be an Eligible Employee:

(a) Employees whose employment is not governed by a Collective Bargaining Agreement.

1.23 **Employee** means each employee of the Employer. Employee shall include Leased Employees only to the extent required by the Code and applicable regulations.

It is expressly intended that individuals not treated as common law employees by the Employer on its payroll records are not Employees even if a court or administrative agency determines that such individuals are common law employees. In addition, an illegal alien shall not be considered an Employee.

1.24 **Employer** means the Plan Sponsor, any Adopting Employer, and any successor which may adopt the Plan and become a party to the Trust. Any action or determination of the Employer who is also the Plan Sponsor under the Plan shall be by its Governing Body.

1.25 **Employment Anniversary** means each anniversary of an employee's Employment Commencement Date.

1.26 **Employment Commencement Date** means the date on which an employee first performs an Hour of Service for the Employer. If the employee has more than one period of service with the Employer, Employment Commencement Date for purposes of this Plan means the most recent such date.

1.27 **Fund** means the aggregate of all assets held by the Funding Agency to provide the benefits of this Plan.

1.28 **Funding Agency** means any individual, insurance company, corporate trustee or bank as defined in Section 408(n) of the Code selected by the Employer as a depository for funds accumulated under this Plan and the Prior Plan.

1.29 **Governing Body** means the Board of Directors of the Plan Sponsor.

- 1.30 **Ineligible Employee** means an Employee who is not an Eligible Employee.
- 1.31 **Late Retirement Date** means, in the case of a Participant who elects to continue his employment beyond his Normal Retirement Date, the first day of the month next following the date on which his employment terminates for any reason other than his death.
- 1.32 **Leased Employee** means any person (other than an employee of the recipient) who, pursuant to an agreement between the recipient and any other person ("leasing organization"), has performed services for the recipient (or for the recipient and related persons determined in accordance with Code Section 414(n)(6)) on a substantially full-time basis for a period of at least one year, and such services are performed under primary direction or control by the recipient employer. Contributions or benefits provided a leased employee by the leasing organization which are attributable to services performed for the recipient employer shall be treated as provided by the recipient employer.

A leased employee shall not be considered an Employee of the recipient if both (a) and (b) below are satisfied:

- (a) Such employee is covered by a money purchase pension plan providing:
- (1) A nonintegrated employer contribution rate of at least 10% of compensation as defined in Code Section 415(c)(3), but including amounts contributed pursuant to a salary reduction agreement which are excludable from the employee's gross income under Code Sections 125, 402(a)(8), 402(h) or 403(b),
  - (2) Immediate participation, and
  - (3) Full and immediate vesting.
- (b) Leased employees do not constitute more than 20% of the recipient's non-highly compensated workforce.

In the case of an Employee who is a Leased Employee (as that term is defined in Code Sections 414(n) and (o) and the Regulations thereunder), such Leased Employee's interest in a leasing organization's qualified plan (i.e., any contributions, forfeitures or benefits of a leasing organization that are attributable to services performed for a recipient by the Leased Employee) is treated as provided under this Plan for purposes of applying the employee benefit requirements listed in Treasury Regulation §1.414(n)-3(a) (except for paragraph (a)(6) of that Section) to any qualified plan maintained by the Employer.

- 1.33 **Leave of Absence** means any absence required to be granted by the applicable Collective Bargaining Agreement authorized by the Employer, in writing, under the Employer's

standard personnel policies, provided that all persons under similar circumstances must be treated alike in the granting of such Leave of Absence and provided further that the Participant returns to the employ of the Employer within the specified period stipulated in the Leave of Absence.

Any Participant on Leave of Absence during periods in which he is receiving or is entitled to receive temporary benefits under the provisions of the State Workers' Compensation and Unemployment Disability Laws, shall receive credit for both years of Credited Service for Benefit Accrual Purpose and Compensation for Benefit Accrual Purposes for such authorized period of time, provided such period of time is reasonable and does not exceed 12 months. For good cause, however, the Committee may extend the time limits in this paragraph. The computation for any Leave of Absence shall be based on the basic wages or salary of the position held by the Participant at the beginning of the Leave of Absence.

Notwithstanding the foregoing, effective December 12, 1994, service shall be credited to the extent required by the Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA") as such Act may be amended from time to time. To the extent required by USERRA, the following provisions apply:

- (a) Any individual who is reemployed by the Employer under the terms of USERRA shall not incur a termination of employment.
- (b) Upon reemployment with the Employer, the Participant's service in the Uniformed Services is deemed to be years of Credited Service for Benefit Accrual Purposes with the Employer up to a maximum of 5 years.
- (c) If the Employer reemploys the Participant pursuant to USERRA, the Employer shall fund the Plan to the extent required by subparagraphs (a) and (b) above
- (d) For purposes of this Section 1.34, the Employee's Compensation for Benefit Accrual Purposes shall be the Compensation for Benefit Accrual Purposes such Employee would have received during the period of USERRA provided such Compensation for Benefit Accrual Purposes is reasonably certain. If such amount is uncertain, the Employee's Compensation for Benefit Accrual Purposes shall be such Compensation for Benefit Accrual Purposes as was paid for the 12-month period immediately preceding the USERRA service (or such shorter period if employment was less than 12 months).
- (e) Service will be credited for employment with any employer required to be aggregated with the Employer under Code sections 414 (b), (c) or (m). Service will also be credited for any individual considered an Employee for purposes of this Plan under Code section 414(n)



- 1.34 **Limitation Year** means the Plan Year. All qualified plans maintained by the Employer must use the same Limitation Year. If the Limitation Year is amended to a different 12 consecutive month period, the new Limitation Year must begin on a date within the Limitation Year in which the amendment is made.
- 1.35 **Military Leave** means an Employee's absence in the Armed Forces of the United States of America or any of its allies in time of war in which the United States of America shall be engaged, or in the Armed Forces of the United States of America during which period the Employee has reemployment rights under applicable law, provided that such Employee returns to employment with the Employer within 90 days, or such longer period as may be prescribed by applicable law, after discharge or release from such Armed Forces or from hospitalization continuing for a period of not more than 1-year after discharge or release from such Armed Forces. If, however, such Employee fails to return to the Employer's employ as specified, his absence shall not be deemed a Military Leave. Notwithstanding any provision of this Plan to the contrary, effective December 12, 1994, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Code Section 414(u).
- 1.36 **Named Fiduciary** means SunLine Transit Agency as the Employer, the Funding Agency and the Committee.
- 1.37 **Normal Form of Benefit** means the form of benefit as defined as such in Article VI (Forms of Distribution).
- 1.38 **Normal Retirement Age** means age 62 and 5 years of Credited Service for Vesting Purposes. There is no mandatory retirement age.
- 1.39 **Normal Retirement Date** means the first day of the month coincident with or next following the date on which the Participant reaches his Normal Retirement Age.
- 1.40 **Participant** means an Eligible Employee who qualifies to participate in the Plan as provided in Article II (Participation). Participant shall also include a former Participant whose benefits under the Plan have not been paid fully.
- 1.41 **Participation Date** means the date as of which an Employee becomes a Participant, as provided in Article II (Participation).
- 1.42 **Plan** means the Plan embodied herein (as it may be amended from time to time) and known as the SunLine Transit Agency Restated Retirement Income Plan for Bargaining Unit Personnel. Prior to January 1, 2014, the Plan was known as the SunLine Transit Restated Retirement Income Plan for Bargaining Unit Personnel.

- 1.43 Plan Sponsor means SunLine Transit Agency and any successor which may adopt the Plan and become a party to the Trust. Any action or determination of the Plan Sponsor under the Plan shall be by its Governing Body.
- 1.44 Plan Year means a period of 12 consecutive months beginning January 1 of each year and ending on the following December 31.
- 1.45 Policy means any group annuity contract issued by an insurance company licensed to do business in the State of California, which was approved by the Committee with the consent of the Governing Body to provide benefits of this Plan.
- 1.46 Post-Severance Compensation means the following amounts that are paid within the later of 2½ months after an Employee's severance from employment or the end of the Limitation Year that includes the Employee's severance from employment:
- (a) payments that, absent a severance from employment, would have been paid to the Employee while the Employee continued in employment with the Employer and are regular compensation for services during the Employee's regular working hours, compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar compensation.
  - (b) payments for accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if employment had continued; and
  - (c) payments for deferred compensation if the compensation would have been included in the definition of Compensation if it had been paid prior to the Participant's severance from employment," and the compensation is received pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid at the same time if the Participant had continued in employment with the Employer and only to the extent that the payment is includible in the Participant's gross income.
- Any other payment that is not described in (a), (b) and (c) above is not considered PostSeverance Compensation if paid after severance from employment, even if it is paid within 2½ months following the time period described above. For example, PostSeverance Compensation does not include amounts paid after severance from employment that are severance pay, unfunded nonqualified deferred compensation, or parachute payments within the meaning of Code Section 280G(b)(2).
- 1.47 Qualified Military Service means any service in the uniformed services (as defined in Chapter 43 of Title 38 of the United States Code) by any individual who is entitled to reemployment rights under the Code with respect to the military service.

- 1.48 **Severance Date** means, in the case of a Participant whose employment terminates for any reason (other than his death) prior to his qualification for a disability, early, normal or late retirement benefit, the first day of the month coincident with or next following the date on which his employment terminates.
- 1.49 **Spouse or Surviving Spouse** means the spouse or surviving spouse of the Participant as a result of a legal union. A former spouse will be treated as the Spouse or Surviving Spouse and a current spouse will not be treated as the Spouse or Surviving Spouse to the extent provided under a qualified domestic relations order as described in Section 414(p) of the Code.
- 1.50 **Trust** means the Trust established according to the provisions of the separate trust agreement which is used in conjunction with the Plan.
- 1.51 **Trust Fund** means the fund as defined in the separate trust agreement which is used in conjunction with the Plan.
- 1.52 **Trustee** means the Trustee named in a separate trust agreement which is used in conjunction with the Plan.

## ARTICLE II – PARTICIPATION

### **2.01 Participants in Plan on the Day Before the Effective Date of this Plan Restatement.**

- (a) Each Eligible Employee of the Employer on the Effective Date of this Plan Restatement who was a Participant in the Plan on the day immediately preceding the Effective Date of this Plan Restatement shall continue as a Participant in the Plan; and his Participation Date shall be the date as of which he became a participant in the prior Plan.
- (b) In the case of any former employee of the Employer who is no longer employed by the Employer on the Effective Date of this Plan Restatement, but who was a participant in the prior Plan, any benefit to which he (or his beneficiary) may be entitled shall be determined and payable (and, if payments have already begun, shall continue to be payable) in accordance with the provisions of the Plan which were in effect on the date of his retirement, death or other termination of employment.

### **2.02 New Participants in this Plan Restatement.** Each Eligible Employee who was not a participant in the Plan on the day immediately preceding the Effective Date of this Plan Restatement shall become a Participant in the Plan immediately upon his date of hire or the date he becomes an Eligible Employee.

### **2.03 Transfer and Reassignments.** An Employee who transfers or is reassigned to employment not covered by this Plan will retain his Accrued Benefit under this Plan but years of Credited Service for Benefit Accrual Purposes and Compensation for Benefit Determination Purposes shall freeze effective on the date of transfer for purposes of this Plan.

## ARTICLE III - REHIRE AFTER TERMINATION OF EMPLOYMENT

### **3.01 Reinstatement from Retirement.** A retired Participant shall not serve, be employed by, or be employed through a contract directly by the Employer as an Eligible Employee without reinstatement from retirement, except in the following circumstances:

- (a) The retired Participant is appointed by the appointing power of the Employer either during an emergency to prevent stoppage of public business or because the retired Participant has skills needed to perform work of limited duration. Any such appointment shall not exceed a total of 960 hours in a Plan Year. The rate of pay for the employment shall not be less than the monthly minimum, nor exceed the monthly maximum, paid by the Employer to other Employees performing comparable duties, divided by 173.333 to equal an hourly rate.

- (b) Notwithstanding subsection (a), a retired Participant shall not be eligible to serve or be employed by the Employer if, during the 12-month period prior to an appointment described in (a) above, the retired Participant received any unemployment insurance compensation arising out of prior employment with the Employer. A retired Participant shall certify in writing to the Employer upon accepting an offer of employment that he or she is in compliance with this requirement. A retired Participant who accepts an appointment with the Employer after receiving unemployment insurance compensation shall terminate that employment on the last day of the current pay period and shall not be eligible for reappointment for a period of 12 months following the last day of employment.
- (c) A retired Participant shall not be eligible to be employed pursuant to this Section for a period of 180 days following the date of retirement unless the Employer certifies the nature of the employment and that the appointment is necessary to fill a critically needed position before 180 days has passed and the appointment has been approved by the governing body of the Employer in a public meeting. The appointment may not be placed on a consent calendar.
- (d) A retired Participant who accepted a retirement incentive upon retirement shall not be eligible to be employed pursuant to this Section for a period of 180 days following the date of retirement and (c) above shall not apply.

In addition to the above conditions, the Committee will only need to reinstate an Eligible Employee from retirement upon the following conditions:

- (a) His application to the Committee for reinstatement is accepted, and
- (b) The determination by the Committee, based upon medical examination, that the retired Participant is not incapacitated for the duties to be assigned to the retired Participant.

When any Participant is reinstated from retirement under this provision, his retirement allowance shall cease, and he shall become a Participant as of the date of reinstatement. Upon his later retirement, his retirement benefit will be recalculated including all of his years of Credited Service and Compensation, less the actuarial equivalent of any benefits already paid. In no event will the benefit be less than his benefit at the initial retirement date.

**3.02 Participation Upon Rehire.** In the event of the termination of service with the Employer of a Participant, followed by reemployment of such Participant, the Participant's Credited Service for all purposes shall not be counted unless one of the following conditions apply:

- (a) Such termination was due to an authorized Leave of Absence; or
- (b) Such termination was due to Military Leave.

**3.03 Reemployment After Commencement of Benefits.**

- (a) Suspension of Benefits that Commenced Prior to Normal Retirement Age. For any Participant who began receiving distributions prior to normal retirement and is reinstated as a Participant, the Plan shall suspend benefit payments during the Participant's period of reemployment unless the Participant is under age 62 when he is rehired. A Participant who is rehired prior to attaining age 62 shall have benefit payments suspended during the Participant's period of reemployment.

Credited Service for Benefit Accrual Purposes shall include the period of time during which the Participant has received benefit payments under the Plan prior to his reemployment.

Any benefits to which such reinstated Participant is subsequently entitled under the Plan shall be reduced by the actuarial equivalent of any retirement benefits, including disability retirement benefits, actually received. However, in no event shall such reinstated Participant receive a greater benefit than that which he would have received under the Plan had he not had an interruption of his Credited Service for Benefit Accrual Purposes. Furthermore, in no event shall there be duplication of benefits based on the same periods of Credited Service for Benefit Accrual Purposes.

- (b) Suspension of Benefits that Commenced After Normal Retirement Age. Any former Participant who began receiving distributions after normal retirement and is reinstated as a Participant shall be subject to the required notice provisions of Subsection (a) of this Section.

The Participant will continue to receive the portion of the benefit that does not exceed his Normal Retirement Benefit in the form of benefit previously elected. The portion of the benefit in excess of the normal retirement benefit will be suspended.

Credited Service for Benefit Accrual Purposes shall include the period of time during which the Participant has received benefit payments under the Plan prior to his reemployment.

Any benefits to which such reinstated Participant is subsequently entitled shall be determined in accordance with the late retirement benefit provisions of Article VII (Distribution of Benefits), except that such benefit shall be reduced by the actuarial equivalent of any retirement benefits previously received.



## ARTICLE IV – FUNDING

### 4.01 Trust Fund.

- (a) All contributions under the Plan shall be paid or transferred into the Trust Fund to be held, managed, invested and distributed in accordance with the provisions of the Plan.
- (b) All benefits under the Plan shall be payable directly from the Trust Fund except those benefits for which the Employer has purchased an annuity contract.
- (c) The Employer shall have no liability (except as provided by law) for the payment of benefits other than the obligation to make contributions to the Trust Fund as provided in Section 4.02.

A separate trust agreement sets out the detailed provisions that apply with respect to the Trustee and the Trust Fund.

4.02 Employer Contributions. The Employer shall, from time to time, contribute to the Trust Fund such amounts as are estimated by the Actuary to be sufficient, based upon an actuarially sound basis, to provide the benefits under the Plan. Such contributions may be made in cash or in property which is an authorized investment of the Trust Fund (as provided in a separate trust agreement) or in a combination of cash and such property. Unless otherwise provided by the Employer at the time the contribution is made, all Employer contributions to this Plan and Trust Fund shall be conditioned on their being deductible in the Employer's fiscal year in which made, or in the preceding fiscal year.

4.03 Employee Contributions. There are no Employee contributions under the Plan.

4.04 Funding Agency's Acceptance. The Funding Agency shall accept all contributions to the Fund, and shall administer and apply the same in accordance with the terms of this Plan. The Funding Agency shall be under no obligation to inquire into the correctness of the amount contributed and paid over to the Funding Agency nor shall the Funding Agency be under any duty to enforce the payment of the contributions to be made. The determination of the contributions shall be final and conclusive upon all persons.

## ARTICLE V – STANDARD RETIREMENT BENEFIT

### 5.01 Standard Retirement Benefit.



- (a) Benefit Formula. The Standard Retirement Benefit to be provided for each Participant shall be a monthly pension payable in the Normal Form of Benefit for unmarried Participants commencing the first day of the month next following his Normal Retirement Date, in a monthly amount equal to  $1/60^{\text{th}}$  of Average Compensation times Credited Service for Benefit Accrual Purposes.
  
- (b) The benefit for a Participant who retires at any age other than age 62 shall be the appropriate percentage from Table A times Average Compensation. For ages and years of Credited Service for Benefit Accrual Purposes other than those in Table A, the applicable percentages shall be interpolated to the nearest completed month.

## ARTICLE VI – FORMS OF DISTRIBUTION

### 6.01 Normal Form of Distribution.

- (a) Normal Form of Distribution upon Retirement, Disability or Severance from Employment. Unless an optional form of benefit is selected, an unmarried Participant's Vested Accrued Benefit will be paid in the form of a life annuity. The Normal Form of Distribution for a married Participant will be a Joint and 50% Survivor Annuity described in Section 6.02.
- (b) Definitions.
  - (1) Annuity Starting Date means the first day of the first period for which an amount is paid as an annuity or any other form.

### 6.02 Forms of Benefit.

- (a) If a Participant has elected not to receive his benefit as provided in Section 6.01 (Normal Form of Distribution), he may elect one of the following optional forms of benefit:
  - (1) Life Annuity With Minimum Number of Payments. A monthly pension payable in an adjusted level monthly amount payable for a period certain of 120 months (not extending beyond the life expectancy of the Participant or the joint and last survivor expectancy of the Participant and his Beneficiary) and during the Participant's lifetime thereafter. The amount of monthly payments will be actuarially reduced from the Normal Form of Benefit as shown on Table C.
  - (2) Joint and Survivor Annuity. A monthly pension payable during the Participant's lifetime in an adjusted level monthly amount with provision for continuing level monthly payments of 50%, 66 2/3% and 100% of such adjusted monthly amount for the lifetime of a contingent survivor designated by the Participant. The payment shall be the Actuarial Equivalent of the Normal Form of Benefit using the factors from Table B.
  - (3) Single Sum. A single sum settlement if the Single Sum will be \$5,000 or less.
  - (4) Social Security Adjustment. A single life annuity payable in a greater amount during the period before first becoming eligible for Social Security benefits and a corresponding reduced amount after becoming eligible such

that the monthly benefit, including both the adjusted benefit payable under this Plan and the primary insurance amount to which such Participant shall be entitled, shall be a nearly uniform as possible both before and after becoming eligible.

- (b) Unless otherwise stated above, the value of any benefit under the terms of this Plan payable as a nondecreasing life annuity will be the Actuarial Equivalent of the Normal Form of Benefit for unmarried Participants. However, this Section (b) shall not apply to the extent it would cause the Plan to fail to satisfy the requirements of Article XII (Code Section 415 Limitations on Benefits) of the Plan.

The value of any distribution payable in a form other than a nondecreasing life annuity, if allowed by the Plan, will be determined according to the applicable assumptions specified in Article I (General Definitions) if not otherwise specified in the description of the form of distribution.

#### **6.03 Rules Governing Election of Optional Forms.**

- (b) The Administrator shall prescribe uniform rules, procedures and forms, consistent with the provisions of this Article, with respect to Participants' elections, revocations or changes of optional forms of benefit and may require such medical evidence as it deems necessary and appropriate to determine which optional forms of benefit shall be available to each Participant.
- (c) The election by any Participant of an optional form of benefit shall be effective without any requirement of Administrator approval, but the election must comply with the provisions of Section 6.03(a).
- (d) Each Participant may revoke or change a prior election of an optional form of benefit prior to the commencement of such benefit, with the Administrator's written approval. A Participant who has effectively revoked or changed a prior election of an optional form of benefit may then elect to receive his benefit in the form described in Section 6.02 (Forms of Distribution) without the Administrator's approval as long as the election complies with the provisions of Section 6.03(a).
- (e) Each Participant who does not elect an optional form of benefit shall be paid his benefit in the form described in Section 6.01 (Normal Form of Distribution).
- (f) Each Participant who has effectively elected an optional form of benefit shall be paid his benefit in such optional form.

**6.04 Commencement of Benefits.**

- (a) Unless the Participant elects otherwise, distribution of benefits will begin no later than the 60<sup>th</sup> day after the latest of the close of the Plan Year in which:
  - (1) The Participant attains age 65 (or Normal Retirement Date, if earlier);
  - (2) Occurs the 10<sup>th</sup> anniversary of the year in which the Participant commenced participation in the Plan; or
  - (3) The Participant terminates service with the Employer.
- (b) Notwithstanding the foregoing, the failure of a Participant to consent to a distribution while a benefit is immediately distributable shall be deemed to be an election to defer commencement of payment of any benefit sufficient to satisfy this Section.

A Participant's Accrued Benefit is immediately distributable if any part of the Accrued Benefit could be distributed to the Participant (or Surviving Spouse) before the Participant attains (or would have attained if not deceased) the later of his Normal Retirement Date or age 62.

- (c) If a Participant separates from service before satisfying the age requirement for early retirement, but has satisfied the service requirement, the Participant will be entitled to elect a reduced benefit upon satisfaction of such age requirement for early retirement.

**6.05 Cash Out of Small Benefits and Consent Required for Distribution of Benefits.**

- (a) Cash Out of Small Benefits. If a Participant terminates service, and the Participant's vested single sum Actuarial Equivalent of the Accrued Benefit derived from Employer and Employee contributions and any Rollover Contributions within the meaning of Code Sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(a)(16) is not greater than \$1,000, the Participant will receive a distribution of the vested portion of such single sum Actuarial Equivalent of the Accrued Benefit and the nonvested portion will be treated as a forfeiture. For purposes of this Section, if the Participant's vested single sum Actuarial Equivalent of the Accrued Benefit is \$0.00, the Participant shall be deemed to have received a distribution of such vested single sum Actuarial Equivalent of the Accrued Benefit.

**6.06 Direct Rollovers.**

(a) This Section 6.06 applies to distributions made on or after December 31, 2001. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section 6.06, a distributee may elect, at the time and in the manner prescribed by the Administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

(b) Definitions.

(1) Eligible rollover distribution. An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated Beneficiary, or for a specified period of 10 years or more; any distribution to the extent such distribution is required under Code Section 401(a)(9); and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to Employer securities).

A portion of the distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to (1) a traditional individual retirement account or annuity described in Code Section 408(a) or (b) (a "traditional IRA) or a Roth individual account or annuity described in Code Section 408A (a "Roth IRA"); or (2) to a qualified defined contribution, defined benefit or annuity plan described in Code Sections 401(a) or 403(a) or to an annuity contract described in Code Section 403(b), if such plan or contract provides for separate accounting for amounts so transferred (including interest thereon), including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(2) Eligible retirement plan. An eligible retirement plan is:

- (i) A qualified plan described in Code Sections 401(a) or 403(a);
- (ii) An annuity contract described in Code Section 403(b);

- (iii) An eligible plan under Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state;
  - (iv) An individual retirement account or annuity described in Code Section 408(a) or 408(b); and
  - (v) a Roth individual retirement account described in Code Section 408A(b).
- (3) **Distributee.** A distributee includes an employee or former employee. In addition, the employee's or former employee's Surviving Spouse and the employee's or former employee's Spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code Section 414(p), are distributees with regard to the interest of the Spouse or former spouse.

A distributee includes the Participant's nonspouse designated beneficiary. In the case of a nonspouse beneficiary, the direct rollover may be made only to a traditional IRA or Roth IRA that is established on behalf of the designated beneficiary and that will be treated as an inherited IRA pursuant to the provisions of Code Section 402(c)(11). Also, in this case, the determination of any required minimum distribution under Code Section 401(a)(9) that is ineligible for rollover shall be made in accordance with Notice 2007-7, Q&A-17 and Q&A-18, 2007-5 I.R.B. 395.

- (4) **Direct rollover.** A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

**6.07 Rollovers by a Non-Spouse Designated Beneficiary.** A Beneficiary who (a) is other than the Participant's Spouse and (b) is considered to be a Designated Beneficiary under Code Section 401(a)(9)(B) (known as a "Non-Spouse Designated Beneficiary") may establish an individual retirement account under Code Section 408(a) or an individual retirement annuity under Code Section 408(b) (known as an "Inherited IRA") into which all or a portion of a death benefit (to which such Non-Spouse Designated Beneficiary is entitled) can be transferred in a direct trustee-to-trustee transfer (a direct rollover). Notwithstanding the above, any amount payable to a Non-Spouse Designated Beneficiary that is deemed to be a required minimum distribution pursuant to Code Section 401(a)(9) may not be transferred into such Inherited IRA.

The Non-Spouse Designated Beneficiary may deposit into such inherited IRA all or any portion of the death benefit that is deemed to be an eligible rollover distribution (but for the fact that the distribution is not an eligible rollover distribution because the distribution

is being paid to a Non-Spouse Designated Beneficiary). In determining the portion of such death benefit that is considered to be a required minimum distribution that must be made from the Inherited IRA, the Non-Spouse Designated Beneficiary may elect to use either the 5-year rule or the life expectancy rule, pursuant to Regulation §1.401(a)(9)-3, Q&A-4(c). Any distribution made pursuant to this Section is not subject to the direct rollover requirements of Code Section 401(a)(31), the notice requirements of Code Section 402(f), or the mandatory withholding requirements of Code Section 3405(c).

If a Non-Spouse Designated Beneficiary receives a distribution from the Plan, then the distribution is not eligible for the "60-day" rollover rule, which is available to a Beneficiary who is a Spouse. If the Participant's Non-Spouse Designated Beneficiary is a trust, then the Plan may make a direct rollover to an IRA on behalf of the trust, provided the trust satisfies the requirements to be a Designated Beneficiary within the meaning of Code Section 401(a)(9)(1).

## ARTICLE VII - DISTRIBUTION OF BENEFITS

7.01 **Normal Retirement Benefit.** A Participant's employment shall terminate at his Normal Retirement Date unless he elects to continue employment until his Late Retirement Date. If the Participant elects to retire at his Normal Retirement Date rather than continuing employment, the Participant shall be entitled to his Accrued Benefit payable in the form provided in Article VI (Forms of Distribution), commencing on the first day of the month coincident with or next following his Normal Retirement Date.

7.02 **Late Retirement Benefit.** A Participant whose employment continues after his Normal Retirement Date shall not be entitled to receive any benefit under the Plan until his Late Retirement Date. At his Late Retirement Date, he shall be entitled to his Accrued Benefit determined as of his Late Retirement Date using Compensation for Benefit Determination Purposes and years of Credited Service for Benefit Accrual Purposes as of his Late Retirement Date.

Such late retirement benefit shall be payable in the form provided in Article VI (Forms of Distribution), commencing on the first day of the month coincident with or next following his Late Retirement Date.

7.03 **Early Retirement Benefit.** At a Participant's Early Retirement Date, he shall be entitled to the Actuarial Equivalent of his vested Accrued Benefit determined as of his Early Retirement Date. Such benefit shall be payable in the form provided in Article VI commencing on the first day of the month coincident with or next following his Early Retirement Date, or such later date as selected by the Participant.

7.04 **Disability Retirement Benefit.**

(a) At a Participant's Disability Retirement Date, he shall be entitled to the vested percentage of a benefit equal to 2% of his Average Compensation multiplied by years of Credited Service for Benefit Accrual Purposes determined as of his Disability Retirement Date. However, such benefit shall not exceed the Accrued Benefit calculated at age 62, assuming the Participant's Average Compensation and employment continued until such time. Such benefit shall be payable in the form provided in Article VI (Forms of Distribution) commencing on the first day of the month coincident with or next following his Disability Retirement Date.

(b) The Disability Retirement Benefit shall be reduced by 50% of the amount of earned income from other sources in excess of 50% of the average of Compensation for Benefit Accrual Purposes during the last 12 months of service. This determination will be applied on a monthly basis as follows:



- (1) Earnings shall be considered earned in the year in which it is received, provided, however, income received in one year may be allocated to more than one year if, in the sole discretion of the Committee, such allocation more correctly reflects the year in which the earnings were earned.
  - (2) Disabled retirees must furnish the Committee from time to time, with such information as may be determined by the Committee to be necessary to properly ascertain earnings. This information shall not be limited to the authorization for access to Social Security records. Retirement benefits will be suspended in the event of failure of a disabled retiree to furnish such information or cooperate with the Committee in obtaining such information.
  - (3) The nature of the work, rather than the manner of payment, shall control the determination of whether it is income.
  - (4) The offset shall not apply to earnings after the 62<sup>nd</sup> birthday of any retiree.
  - (5) Income from dividends and interest, real property or farm income, or property management shall not be offset against retirement income.
  - (6) In the event a disabled retiree receives retirement benefit payments to which he is not entitled, such overpayment shall be offset against future retirement benefit payments to which the disabled retiree is entitled, or, at the discretion of the Committee the disabled retiree may be required to refund and overpayment as a condition precedent to receive any future retirement benefits.
- (c) The Committee may require any recipient of a Disability Retirement Benefit, while under the age of 55, to undergo a medical examination. Such examination shall be made by a physician appointed by the Committee. The Committee shall determine upon the basis of such examination whether the recipient of disability benefits is still incapacitated, physically or mentally, for duty in the position held by him when retired or placed on disability.
- (d) Any failure on the Participant's part to follow reasonable courses in medical care prescribed that would lead to return of duty will be cause for rejection of application for a Disability Retirement Benefit, as may be determined by the Committee.
- (e) If a Participant qualifies for a Disability Retirement Benefit while performing Qualified Military Service, the Disability Retirement Benefit for that Participant will equal the amount that would have been provided under the Plan if the

Participant had resumed employment and then became disabled if that benefit is greater than the benefit otherwise provided by the Plan.

#### 7.05 Death Benefit.

- (a) Death Prior to Commencement of Benefits. In the event of a Participant's death prior to commencing his benefits under the Plan, a death benefit shall be payable to his Spouse effective the first day of the month following the month in which the Participant's death occurs equal to the Actuarial Equivalent of the Participant's vested Accrued Benefit. The benefits shall continue until the last month prior to the death or remarriage of the spouse. Payment of benefits to the Spouse will be contingent upon periodic certification of being unmarried and the issuance of the Participant's death certificate to the Committee.

If there is no Surviving Spouse, or the Spouse remarries, then equal shares of the monthly retirement allowance will be payable to the surviving natural and/or adopted dependents of the deceased Participant provided such dependents are under the age of 21 years. Such shares of the monthly benefit will continue for each dependent until the last month prior to the dependent(s) attaining the age of 21 years. Payments to the dependent child(ren) will be contingent upon the issuance of the death certificate or remarriage certificate of the Spouse and the birth and/or adoption certificate of the dependent child(ren) to the Committee.

In the event of the death of a Participant who does not have a vested Accrued Benefit, who has no eligible Spouse or dependent children under age 21, or who was not employed by the Employer at the time of death and whose death occurred before retirement payments commenced, no benefit is payable from the Plan.

Effective January 1, 2007, if a Participant dies while performing Qualified Military Service, the death benefit for that Participant will equal the amount that would have been provided under the Plan if the Participant had resumed employment and then died if that benefit is greater than the benefit otherwise provided by the Plan. In addition, the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan as if the Participant had resumed and then terminated employment on account of death.

- (b) Death After Benefits Commence. In the event of a Participant's death at any time after his benefit under the Plan has commenced, there shall be payable to his Beneficiary such benefit, if any, as may be payable under the form of benefit elected pursuant to Article VI (Forms of Distribution).

#### 7.06 Severance Benefit.

- (a) At a Participant's Severance Date he shall be entitled to receive his vested Accrued Benefit payable in the form provided in Article VI (Forms of Distribution) commencing on the first day of the month coincident with or next following his Normal Retirement Date. The vested percentage shall be the percentage determined in Section 7.07.
- (b) In lieu of deferring commencement of benefits to his Normal Retirement Date as provided in Section 7.06(a) above, a Participant may elect to receive a reduced vested benefit commencing the first day of any month on or after he attains age 55. The vested percentage shall be the percentage determined in Section 7.07 and benefit will be payable as provided in Article VI (Forms of Distribution).

**7.07 Vesting.**

- (a) A Participant's Accrued Benefit is nonforfeitable upon the Participant's Normal Retirement Age.
- (b) Except as otherwise provided in this Section, the percentage of a Participant's Accrued Benefit which is nonforfeitable is determined upon the basis of his Credited Service for Vesting Purposes, and computed in accordance with the following schedule:

Years of Credited Service For <u>Vesting Purposes</u>	<u>Vested Percentage</u> of <u>Accrued Benefit</u>
Less than 5	0%
5 or more	100%

**7.08 In-Service Distributions.** Except as allowed in Section 3.02 (Reemployment After Commencement of Benefits), no in-service distributions shall be allowed from the Plan.

**7.09 Forfeiture.** Any forfeiture arising from termination of the Participant's employment, death, or for any reason, will not be applied to increase the benefits any other Participant would otherwise receive under the Plan at any time prior to the termination of the Plan. Any amounts forfeited will be used as soon as possible to reduce Employer contributions under the Plan.

**7.10 Forfeiture of Benefits Upon Conviction of a Felony.** If any Eligible Employee is convicted by a state or federal trial court of any felony under state or federal law for conduct arising out of or in the performance of his official duties, in pursuit of the office or appointment, or in connection with obtaining salary, disability retirement, service retirement, or other benefits, the following provisions shall apply:

- (a) The Eligible Employee shall forfeit all accrued rights and benefits under the Plan to the extent provided in (b) below and shall not accrue further benefits in the Plan, effective on the date of conviction.
- (b) The Eligible Employee shall forfeit all the retirement benefits earned or accrued from the earliest date of the commission of any felony described in this Section to the forfeiture date, inclusive. The retirement benefits shall remain forfeited notwithstanding any reduction in sentence or expungement of the conviction following the date of the Employee's conviction. Retirement benefits attributable to service performed prior to the date of the first commission of the felony for which the Employee was convicted shall not be forfeited as a result of this Section. For purposes of this subsection, "forfeiture date" means the date of the conviction.
- (c) If an Eligible Employee's conviction is reversed and that decision is final, the Employee shall be entitled to recover the forfeited retirement benefits.

## ARTICLE VIII -- ADMINISTRATION

- 8.01 **Administrator of the Plan.** The Plan shall be administered by a Committee. The Committee shall consist of at least five members. The Board of Directors of the Employer and the Union shall each appoint two members and a fifth member shall be appointed by the four members..
- 8.02 **Resignation and Removal of Members.** Any member of the Committee may resign at any time by giving written notice to other members and to the Board of Directors of the Employer, effective as therein stated. At any time, the Board of Directors of the Employer, the Union or the Committee shall remove or appoint members by written notice.
- 8.03 **Appointment of Successors.** Upon death, resignation or removal of any member of the Committee, the Board of Directors of the Employer, the Union, or the Committee shall, at its next regular meeting or at a special meeting, if so desired, appoint by resolution a successor.
- 8.04 **Powers and Duties.** The Administrator shall have the power and duty to do all things necessary or convenient to effect the intent and purposes of this Plan and not inconsistent with any of the provisions hereof, whether or not such powers and duties are specifically set forth herein. Not in limitation, but in amplification of the foregoing, the Administrator shall have power to:
- (a) Provide rules and regulations for the administration of the Plan, and, from time to time, to amend or supplement such rules and regulations.
  - (b) Construe the Plan which construction shall be final and binding.
  - (c) Correct any defect, supply any omission, or reconcile any inconsistency in the Plan in such manner and to such extent as it shall deem expedient to carry the Plan into effect.
  - (d) Determine all questions that may arise under the Plan including directions to and questions submitted by the Trustee on all matters necessary for it properly to discharge its powers and duties.
  - (e) Delegate to such other parties as are appropriate all or any part of the responsibilities specifically required of the Administrator under the terms of the Plan.
  - (f) The Administrator shall establish and carry out a funding policy consistent with the purposes of the Plan and the requirements of applicable law, as may be

appropriate from time to time. As part of such funding policy, the Administrator shall, from time to time, direct the Trustee to exercise its investment discretion so as to provide sufficient cash assets in an amount determined by the Administrator under the funding policy then in effect, to be necessary to meet the liquidity requirements for the administration of the Plan.

**8.05 Finality of Action.** Except as provided in Section 8.04, the acts and determinations of the Administrator within the powers conferred by the Plan shall be final and conclusive for all purposes of the Plan. The Employer, Employees, Participants, Beneficiaries, Trustee and all others having any interest under the Plan shall be bound thereby.

**8.06 Claims Denial.** The Committee shall give written notice to any Participant or Beneficiary of the denial of any claim for the commencement or continuation of benefits under the Plan. Such notice shall set forth the specific reason or reasons for the denial of the claim and shall include a specific reference or references to pertinent Plan provisions upon which the denial is based, a description of any additional material or information necessary for the claimant to perfect his claim, which description shall indicate why such material or information is needed, and an explanation of the Plan's claims review procedure.

In the event that the claimant wishes to appeal his claim's denial, he or his duly authorized representative shall file a written request for a review, which request must be made within 60 days of the receipt by the claimant of the notice of his claim's denial. The claimant or his representative may review pertinent documents relating to the claim and its denial and may submit issues and comments in writing to the Committee. The Committee shall consider such appeal and shall make a decision on the merits of the claim as soon as practicable but not later than 60 days after receipt of a request for review. The decision on review shall be in writing and shall include specific references to the pertinent Plan provisions on which the decision is based. Such decision shall be final and binding upon all persons involved and upon the Employer and the Union.

**8.07 Extent of Committee's Powers.** The Committee shall have no power to add to or subtract from or to modify any of the provisions of the Plan, to change or add to any benefit provided by the Plan, or to waive or fail to apply any requirement of eligibility for a benefit under the Plan.

No determination of the Committee in one case shall create a basis for retroactive adjustment in any other case.

The Committee shall act by a majority of its members at the time in office, and such action may be taken either by a vote at a meeting or in writing without a meeting. The Committee may authorize any one or more of its members to execute any document or documents on its behalf.

The Committee may adopt such bylaws and regulations as it deems desirable for the conduct of its affairs, and may retain such accountants, legal counsel, actuaries and other persons as it deems necessary or desirable in connection with the administration of the Plan. The Committee and any person designated by the Committee to exercise an administrative power shall be entitled to rely conclusively upon, and shall be fully protected in any action taken in good faith, in relying upon any opinions or reports which shall be furnished by any such accountant, legal counsel, actuary or other specialist.

- 8.08 **Payment of Expenses.** Any Employee acting as a Committee member shall serve as such without compensation for his services. The compensation or fees of accountants, legal counsel, actuary and other specialties and any other costs of administration of the Plan shall be reasonable and necessary and shall be charged to the Plan and paid out of the funds created by the terms of the Plan.
- 8.09 **Records and Reports.** The Committee shall keep or cause to be kept a record of all of its proceedings and acts; it shall keep all such books of account, records and other data as may be necessary for the proper administration of the Plan.
- 8.10 **Indemnification.** To the extent permitted by law, the Employer and the Union shall indemnify and hold harmless the members of the Board of Directors, the Committee and any Employee to whom any fiduciary responsibility with respect to the Plan is allocated or delegated, from and against any and all liabilities, costs and expenses incurred by any such person as a result of any act, or omission to act, in connection with the performance of his duties, responsibilities and obligations under the Plan, other than such liabilities, costs and expenses as may result from the gross negligence or willful misconduct of any such person.
- 8.11 **Funding.** The Committee shall be permitted to commingle funds of this Plan with any other retirement plan covering the employees of the Employer, however, separate pension fund accounting will be maintained for each retirement plan.

The Actuary shall conduct annual valuation studies to evaluate the liabilities and assets of the Plan, and recommend the contribution requirements of the Employer based upon actuarial assumptions such as, but not limited to, mortality, service, investment return and expected future compensation of the Participants.

- 8.12 **Arbitration of Disputes.** Only disputes, claims or grievances arising between members of the Plan and the Committee concerning the following matters shall be submitted to arbitration:
- (a) The physical or mental condition of a member;
  - (b) The member's earned income from other sources as defined by Section 7.05;

- (c) The determination of a member's age;
- (d) The determination of a member's service;
- (e) Computations of Compensation.

No other disputed matters shall be submitted to arbitration without the prior consent of the Committee and the aggrieved member.

The Union shall submit a written request for arbitration within 48 hours after the next regularly scheduled Union meeting following the adverse decision of the Committee. The matter shall then be submitted to an Arbitration Board.

The Arbitration Board shall consist of 3 persons, one appointed by the Union, one appointed by the Employer. Such appointments shall be made, and each party shall notify the other of their respective appointment, within 10 days from the date the matter was submitted for arbitration. The two so appointed shall endeavor to select the third member. In the event the persons appointed cannot agree on the third member within 10 days of the last appointment, he shall be selected in the following manner:

The parties shall, within 10 days, jointly request the State Conciliation Service to list 7 persons qualified to act as an impartial member of the Arbitration Board. The Union and Employer shall each, within 10 days of the receipt of said list, alternately strike 3 names from said list, and the seventh remaining name shall thereupon be accepted as the third member of the Arbitration Board. The decision as to which shall be first to start the elimination proceedings shall be determined by lot.

The issue to be submitted to the Arbitration Board shall be limited to the dispute as submitted in writing and, unless otherwise agreed in writing, the jurisdiction of the Arbitration Board shall be limited to the determination of said issue. The Arbitration Board shall have no authority to modify, vary, alter, amend, add to or take away from, in whole or in part, any of the terms or provisions of this Plan.

The Arbitration Board shall meet in the Palm Springs area within 10 days after the selection of the third member, or as soon thereafter as possible. The Arbitration Board, or either party, may call any member as a witness and such member, if on duty, shall be released from duty for the purpose of such appearance. The ruling of the Arbitration Board with respect to procedure and all obligations to the exclusion or inclusion of evidence shall be binding on the parties.

Each party shall bear the expenses and fees of the Arbitration Board member appointed by it and its own expenses involved in the matter. All other expenses incurred by the Arbitration Board, including the making of a record, if the Arbitration Board deems it



necessary, shall be borne equally by the parties. The reimbursement of wages for members called as witnesses where a loss of wages has been incurred by said member, shall be paid by the party calling such witness.

The Arbitration Board's decision shall be in writing and shall be submitted within ten (10) days from the conclusion of the hearing. The decision of the majority of the Arbitration Board shall be final and binding on the parties.

## **ARTICLE IX – AMENDMENT AND TERMINATION**

### **9.01 Plan Sponsor May Amend Plan.**

- (a) The Plan Sponsor shall have the right, except as provided below, in its sole and final discretion, to amend the Plan at any time and from time to time to any extent which it may deem advisable; provided, however, that no amendment (other than an amendment required by the Internal Revenue Service as a condition for its approval of the Plan and Trust as qualifying under Code Sections 401(a) and 501(a)) shall retroactively increase the duties or responsibilities of the Trustee, the Employer or the Administrator without its written consent.

Notwithstanding the foregoing, a Participant's Accrued Benefit, early retirement benefit, retirement-type subsidy, or optional form of benefit may be reduced to the extent permitted under the Code or to the extent permitted under Treasury Regulations §§1.411(d)-3 and 1.411(d)-4.

- (b) Unless clearly stated otherwise in the amendment, only Participants with an Hour of Service after the effective date of the amendment will be affected by any provision in the amendment increasing the Participant's Accrued Benefit or vested percentage.

- 9.02 **Termination.** In the event of termination of the Plan, all assets of the Plan remaining after the payment of, or provision for, all expenses of termination which are not paid by the Plan Sponsor shall be used for the exclusive benefit of Participants and their Beneficiaries. No part of the assets of the Plan shall be returned to the Plan Sponsor prior to the satisfaction of all liabilities of the Plan with respect to all such persons. All benefits hereunder, to the extent funded on the date of such termination, shall become 100% vested and nonforfeitable. Upon termination of the Plan, the Committee shall direct the Funding Agency to make a prompt determination of the fair market value of the fund, which shall then be applied so as to provide (to the extent not already provided) benefits in the order of priority set forth below. The Committee shall allocate the assets of the Plan (available to provide such benefits) among the Participants and their Beneficiaries under the Plan in the following order:

- (a) In the case of benefits payable as an annuity:
  - (1) in the case of the benefit of a Participant or Beneficiary which was in pay status as of the beginning of the three-year period ending on the termination date of the Plan, to each such benefit, based on the provisions of the Plan (as in effect during the five-year period ending on such date) under which such benefit would be the least;
  - (2) in the case of a Participant's or Beneficiary's benefits (other than a benefit described in subparagraph (1)) which would have been in pay status as of the beginning of such three-year period if the Participant had retired prior to the beginning of the three-year period and if his benefits had commenced (under the normal form of annuity under the Plan) as of the beginning of such period, to each such benefit based on the provisions of the Plan (as in effect during the five-year period ending on such dates) under which such benefit would be the least.

For purposes of subparagraph (1), the lowest benefit in pay status during a three-year period shall be considered to be the benefit in pay status for such period.

- (b) Next:
  - (1) to all other benefits (if any) of individuals under the Plan provided under Title IV of the Employee Retirement Income Security Act of 1974 (determined without regard to Section 4022(b)(5) of the Employee Retirement Income Security Act of 1974); and
  - (2) to the additional benefits (if any) which would be determined under subparagraph (i) if Section 4022(b)(6) of the Employee Retirement Income Security Act of 1974 did not apply.

For purposes of this paragraph (b), Section 4022 of the Employee Retirement Income Security Act of 1974 shall be applied without regard to subsection (c) thereof.

- (c) Next, to all other nonforfeitable benefits under the Plan.
- (d) Next, to all other benefits under the Plan.
- (e) For purposes of the foregoing:
  - (1) The amount allocated under any paragraph with respect to any benefit shall be properly adjusted for any allocation of assets with respect to that benefit under a prior paragraph.

- (2) If the assets available for allocation under any paragraph (other than paragraphs (c) and (d) above) are insufficient to satisfy in full the benefits of all individuals which are described in that paragraph, the assets shall be allocated pro rata among such individuals on the basis of the present value (as of the Plan termination date) of their respective benefits described in that paragraph.
- (3) This paragraph applies if the assets available for allocation under (c) above are not sufficient to satisfy in full the benefits of individuals described in that paragraph.
  - (A) If this paragraph applies, except as provided in subparagraph (B) below, the assets shall be allocated to the benefits of individuals described in such paragraph (c) on the basis of the benefits of the individuals which would have been described in subparagraph (c) under the Plan as in effect at the beginning of the five-year period ending on the Plan termination date.
  - (B) If the assets available for allocation under subparagraph (A) above are sufficient to satisfy in full the benefits described in such subparagraph (without regard to this subparagraph), then for purposes of subparagraph (A), benefits of individuals described in such subparagraph shall be determined on the basis of the Plan as amended by the most recent Plan amendment effective during such five-year period under which the assets available for allocation are sufficient to satisfy in full the benefits of individuals described in subparagraph (A) and any assets remaining to be allocated under such subparagraph shall be allocated under subparagraph (A) on the basis of the Plan as amended by the next succeeding Plan amendment effective during such period.
- (4) Any residual assets of the Plan may be distributed to the Plan Sponsor if:
  - (1) all liabilities of the Plan to Participants and their Beneficiaries have been satisfied; and
  - (2) the distribution does not contravene any provision of law.

In the event of a partial termination of the Plan, the provisions of this Section shall apply to each Participant who thereupon ceases to be a Participant under the Plan.

The aforementioned allocation and provision for benefits shall be accomplished, in the discretion of the Committee, through the execution of a new annuity contract or contracts, payment in cash, the purchase of individual annuity contracts and/or the participation in another retirement plan or plans.

- 9.03 **Termination of Employer Participation.** If more than one employer participates in the Plan, each Adopting and Affiliated Employer shall have the right to terminate its participation in the Plan at any time. Written notification of such action shall be delivered to the Plan Sponsor and the Trustee, and the Plan with respect to such Employer shall be terminated as of the date of termination specified in such resolution. The provisions of Sections 9.02(b) and (c) shall apply to the Participants who are Employees of such terminating Employer, with the aggregate assets of the Trust Fund being used to determine the sufficiency to fully fund the Accrued Benefits of such Participants.

## ARTICLE X – MISCELLANEOUS

**10.01 Persons Under Legal Disability.** In the event that any benefit is payable to a minor or other person under legal disability, the Administrator, in its discretion, may determine that payment shall be made or applied for the benefit of such person, directly to such person or to the legal representative of such person or to some near relative of such person or directly for the support, maintenance or education of such person. The Trustee shall not be required to oversee the application by any third party of any payments made pursuant to this Section.

**10.02 Plan Sponsor's Responsibility Limited.** All benefits payable under the Plan shall be paid or provided for solely from the Fund, and the Plan Sponsor assumes no responsibility for the acts of the Committee or of the Funding Agency except as herein expressly provided, and shall not be liable for any losses of the Fund.

**10.03 Forms and Proofs.** Each Participant or Beneficiary eligible to receive any benefit hereunder shall complete such forms and furnish such proofs, receipts and releases as shall be required by the Trustee or the Administrator.

**10.04 Nondiversion.** Irrespective of anything contained in the Plan, as now expressed or hereafter amended, it shall be impossible for any part of the Trust Fund to be used for or diverted to any purpose not for the exclusive benefit of Participants or their Beneficiaries at any time prior to the satisfaction of all rights and liabilities, fixed and contingent, with respect to Participants or their Beneficiaries hereunder, either by the operation, amendment, revocation or termination of the Plan. No part of the Trust Fund shall be paid, distributed or made available to the Employer at any time, except as expressly provided by the Plan.

**10.05 Limitation of Rights and Obligations.** Neither the establishment nor maintenance of the Plan or Trust Fund, nor any provision or amendment thereof, nor the purchase of any insurance or annuity contract, nor any act or omission under or resulting from the operation of the Plan or Trust Fund shall be construed:

- (a) As conferring upon any Employee, Participant, Beneficiary, or any other person, firm, corporation or association, any right or claim against the Employer, the Trustee or Administrator, except to the extent that such right or claim shall be specifically and expressly provided in the Plan or provided by law; nor against any shareholder, officer, employee or director of the Employer.
- (b) As an agreement, consideration or inducement of employment or as affecting in any manner or to any extent whatsoever the rights or obligations of the Employer or any Employee to continue or terminate the employment relationship at any time.

- (c) As creating any responsibility or liability of the Employer, Trustee, or Administrator for the validity or effect of the Plan or of any insurance or annuity contract or other investment at any time included in the Trust Fund.

**10.06 Treasury Approval.** The Plan is adopted and executed and Employer Contributions are made upon the express condition that the Plan and Trust shall be approved initially by the Internal Revenue Service as qualifying under Code Sections 401(a) and 501(a). In the event that the Internal Revenue Service shall fail or refuse to approve the Plan, the Plan Sponsor may revoke and terminate the Plan and direct the Trustee to return within 1-year of denial of qualification contributions theretofore made or to distribute the Trust Fund to the Plan Sponsor in cash, in kind, or in a combination of both, without regard to any prior allocations or accrued or vested rights which any Participant might otherwise have under the Plan; no rights or liabilities of the Employer, Trustee, Administrator, or any Participant or Beneficiary shall thereafter exist under the Plan; provided that the application for determination is made by the time prescribed by law for filing the Employer's return for the taxable year in which such Plan was adopted, or such later date as the Secretary of the Treasury may prescribe.

**10.07 No Liability Except for Gross Negligence or Willful Misconduct.** It is expressly understood and agreed by each Employee who becomes a Participant hereunder that, except for its gross negligence or willful misconducts, the Employer shall not be in any way subject to any suit or litigation, or to any liability for any cause or reason or thing whatsoever in connection with this Plan or its operation, and each Employee by becoming a Participant releases the Employer and all of their officers and agents from any and all liability or obligation except for their gross negligence or willful misconduct.

**10.08 Status of Funding Agency.** The Funding Agency shall not be required to take or permit to be taken any action contrary to the provisions of the Policy nor shall the Funding Agency be bound to allow any benefit or privilege to any person interested in the Policy or any other policy it has issued, unless such benefit or privilege is provided in the Policy or such other Policy as the case may be. The Funding Agency shall not be a party to this Plan for any purpose; nor shall it be required to question any act of the Employer hereunder; nor shall it be required to see that any action of the Employer is authorized by the Plan. With respect to any amount paid in accordance with the directions of the Employer, the Funding Agency shall be fully discharged from any and all liability to the Employer, any Employee or former Employee and their beneficiaries or contingent annuitants or any other interested person with respect to such payment.

**10.09 Actions or Proceedings Involving The Plan.** In any action or proceeding involving the Fund, or any property constituting part of all thereof, or the administration thereof or of the Plan, the Employer, the Committee, and the Funding Agency shall be the only necessary parties, and no Employees or former Employees of the Employer or their



beneficiaries or any other person having or claiming to have an interest in the Fund or under the Plan shall be entitled to any notice of process.

Any judgment that may be entered in such action or proceeding which has been final shall be binding and conclusive on the parties thereto and upon all persons having or claiming to have an interest in the Fund or under the Plan.

#### **10.10 Construction and Law Governing.**

- (a) Words used herein in the masculine or feminine gender shall be construed as the feminine or masculine gender, respectively, where appropriate.
- (b) Words used herein in the singular or plural shall be construed as the plural or singular, respectively, where appropriate.
- (c) The Plan shall be construed, enforced and administered and the validity determined in accordance with applicable Federal law and the law of the State of California.
- (d) If any provision is determined to be void by any court of competent jurisdiction, the Plan will continue to operate, and, for the purposes of the jurisdiction of that court only, will be deemed not to include the provision determined to be void.

#### **10.11 Qualified Domestic Relations Order Procedure.**

- (a) All rights and benefits, including elections, provided to a Participant in this Plan shall be subject to the rights afforded to any "alternate payee" under a "Qualified Domestic Relations Order (QDRO)".
- (b) For purposes of this Section 10.11, "alternate payee", "Qualified Domestic Relations Order", and "earliest retirement age" shall have the meanings set forth under Code Section 414(p).
- (c) The Administrator may establish a written procedure to determine the qualified status of domestic relations orders and to administer distributions under such qualified orders. The Administrator shall determine whether an order meets the requirements of this Section within a reasonable period after receiving an order and the Committee shall notify the Participant and any alternate payee that an order has been received.
- (d) A domestic relations order that otherwise satisfies the requirements for a "QDRO" will not fail to be a QDRO:



- (1) solely because the order is issued after, or revised, another domestic relations order or QDRO; or
- (2) solely because of the time at which the order is issued, including issuance after the annuity starting date or after the Participant's death.

#### **ARTICLE XI – CODE SECTION 415 LIMITATIONS ON BENEFITS**

##### **11.01 Maximum Benefit Limitation.**

- (a) For purposes of this Plan, all provisions of Section 415 of the Code and the Treasury Regulations thereunder, as amended from time to time, are hereby incorporated by reference.
- (b) For Participants covered by both this Plan and any other defined benefit plan ever maintained by the Employer, employer-provided benefits under this Plan will be limited in proportion to the sum of all employer-provided benefits determined before applying any limitations, such that the sum of all employer-provided benefits does not exceed the limitations under Code Section 415.
- (c) Plan aggregation for 415 purposes will be determined as prescribed under Treasury Regulation Section 1.415(f)-1.

## ARTICLE XII - CODE SECTION 401(a)(9) DISTRIBUTION REQUIREMENTS

### 12.01 General Rules.

- (a) **Precedence.** The requirements of this Section shall take precedence over any inconsistent provisions of the Plan.
- (b) **Requirements of Treasury Regulations Incorporated.** All distributions required under this Section will be determined and made in accordance with Code Section 401(a)(9), including the incidental death benefit requirement in Code Section 401(a)(9)(G) and the Treasury Regulations Sections 1.401(a)(9)-2 through 1.401(a)(9)-9.
- (c) **Limits on Distribution Periods.** As of the first Distribution Calendar Year, distributions to a Participant, if not made in a single sum, may only be made over one of the following periods:
  - (1) The life of the Participant;
  - (2) The joint lives of the Participant and a Designated Beneficiary;
  - (3) A period certain not extending beyond the joint life and last survivor expectancy of the Participant and a Designated Beneficiary; or
  - (4) A period certain not extending beyond the joint life and last survivor expectancy of the Participant and a Designated Beneficiary.

### 12.02 Time and Manner of Distribution.

- (a) **Distributions During Participant's Lifetime.** The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date.
- (b) **Death of Participant Before Distributions Begin.** If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:
  - (1) If the Participant's Surviving Spouse is the Participant's sole designated beneficiary, then distributions to the Surviving Spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70½, if later.

- (2) If the Participant's Surviving Spouse is not the Participant's sole designated beneficiary, then distributions to the designated beneficiary will begin by December 31st of the calendar year immediately following the calendar year in which the Participant died.
- (3) If there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (4) If the Participant's Surviving Spouse is the Participant's sole Designated Beneficiary and the Surviving Spouse dies after the Participant but before distributions to the Surviving Spouse begin, then this Article XII, other than Section 12.02(b)(1), will apply as if the Surviving Spouse were the Participant.

For purposes of this Section 12.02(b) and Section 12.05, distributions are considered to begin on the Participant's Required Beginning Date (or, if Section 12.02(b)(4) applies, the date distributions are required to begin to the Surviving Spouse under Section 12.02(b)(1)). If annuity payments irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's Surviving Spouse before the date distributions are required to begin to the Surviving Spouse under Section 12.02(b)(1)), the date distributions are considered to begin is the date distributions actually commence.

- (c) **Form of Distribution.** Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the Required Beginning Date, as of the first distribution calendar year distributions will be made in accordance with Sections 12.03, 12.04 and 12.05. If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Code Section 401(a)(9) and the Regulations. Any part of the Participant's interest which is in the form of an individual account described in Code Section 414(k) will be distributed in a manner satisfying the requirements of Code Section 401(a)(9) and the Regulations that apply to individual accounts.

### **12.03 Determination of Amount to be Distributed Each Year.**

- (a) **General Annuity Requirements.** If the Participant's interest is paid in the form of annuity distributions under the Plan, payments under the annuity will satisfy the following requirements:
  - (1) The annuity distributions will be paid in periodic payments made at intervals not longer than one year;



- (2) The distribution period will be over a life (or lives) or over a period certain not longer than the period described in Section 12.04 and 12.05;
  - (3) Once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted;
  - (4) Payments will either be nonincreasing or increase only as follows:
    - (A) By an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics;
    - (B) To the extent of the reduction in the amount of the Participant's payments to provide for a survivor benefit upon death, but only if the beneficiary whose life was being used to determine the distribution period described in Section 12.04 dies or is no longer the Participant's beneficiary pursuant to a qualified domestic relations order within the meaning of Section 414(p);
    - (C) To provide cash refunds of employee contributions upon the Participant's death; or
    - (D) To pay increased benefits that result from a Plan amendment.
- (b) **Amount Required to be Distributed by Required Beginning Date.** The amount that must be distributed on or before the Participant's Required Beginning Date (or, if the Participant dies before distributions begin, the date distributions are required to begin under Section 12.02(b)(1) or (2)) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually. All of the Participant's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Participant's Required Beginning Date.
- (c) **Additional Accruals After First Distribution Calendar Year.** Any additional benefits accruing to the Participant in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

#### **12.04 Requirements For Annuity Distributions That Commence During Participant's Lifetime.**

- (a) **Joint Life Annuities Where the Beneficiary Is Not the Participant's Spouse.** If the Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and a nonspouse beneficiary, annuity payments to be made on or after the Participant's Required Beginning Date to the designated beneficiary after the Participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Participant using the table set forth in Regulation Section 1.401(a)(9)-6, Q&A-2. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and a nonspouse beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the designated beneficiary after the expiration of the period certain.
- (b) **Period Certain Annuities.** Unless the Participant's Spouse is the sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Participant's lifetime may not exceed the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in Treasury Regulation §1.401(a)(9)-9 for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the Participant reaches age 70, the applicable distribution period for the Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in Treasury Regulation §1.401(a)(9)-9 plus the excess of 70 over the age of the Participant as of the Participant's birthday in the year that contains the annuity starting date. If the Participant's Spouse is the Participant's sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Participant's applicable distribution period, as determined under this Section 12.04(b), or the joint life and last survivor expectancy of the Participant and the Participant's Spouse as determined under the Joint and Last Survivor Table set forth in Treasury Regulation §1.401(a)(9)-9, using the Participant's and Spouse's attained ages as of the Participant's and Spouse's birthdays in the calendar year that contains the annuity starting date.

#### **12.05 Requirements For Minimum Distributions Where Participant Dies Before Date Distributions Begin.**

- (a) **Participant Survived by Designated Beneficiary and Life Expectancy Rule.** If the Participant dies before the date distribution of his interest begins and there is a designated beneficiary, the Participant's entire interest will be distributed, beginning no later than the time described in Section 12.02(b)(1) or (2), over the life of the designated beneficiary or over a period certain not exceeding:

- (1) Unless the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the Participant's death; or
  - (2) If the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year that contains the annuity starting date.
- (b) **No Designated Beneficiary.** If the Participant dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (c) **Death of Surviving Spouse Before Distributions to Surviving Spouse Begin.** If the Participant dies before the date distribution of his interest begins, the Participant's Surviving Spouse is the Participant's sole designated beneficiary, and the Surviving Spouse dies before distributions to the Surviving Spouse begin, this Section 12.05 will apply as if the Surviving Spouse were the Participant, except that the time by which distributions must begin will be determined without regard to Section 12.02(a).

#### **12.06 Definitions.**

- (a) **Designated Beneficiary** means the individual who is designated as the beneficiary under the Plan and is the designated beneficiary under Code Section 401(a)(9) and Regulation Section 1.401(a)(9)-4.
- (b) **Distribution Calendar Year** means a calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to Section 12.02.
- (c) **Life Expectancy** means the life expectancy as computed by use of the Single Life Table in Regulation Section 1.401(a)(9)-9.
- (d) **Required Beginning Date** means the April 1st of the calendar year following the later of:

- (1) The calendar year in which the Participant attains age 70½, or
- (2) If the Participant is not a "5 percent owner" at any time during the Plan Year ending with or within the calendar year in which the Participant attains age 70½, then the calendar year in which the Participant retires.

**ARTICLE XIII – TRUST AND TRUSTEE**

**13.01 Trust Agreement.** Effective December 7, 1994, a Trust Agreement has been created and will be maintained for the purposes of the Plan. All contributions under the Plan will be paid into the trust fund. The trust fund will be held, invested and disposed of by the Funding Agency from time to time acting in accordance with the Trust Agreement. All benefits payable under the Plan will be paid from the trust fund and benefits shall be limited to the amounts held in the trust fund.

**13.02 Trustee.** The Employer shall appoint a bank or trust company or an individual or individuals to act as Funding Agency under the Trust Agreement. The Funding Agency shall serve at the pleasure of the Employer and its powers and responsibilities shall be set forth in the Trust Agreement. No person who receives full-time pay from the Employer shall receive compensation paid by the trust fund, except for reimbursement of expenses properly incurred.

**13.03 Compensation and Expenses of Trustee.** The Trustee shall deduct from and charge against Plan assets any taxes paid by it which may be imposed upon the Plan or the income thereof, or which the Funding Agency is required to pay, upon or with respect to the interest of any person herein.

The reasonable expenses incurred in the administration of the Plan shall be deducted from Plan assets, unless the Employer agrees to pay such expenses, including reasonable legal and actuarial expenses.

**EXECUTION PAGE**

I certify that the foregoing is a true and exact copy of the SUNLINE TRANSIT AGENCY RESTATED RETIREMENT INCOME PLAN FOR BARGAINING UNIT PERSONNEL as adopted by the Employer on \_\_\_\_\_, 20 \_\_\_\_.

SUNLINE TRANSIT AGENCY



By: \_\_\_\_\_

Title: \_\_\_\_\_

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**Table A**  
**Service Retirement Allowance As A Percentage**  
**Of Average Compensation**

	Age at Retirement																											
<u>Credited</u> <u>Service</u> <u>55</u> <u>56</u> <u>57</u> <u>58</u> <u>59</u> <u>60</u> <u>61</u> <u>62</u> <u>63</u> <u>64</u> <u>older</u> <u>for</u> <u>Benefit</u> <u>Accrual</u>																												
<u>Purposes</u>																												
5	5.2%	5.5%	5.9%	6.3%	6.8%	7.3%	7.8%	8.4%	9.0%	9.5%	10.2%																	
6	6.2	6.6	7.1	7.5	8.1	8.7	9.3	10.0	10.7	11.4	12.1	7.7	7.2	7.7	8.3	8.8	9.5	10.1	10.9	11.7	12.5	13.3	14.1	8.2	8.8	9.4	10.1	10.8
9	9.2	9.9	10.6	11.3	12.1	13.0	14.0	15.0	16.1	17.0	18.1																	
10	10.2	11.0	11.8	12.6	13.5	14.4	15.5	16.7	17.8	18.9	20.1																	
11	11.2	12.1	12.9	13.8	14.8	15.9	17.1	18.3	19.5	20.8	22.2																	
12	12.3	13.2	14.1	15.1	16.2	17.3	18.6	20.0	21.3	22.7	24.2																	
13	13.3	14.3	15.3	16.3	17.5	18.6	20.2	21.7	23.1	24.6	26.2																	
14	14.4	15.4	16.5	17.6	18.9	20.2	21.7	23.3	24.9	26.5	28.2																	
15	15.4	16.5	17.6	18.9	20.2	21.7	23.3	25.0	26.7	28.4	30.2																	
16	16.4	17.6	18.8	20.1	21.5	23.1	24.8	26.7	29.4	30.3	32.2																	
17	17.5	18.7	20.0	21.4	22.9	24.5	26.4	28.3	30.2	32.2	34.3																	
18	18.5	19.8	21.2	22.6	24.2	26.0	27.9	30.0	32.0	34.1	36.3																	
19	19.6	20.9	22.3	23.9	25.6	27.4	29.5	31.7	33.8	36.0	38.3																	
20	20.6	22.0	23.5	25.2	26.9	28.9	31.0	33.3	35.5	37.9	40.3																	
21	21.6	23.1	24.7	26.4	28.3	30.3	32.6	35.0	37.3	39.7	42.3																	
22	22.7	24.2	25.9	27.7	29.6	31.8	34.1	36.7	39.1	41.6	44.3																	
23	23.7	25.3	27.0	28.9	31.0	33.2	35.7	38.3	40.9	43.5	46.3																	
24	24.8	26.4	28.2	30.2	32.3	34.6	37.2	40.0	42.6	45.4	48.4																	

25	25.8	27.5	29.4	31.4	33.7	36.1	38.8	41.7	44.4	47.3	50.4
26	26.9	28.6	30.6	32.7	35.0	37.5	40.3	43.3	46.2	49.2	52.4
27	27.9	29.7	31.7	34.0	36.4	39.0	41.9	45.0	48.0	51.1	54.4
28	29.0	30.9	32.9	35.2	37.7	40.4	43.4	46.7	49.8	53.0	56.4
29	30.0	32.0	34.1	36.5	39.1	41.9	45.0	48.3	51.5	54.9	58.4
30	31.1	33.1	35.3	37.7	40.4	43.4	46.5	50.0	53.3	56.8	60.4
31	32.1	34.2	36.5	39.0	41.7	44.8	48.1	51.7	55.1	58.7	62.5
32	33.2	35.3	37.6	40.2	43.1	46.2	49.6	53.3	56.9	60.6	64.5
33	34.3	36.5	38.8	41.5	44.4	47.6	51.2	55.0	58.6	62.5	66.5
34	35.4	37.6	40.0	42.8	45.8	49.1	52.7	56.7	60.4	64.4	68.5
35	36.5	38.7	41.2	44.0	47.1	50.5	54.3	58.3	62.2	66.2	70.5

**Table B**

**Joint and Survivor Option Adjustments  
(for all ages use nearest birth date)**

**Age of Participant When Pension Benefits Begin  
and Percent of Benefit Continued to Surviving Beneficiary**

Beneficiary's Age  
When Compared to  
Participant's Age

55 to 59

60 to 64

65 to 69

18 to 22 years younger

13 to 17 years younger

8 to 12 years younger

3 to 7 years younger

2 years younger to 2 years older

3 to 7 years older

8 to 12 years older

13 to 17 years older

18 to 22 years older

**Table C**

Optional 10 Year Pension Payments  
Certain and Continuous Pension

	<u>100%</u>	<u>66-2/3%</u>	<u>50%</u>	<u>100%</u>	<u>66-2/3%</u>	<u>50%</u>	<u>100%</u>	<u>66-2/3%</u>	<u>50%</u>
77.1%	83.5%	87.1%	71.7%	79.2%	83.5%	65.6%	74.1%	79.3%	
79.1	85.0	88.3	74.2	81.2	85.2	68.8	76.8	81.5	
81.4	86.8	89.8	77.2	83.6	87.2	72.5	79.8	84.1	
84.1	88.8	91.3	80.6	86.2	89.3	76.9	83.3	86.9	
86.9	90.9	93.0	84.3	89.0	91.5	81.5	86.9	89.8	
89.8	92.9	94.6	88.0	91.7	93.6	86.1	90.3	92.5	
92.5	94.8	96.1	91.3	94.1	95.5	90.1	93.2	94.8	
94.7	96.4	97.3	94.1	96.0	97.0	93.3	95.4	96.5	
96.5	97.6	98.2	96.1	97.4	98.0	95.6	97.0	97.7	

For Life Thereafter As a Percentage of Lifetime  
Pension Benefits Otherwise Payable

(use employee's nearest age at retirement)

<u>Age of Retiring Employee</u>	<u>Percentage</u>
55	97.0%
56	96.7
57	96.3
58	95.9
59	95.4
60	94.9
61	94.3
62	93.7
63	92.9
64	92.1
65	91.1
66	90.1

67	89.0
68	87.8
69	86.5
70	85.1

**SUNLINE TRANSIT AGENCY NON-UNION  
RESTATED EMPLOYEES RETIREMENT SYSTEM**

RESTATEMENT  
EFFECTIVE  
JANUARY 1, 2014



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**SUNLINE TRANSIT AGENCY NON-UNION  
RESTATED EMPLOYEES RETIREMENT SYSTEM**

**PRELIMINARY MATTERS**

The purpose of this Plan is to provide retirement benefits to Employees. This Plan is designated as a defined benefit pension plan.

This Plan is for the exclusive benefit of the Participants and their Beneficiaries, and it shall be interpreted and administered in a manner consistent with the provisions of the Internal Revenue Code of 1986, as amended. It shall be impossible at any time prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries under this Plan for any part of the assets, income, or forfeitures of this Plan to be used for, or diverted to, purposes other than the exclusive benefit of the Participants or their Beneficiaries.

This Plan shall be interpreted and administered in a manner that is uniformly and consistently applicable to all Participants under similar circumstances. At no time shall there be discrimination in favor of Employees who are Highly Compensated Employees whether or not they are Participants.

This Plan is intended to comply with all legislative and regulatory changes as reflected in the Cumulative List published by the Internal Revenue Service in Notice 2012-76 as well as subsequent Cumulative Lists that do not require changes in the Plan document.

Unless this document clearly states otherwise, the rights and benefits, if any, of Participants who are not Employees on the Effective Date of this restatement shall be determined in accordance with the terms and provisions of the Plan in effect on the date their employment terminated.

Although portions of this Plan may incorporate rules required by ERISA for plans subject to ERISA, such incorporation shall not be deemed to be an election to subject this Plan, the Employer, fiduciaries and other persons to the requirements of ERISA. Rights and obligations under this Plan shall be determined only by reference to the terms of the Plan and laws which are applicable to the Plan.

**HISTORY**

WHEREAS, effective February 1, 1980, the Plan Sponsor established a pension plan known as the "SunLine Employees Retirement System"; and

WHEREAS, effective July 1, 2007, the Plan was restated and became known as the "SunLine Transit Agency Non-Union Restated Employees Retirement System"; and

WHEREAS, effective January 1, 2014, the Plan is amended and restated in its entirety by this 2014 Plan (herein called the "2014 Plan" or the "Plan"), as defined in Article I (General Definitions) herein; and

WHEREAS, the effect of this 2014 Plan shall begin January 1, 2014 for all purposes, unless indicated otherwise herein.

### **INTENTION**

It is the intention of the Employer to establish and maintain this governmental plan, as defined in Internal Revenue Code Section 414(d) and the Regulations thereunder, for the benefit of its eligible employees and their beneficiaries.

## ARTICLE I – GENERAL DEFINITIONS

- 1.01 Accrued Benefit** means, as of the date of determination, the greater of (a) or (b):
- (a) The Standard Retirement Benefit for any Participant which would be payable at the later of his Normal Retirement Date or the date of determination in the Normal Form of Benefit, based upon Credited Service for Benefit Accrual Purposes and Average Compensation as of the date of determination. Only Credited Service for Benefit Accrual Purposes earned as a Participant will be used.
  - (b) Minimum Benefit. For Participants employed on or before February 1, 1980 with at least 5 years of Credited Service for Vesting Purposes, the monthly minimum benefit shall be \$400 upon retirement after attainment of age 62. For Participants employed after February 1, 1980, the monthly minimum benefit shall be payable upon retirement after age 62 with at least 10 years of Credited Service for Vesting Purposes.
  - (c) Notwithstanding the above, the maximum monthly pension payable to a Participant shall be limited to 90% of Average Compensation.
- 1.02 Actuarial Equivalent** means a benefit of equivalent value based upon Tables B and C, as may be adjusted from time to time. The monthly benefit which is the Actuarial Equivalent of Employee Contributions shall be determined using the 1983 Group Annuity Table (male table for both males and females) and 6% interest. For ages and purposes other than those shown in Tables B and C, Actuarial Equivalent shall be determined using 7% interest and the 1971 Group Annuity Table.
- 1.03 Actuary** means the person, firm or corporation appointed by the Plan Sponsor to render actuarial services in connection with the Plan.
- 1.04 Administrator** means the committee or the person or group of persons designated by the Plan Sponsor as Administrator of the Plan, but if no committee or no other Administrator is specifically designated, the Plan Sponsor shall be considered the Administrator.
- 1.05 Adopting Employer** means any entity which adopts this Plan with the consent of the Plan Sponsor and becomes a party to the Trust. In addition to all other terms and conditions in the Plan, Adopting Employers will be subject to, and must comply with, the terms and conditions set forth in Article XV (Adopting Employer Provisions), if applicable. An affiliate of the Plan Sponsor is not considered an Adopting Employer unless such affiliate has specifically adopted the Plan. If the Plan does not contain Article XV (Adopting Employer Provisions) setting forth the provisions for Adopting Employers, there will be no Adopting Employers of the Plan.
- 1.06 Anniversary Date** means each January 1 while the Plan is in effect.

**1.07 Average Compensation** means, in the case of each Participant, as of the date of determination, the highest monthly average obtained when the sum of any 36 consecutive monthly Compensation for Benefit Determination Purposes amounts (or if the Participant has fewer than 36 monthly Compensation for Benefit Determination Purposes amounts, the sum of all of his monthly Compensation for Benefit Determination Purposes amounts) is divided by the number of months for which he was compensated by the Employer in the period from which the monthly Compensation for Benefit Determination Purposes amounts were derived.

**1.08 Beneficiary** means any one or more primary or contingent beneficiaries designated by the Participant to receive any benefit payable under the Plan on or after the Participant's death. Upon the divorce of the Participant and Spouse, the Spouse is removed as Beneficiary under the Plan, if applicable, unless a Qualified Domestic Relations Order requires otherwise or a subsequent Beneficiary designation is made.

In the event that no designated Beneficiary survives the Participant, such benefit shall be paid in the following order of priority, if living at the time of the Participant's death:

- (a) The Participant's Spouse;
- (b) The Participant's children, including adopted children;
- (c) The Participant's parents;
- (d) The Participant's brothers and sisters; or
- (e) The Participant's estate.

If the primary beneficiary dies before receiving all benefits to which the Beneficiary is entitled, the balance of such payments shall be paid to the contingent beneficiary, if any, designated by the Participant, or otherwise, the present value of such payments shall be paid to the estate of the primary beneficiary.

The designation of Beneficiary shall be made, changed or revoked, in writing, in the form and manner prescribed by the Administrator. However, the Participant's spouse must consent in writing to any change in Beneficiary.

**1.09 Code** means the Internal Revenue Code of 1986, as it may be amended from time to time.

**1.10 Code Section 401(a)(17) Compensation Limit** means, for any Plan Year or Limitation Year, the statutory limit that applies to each Participant's annual Compensation for a specific compensation determination period as determined under Code Section 401(a)(17) and the Regulations thereunder, including applicable cost of living adjustments. This limit was reset to \$200,000 as of January 1, 2002 by the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA") and has increased to \$260,000 in 2014 as a result of cost of living adjustments.

If a compensation determination period is less than 12 consecutive months (for example, a short Plan Year or a Plan that determines benefit accruals separately for each month), then the Code Section 401(a)(17) Compensation Limit will be multiplied by a fraction, the numerator of which is the number of months in the compensation determination period, and the denominator of which is 12.

If Compensation for any prior compensation determination period is used in determining a Participant's Plan benefits for the current Plan Year, then the annual Compensation for such prior compensation determination period is subject to the applicable Code Section 401(a)(17) Compensation Limit as in effect for that prior compensation determination period.

**1.11 Code Section 415 Safe Harbor Compensation** means wages, salaries, and fees for professional services and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Employer maintaining the Plan, including, but not limited to, commissions paid to salespersons, compensation for services based on a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, and reimbursements, or other expense allowances under a non-accountable plan as described in Treasury Regulation §1.62-2(c).

A Participant's Code Section 415 Safe Harbor Compensation will exclude the following:

- (a) Employer contributions (other than elective contributions described in Code Sections 402(e)(3), 408(k)(6), 408(p)(2)(A)(i), or 457(b)) to a plan of deferred compensation (including a simplified employee pension described in Code Section 408(k) or a simple retirement account described in Code Section 408(p), and whether or not qualified) to the extent such contributions are not included in the employee's gross income for the taxable year in which contributed or any distributions (whether or not includible in gross income when distributed) from a plan of deferred compensation (whether or not qualified);
- (b) Other amounts which received special tax benefits, such as premiums for group-term life insurance (but only to the extent that the premiums are not includible in the gross income of the employee and are not salary reduction amounts that are described in Code Section 125); and
- (c) Other items of remuneration that are similar to any of the items listed in (a) and (b) above.

For years beginning after the later of the original Effective Date of the Plan or December 31, 2008, (i) an individual receiving a differential wage payment, as defined by Code Section 3401(h)(2), is treated as an employee of the employer making the payment, (ii) the differential wage payment is treated as compensation, and (iii) the Plan is not treated as failing to meet the requirements of any provision described in Code Section 414(u)(1)(C) by reason of any contribution or benefit which is based on the differential wage payment.

For Limitation Years beginning on or after the later of the original Effective Date of the Plan or July 1, 2007, Code Section 415 Safe Harbor Compensation includes PostSeverance Compensation.

For Limitation Years beginning after the later of the original Effective Date of the Plan or December 31, 1997, Code Section 415 Safe Harbor Compensation paid or made available during such Limitation Year shall include amounts that would otherwise be included in Compensation but for an election under Code Sections 125(a), 402(e)(3), 402(h)(1)(B), 402(k), 403(b) or 457(b).

For Limitation Years beginning after the later of the original Effective Date of the Plan or December 31, 2000, Code Section 415 Safe Harbor Compensation paid or made available during such Limitation Year shall include amounts that would otherwise be included in Compensation but for an election under Code Section 132(f)(4).

**1.12 Collective Bargaining Agreement** means any labor contract as amended or extended from time to time between the Employer and a union, as applicable to the particular Participant.

**1.13 Committee** means the Retirement Committee appointed to administer the Plan.

**1.14 Compensation** means the following with respect to determining the amount of, and the allocation of, the various Employer contributions permitted under the terms of the Plan:

- (a) **Compensation for Benefit Determination Purposes.** In determining the amount of a Participant's Accrued Benefit and Standard Retirement Benefit (as defined in Article V (Standard Retirement Benefit)), the term Compensation for Benefit Determination Purposes means a Participant's average monthly base salary received during a Plan Year.

Compensation for Benefit Determination Purposes shall not include overtime, commissions, bonuses and any other similar forms of extra pay, expenses reimbursements such as automobile, moving and educational reimbursements and contributions to or benefits from any benefit plans sponsored by the Employer including Workers Compensation and Unemployment Disability Insurance.

Compensation earned while not a Participant in the Plan shall be excluded.

For Limitation Years beginning after the later of the original Effective Date of the Plan or December 31, 1997, Compensation for Benefit Determination Purposes paid or made available during such Limitation Year shall include amounts that would otherwise be included in Compensation for Benefit Determination Purposes but for an election under Code Sections 125(a), 402(e)(3), 402(h)(1)(B), 402(k), 403(b), 457(b) or 132(f)(4).



For purposes of leave of absence due to a Disability Retirement Benefit (Section 7.04), Compensation for Benefit Determination Purposes means the Participant's base monthly rate of pay in effect at the time the Disability began. If paid hourly, Compensation for Benefit Determination Purposes shall be equal to the hourly rate multiplied by the number of hours regularly scheduled to be worked each month.

For anyone who became a Participant on or after January 1, 2013, Compensation for Benefit Determination Purposes shall also exclude (1) severance or any other payment that is granted or awarded to a Participant in connection with or in anticipation of a separation from employment, but is received by the Participant while employed, (2) payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, regardless of when reported or paid, and (3) Employer contributions to deferred compensation or defined contribution plans.

Notwithstanding the above, for anyone who becomes a Participant on or after January 1, 2013, the Compensation for Benefit Determination Purposes of each Participant taken into account in determining benefit accruals in any Plan Year beginning after December 31, 2012, shall not exceed 120% of the contribution and benefit base specified in section 430(b) of Title 42 of the United States Code on January 1, 2013 (\$113,700), as indexed. The Plan Administrator shall adjust the Compensation for Benefit Determination Purposes following each actuarial valuation based on changes to the Consumer Price Index for All Urban Consumers. The adjustment shall be effective annually on January 1, following the annual valuation.

- (b) Code Section 401(a)(17) Compensation Limit. In determining Compensation for all purposes, a Participant's Compensation for any compensation determination period will not exceed the Code Section 401(a)(17) Compensation Limit.
- (c) Compensation for Code Section 415 Purposes. In determining the limitation under Code Section 415, the term Compensation means a Participant's Code Section 415 Safe Harbor Compensation received during a Plan Year.

Compensation for Code Section 415 Purposes includes Post-Severance Compensation.

**1.15 Computation Period means:**

- (a) Vesting: For purposes of service used for determining vesting, the Computation Period means the 12 consecutive month period beginning on an employee's Employment Commencement Date and each Employment Anniversary. (b) Benefit Accruals: For purposes of service used for determining the Accrued Benefit, the Computation Period means the 12 consecutive month period beginning on an employee's Employment Commencement Date and each Employment Anniversary.

- 1.16 CPI-U means the Consumer Price Index of Urban Wage Earners and Clerical Workers for the greater Los Angeles - Anaheim - Riverside Area.
- 1.17 Credited Service for Benefit Accrual Purposes means the years, calculated to the nearest completed month of an Employee's "full-time" (as defined in Section 1.23) employment with the Employer from the most recent date of hire, including service prior to the Effective Date, as an Eligible Employee, including Leaves of Absence.

In the event an Employee fails to return to the employment of the Employer promptly upon the conclusion of a Leave of Absence, then such Employee shall be deemed to have terminated as of the date such event commenced.

Credited Service may also include service, up to a maximum of 4 years, that the Participant served in the military armed forces of the federal government. This service shall be credited in addition to that which is required by federal law to be credited under this Plan. The Participant shall be responsible for 50% of the cost of this benefit and the Employer shall be responsible for the remaining 50% of the cost. The Participant's cost shall be determined by using 7% interest and the 1971 Group Annuity Table, and 3% Cost of Living adjustment.

Credited Service may also include the Participant's accumulated unused sick leave as of the date of termination. Such additional credit shall be calculated based upon the ratio of such unused hours of sick leave to 2,080 work hours.

Credited Service shall also include time when an employee provided service to the Employer on a contract basis if he is immediately hired by the Employer on a substantially full-time basis at the end of the contract. The Credited Service shall be limited to no more than 12 months and will only be granted to the individual if, within 36 months after being hired as a full-time Employee, that individual makes the Employee Contributions for the period of time as a contract employee. If this option is not exercised within 36 months immediately after being hired as a full-time Employee, the option to purchase a year of Credited Service shall lapse and will not be available at any time in the future. The Compensation for the contract period shall be the base rate of compensation paid to the employee during the contract period.

Credited Service excludes any period during which the Employee fails to make Employee Contributions.

- 1.18 Credited Service for Vesting Purposes means Credited Service for Benefit Accrual Purposes, except it shall also include service while covered by a Collective Bargaining Agreement.
- 1.19 Disability means a physical or mental condition of a Participant which prevents him from performing his employment with the Employer for reasons not constituting cause for discharge. Disability shall be determined by the Committee with the advice of competent medical authority, in accordance with uniform policies consistently applied upon the

basis of evidence of permanent disqualification from the job classification held at the time of such disability.

1.20 **Disability Retirement Date** means the first day of the month next following the date on which (prior to his Normal Retirement Date) a Participant's employment terminates because of his Disability after completion of 5 years of Credited Service for Vesting Purposes.

1.21 **Early Retirement Date** means, for Participants entering the Plan on or after January 1, 2013, the first day of the month next following the date on which the Participant retires (prior to his Normal Retirement Date) after attaining age 55 and completing 5 years of Credited Service for Vesting Purposes, or the Participant has completed 25 years of Credited Service for Vesting Purposes and attained age 52.

For anyone who is a Participant as of December 31, 2012, Early Retirement date means the first day of the month next following the date on which the Participant retires (prior to his Normal Retirement Date) after attaining age 55 and completing 5 years of Credited Service for Vesting Purposes, or if earlier, the completion of 25 years of Credited Service for Vesting Purposes.

1.22 **Effective Date** means, with respect to this 2014 Plan, January 1, 2014. The original effective date of the Plan is February 1, 1980.

1.23 **Eligible Employee** means each Employee who is actively employed by the Employer except the following classification(s) shall not be an Eligible Employee:

- (a) Employees whose employment is governed by a Collective Bargaining Agreement.
- (b) Employees who are not a "full-time employee". An Employee is considered fulltime if he is regularly scheduled to work at least 1,000 hours in a calendar year.

1.24 **Employee** means each employee of the Employer. Employee shall include Leased Employees only to the extent required by the Code and applicable regulations.

It is expressly intended that individuals not treated as common law employees by the Employer on its payroll records are not Employees even if a court or administrative agency determines that such individuals are common law employees. In addition, an illegal alien shall not be considered an Employee.

1.25 **Employer** means the Plan Sponsor, any Adopting Employer, and any successor which may adopt the Plan and become a party to the Trust. Any action or determination of the Employer who is also the Plan Sponsor under the Plan shall be by its Governing Body.

1.26 **Employment Anniversary** means each anniversary of an employee's Employment Commencement Date.

- 1.27 Employment Commencement Date** means the date on which an employee first performs an Hour of Service for the Employer. If the employee has more than one period of service with the Employer, Employment Commencement Date for purposes of this Plan means the most recent such date.
- 1.28 Fund** means the aggregate of all assets held by the Funding Agency to provide the benefits of this Plan.
- 1.29 Funding Agency** means any individual, insurance company, corporate trustee or bank as defined in Section 408(n) of the Code selected by the Employer as a depository for funds accumulated under this Plan and the Prior Plan.
- 1.30 Governing Body** means the Board of Directors of the Plan Sponsor.
- 1.31 Ineligible Employee** means an Employee who is not an Eligible Employee.
- 1.32 Late Retirement Date** means, in the case of a Participant who elects to continue his employment beyond his Normal Retirement Date, the first day of the month coinciding with or next following the date on which his employment terminates for any reason other than his death.
- 1.33 Leased Employee** means any person (other than an employee of the recipient) who, pursuant to an agreement between the recipient and any other person ("leasing organization"), has performed services for the recipient (or for the recipient and related persons determined in accordance with Code Section 414(n)(6)) on a substantially fulltime basis for a period of at least one year, and such services are performed under primary direction or control by the recipient employer. Contributions or benefits provided a leased employee by the leasing organization which are attributable to services performed for the recipient employer shall be treated as provided by the recipient employer.

A leased employee shall not be considered an Employee of the recipient if both (a) and (b) below are satisfied:

- (a) Such employee is covered by a money purchase pension plan providing:
- (1) A nonintegrated employer contribution rate of at least 10% of compensation as defined in Code Section 415(c)(3), but including amounts contributed pursuant to a salary reduction agreement which are excludable from the employee's gross income under Code Sections 125, 402(a)(8), 402(h) or 403(b),
  - (2) Immediate participation, and
  - (3) Full and immediate vesting.

- (b) Leased employees do not constitute more than 20% of the recipient's non-highly compensated workforce.

In the case of an Employee who is a Leased Employee (as that term is defined in Code Sections 414(n) and (o) and the Regulations thereunder), such Leased Employee's interest in a leasing organization's qualified plan (i.e., any contributions, forfeitures or benefits of a leasing organization that are attributable to services performed for a recipient by the Leased Employee) is treated as provided under this Plan for purposes of applying the employee benefit requirements listed in Treasury Regulation §1.414(n)-3(a) (except for paragraph (a)(6) of that Section) to any qualified plan maintained by the Employer.

- 1.34** Leave of Absence means any absence authorized by the Employer, in writing, under the Employer's standard personnel policies, provided that all persons under similar circumstances must be treated alike in the granting of such Leave of Absence and provided further that the Participant returns to the employ of the Employer within the specified period stipulated in the Leave of Absence.

Any Participant on Leave of Absence during periods in which he is retiring or is entitled to receive temporary benefits under the provisions of the State Workers' Compensation and Unemployment Disability Laws, shall receive credit for both years of Credited Service for Benefit Accrual Purposes and Compensation for Benefit Accrual Purposes for such authorized period of time, provided such period of time is reasonable and does not exceed 12 months. For good cause, however, the Committee may extend the time limits in this paragraph. The computation for any Leave of Absence shall be based on the basic wages or salary of the position held by the Participant at the beginning of the Leave of Absence.

Notwithstanding the foregoing, effective December 12, 1994, service shall be credited to the extent required by the Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA") as such Act may be amended from time to time. To the extent required by USERRA, the following provisions apply:

- (a) Any individual who is reemployed by the Employer under the terms of USERRA shall not incur a termination of employment.
- (b) Upon reemployment with the Employer, the Participant's service in the Uniformed Services is deemed to be years of Credited Service for Benefit Accrual Purposes with the Employer up to a maximum of 5 years.
- (c) If the Employer reemploys the Participant pursuant to USERRA, the Employer shall fund the Plan to the extent required by subparagraphs (i) and (ii) above
- (d) For purposes of this Section 1.34, the Employee's Compensation for Benefit Accrual Purposes shall be the Compensation for Benefit Accrual Purposes such Employee would have received during the period of USERRA provided such Compensation for Benefit Accrual Purposes is reasonably certain. If such amount is uncertain, the Employee's Compensation for Benefit Accrual Purposes shall be

such Compensation for Benefit Accrual Purposes as was paid for the 12-month period immediately preceding the USFERRA service (or such shorter period if employment was less than 12 months).

- (e) Service will be credited for employment with any employer required to be aggregated with the Employer under Code sections 414 (b), (c) or (m). Service will also be credited for any individual considered an Employee for purposes of this Plan under Code section 414(n).

**1.35 Limitation Year** means the Plan Year. All qualified plans maintained by the Employer must use the same Limitation Year. If the Limitation Year is amended to a different 12consecutive month period, the new Limitation Year must begin on a date within the Limitation Year in which the amendment is made.

**1.36 Military Leave** means an Employee's absence in the Armed Forces of the United States of America or any of its allies in time of war in which the United States of America shall be engaged, or in the Armed Forces of the United States of America during which period the Employee has reemployment rights under applicable law, provided that such Employee returns to employment with the Employer within 90 days, or such longer period as may be prescribed by applicable law, after discharge or release from such Armed Forces or from hospitalization continuing for a period of not more than 1-year after discharge or release from such Armed Forces. If, however, such Employee fails to return to the Employer's employ as specified, his absence shall not be deemed a Military Leave. Notwithstanding any provision of this Plan to the contrary, effective December 12, 1994, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Code Section 414(u).

**1.37 Named Fiduciary** means SunLine Transit Agency as the Employer, the Funding Agency and the Committee.

**1.38 Normal Form of Benefit** means the form of benefit as defined as such in Article VI (Forms of Distribution).

**1.39 Normal Retirement Age** means age 62 and 5 years of Credited Service for Vesting Purposes. There is no mandatory retirement age.

**1.40 Normal Retirement Date** means the first day of the month coincident with or next following the date on which the Participant reaches his Normal Retirement Age.

**1.41 Participant** means an Eligible Employee who qualifies to participate in the Plan as provided in Article II (Participation). Participant shall also include a former Participant whose benefits under the Plan have not been paid fully.

**1.42 Participation Date** means the date as of which an Employee becomes a Participant, as provided in Article II (Participation).

- 1.43 Plan means the Plan embodied herein (as it may be amended from time to time) and known as the SunLine Transit Agency Non-Union Restated Employees Retirement System.
- 1.44 Plan Sponsor means SunLine Transit Agency and any successor which may adopt the Plan and become a party to the Trust. Any action or determination of the Plan Sponsor under the Plan shall be by its Governing Body.
- 1.45 Plan Year means a period of 12 consecutive months beginning January 1 of each year and ending on the following December 31.
- 1.46 Policy means any group annuity contract issued by an insurance company licensed to do business in the State of California and approved by the Governing Body of the Employer to provide benefits of this Plan.
- 1.47 Post-Severance Compensation means the following amounts that are paid within the later of 2½ months after an Employee's severance from employment or the end of the Limitation Year that includes the Employee's severance from employment:
- (a) payments that, absent a severance from employment, would have been paid to the Employee while the Employee continued in employment with the Employer and are regular compensation for services during the Employee's regular working hours, compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar compensation.
  - (b) payments for accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if employment had continued; and
  - (c) payments for deferred compensation if the compensation would have been included in the definition of Compensation if it had been paid prior to the Participant's severance from employment," and the compensation is received pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid at the same time if the Participant had continued in employment with the Employer and only to the extent that the payment is includible in the Participant's gross income.

Any other payment that is not described in (a), (b) and (c) above is not considered PostSeverance Compensation if paid after severance from employment, even if it is paid within 2½ months following the time period described above. For example, PostSeverance Compensation does not include amounts paid after severance from employment that are severance pay, unfunded nonqualified deferred compensation, or parachute payments within the meaning of Code Section 280G(b)(2).

- 1.48 **Qualified Military Service** means any service in the uniformed services (as defined in Chapter 43 of Title 38 of the United States Code) by any individual who is entitled to reemployment rights under the Code with respect to the military service.
- 1.49 **Severance Date** means, in the case of a Participant whose employment terminates for any reason (other than his death) prior to his qualification for a disability, early, normal or late retirement benefit, the first day of the month next following the date on which his employment terminates.
- 1.50 **Spouse or Surviving Spouse** means the spouse or surviving spouse of the Participant as a result of a legal union. A former spouse will be treated as the Spouse or Surviving Spouse and a current spouse will not be treated as the Spouse or Surviving Spouse to the extent provided under a qualified domestic relations order as described in Section 414(p) of the Code.
- 1.51 **Trust** means the Trust established according to the provisions of the separate trust agreement which is used in conjunction with the Plan.
- 1.52 **Trust Fund** means the fund as defined in the separate trust agreement which is used in conjunction with the Plan.
- 1.53 **Trustee** means the Trustee named in a separate trust agreement which is used in conjunction with the Plan.

## **ARTICLE II – PARTICIPATION**

- 2.01 **Participants in Plan on the Day Before the Effective Date of this Plan Restatement.**
- (a) Each Eligible Employee of the Employer on the Effective Date of this Plan Restatement who was a Participant in the Plan on the day immediately preceding the Effective Date of this Plan Restatement shall continue as a Participant in the Plan; and his Participation Date shall be the date as of which he became a participant in the prior Plan.
- (b) In the case of any former employee of the Employer who is no longer employed by the Employer on the Effective Date of this Plan Restatement, but who was a participant in the prior Plan, any benefit to which he (or his beneficiary) may be entitled shall be determined and payable (and, if payments have already begun, shall continue to be payable) in accordance with the provisions of the Plan which were in effect on the date of his retirement, death or other termination of employment.
- 2.02 **New Participants in this Plan Restatement.** Each Eligible Employee who was not a participant in the Plan on the day immediately preceding the Effective Date of this Plan



Restatement shall become a Participant in the Plan immediately upon the satisfaction of the following requirement(s):

- (a) The Eligible Employee makes Employee contributions equal to 3% of Compensation for Benefit Determination Purposes.

**2.03 Transfer and Reassignments.** An Employee who transfer or is reassigned to employment not covered by this Plan will retain his Accrued Benefit under this Plan but future years of Credited Service for Benefit Accrual Purposes and Compensation for Benefit Determination Purposes shall freeze effective on the date of transfer for purposes of this Plan.

### **ARTICLE III – REHIRE AFTER TERMINATION OF EMPLOYMENT**

**3.01 Reinstatement from Retirement.** A retired Participant shall not serve, be employed by, or be employed through a contract directly by the Employer as an Eligible Employee without reinstatement from retirement, except in the following circumstances:

- (a) The retired Participant is appointed by the appointing power of the Employer either during an emergency to prevent stoppage of public business or because the retired Participant has skills needed to perform work of limited duration. Any such appointment shall not exceed a total of 960 hours in a Plan Year. The rate of pay for the employment shall not be less than the monthly minimum, nor exceed the monthly maximum, paid by the Employer to other Employees performing comparable duties, divided by 173.333 to equal an hourly rate.
- (b) Notwithstanding subsection (a), a retired Participant shall not be eligible to serve or be employed by the Employer if, during the 12-month period prior to an appointment described in (a) above, the retired Participant received any unemployment insurance compensation arising out of prior employment with the Employer. A retired Participant shall certify in writing to the Employer upon accepting an offer of employment that he or she is in compliance with this requirement. A retired Participant who accepts an appointment with the Employer after receiving unemployment insurance compensation shall terminate that employment on the last day of the current pay period and shall not be eligible for reappointment for a period of 12 months following the last day of employment.
- (c) A retired Participant shall not be eligible to be employed pursuant to this Section for a period of 180 days following the date of retirement unless the Employer certifies the nature of the employment and that the appointment is necessary to fill a critically needed position before 180 days has passed and the appointment has been approved by the governing body of the Employer in a public meeting. The appointment may not be placed on a consent calendar.
- (d) A retired Participant who accepted a retirement incentive upon retirement shall not be eligible to be employed pursuant to this Section for a period of 180 days following the date of retirement and (c) above shall not apply.

In addition to the above conditions, the Committee will only need to reinstate an Eligible Employee from retirement upon the following conditions:

- (c) His application to the Committee for reinstatement is accepted, and
- (f) The determination by the Committee, based upon medical examination, that the retired Participant is not incapacitated for the duties to be assigned to the retired Participant.

When any Participant is reinstated from retirement under this provision, his retirement allowance shall cease, and he shall become a Participant as of the date of reinstatement. Upon his later retirement, his retirement allowance shall be increased on account of any service subsequent to the date of reinstatement.

**3.02 Participation Upon Rehire.** In the event of the termination of service with the Employer of a Participant, followed by reemployment of such Participant, the Participant's Credited Service for all purposes shall not be counted unless one of the following conditions apply:

- (a) Such termination was due to an authorized Leave of Absence;
- (b) Such termination was due to Military Leave;
- (c) Such termination was not for disciplinary reason and the Employee had no pending disciplinary actions in his personnel file at the time of termination and further provided:
  - (1) The Employee was vested at the time of termination.
  - (2) The period between termination date and rehire date (the employment gap) does not exceed 36 months.
  - (3) The rehired Employee repays any previous distribution with interest at the rate of 6% from the date of distribution to the date of repayment and further provided full repayment occurs within six months of reemployment.
- (d) For an Employee that was not vested, such termination was not for disciplinary reasons and the Employee had no pending disciplinary actions in his personnel files at the time of termination and further provided:
  - (1) The employment gap does not exceed 12 months.

- (2) The rehired employee repays any previous distribution with interest at the rate of 6% from date of distribution to date of repayment and further provided full repayment occurs within six months of reemployment.

### **3.03 Reemployment After Commencement of Benefits.**

- (a) Suspension of Benefits that Commenced Prior to Normal Retirement Age. For any Participant who began receiving distributions prior to normal retirement and is reinstated as a Participant, the Plan shall suspend benefit payments during the Participant's period of reemployment unless the Participant is under age 62 when he is rehired. A Participant who is rehired prior to attaining age 62 shall have benefit payments suspended during the Participant's period of reemployment.

Credited Service for Benefit Accrual Purposes shall include the period of time during which the Participant has received benefit payments under the Plan prior to his reemployment.

Any benefits to which such reinstated Participant is subsequently entitled under the Plan shall be reduced by the actuarial equivalent of any retirement benefits, including disability retirement benefits, actually received. However, in no event shall such reinstated Participant receive a greater benefit than that which he would have received under the Plan had he not had an interruption of his Credited Service for Benefit Accrual Purposes. Furthermore, in no event shall there be duplication of benefits based on the same periods of Credited Service for Benefit Accrual Purposes.

- (b) Suspension of Benefits that Commenced After Normal Retirement Age. Any former Participant who began receiving distributions after normal retirement and is reinstated as a Participant shall be subject to the required notice provisions of Subsection (a) of this Section.

The Participant will continue to receive the portion of the benefit that does not exceed his Normal Retirement Benefit in the form of benefit previously elected. The portion of the benefit in excess of the normal retirement benefit will be suspended.

Credited Service for Benefit Accrual Purposes shall include the period of time during which the Participant has received benefit payments under the Plan prior to his reemployment.

Any benefits to which such reinstated Participant is subsequently entitled shall be determined in accordance with the late retirement benefit provisions of Article VII (Distribution of Benefits), except that such benefit shall be reduced by the actuarial equivalent of any retirement benefits previously received.

## **ARTICLE IV - FUNDING**

**4.01 Trust Fund.**

- (a) All contributions under the Plan shall be paid or transferred into the Trust Fund to be held, managed, invested and distributed in accordance with the provisions of the Plan.
- (b) All benefits under the Plan shall be payable directly from the Trust Fund except those benefits for which the Employer has purchased an annuity contract.
- (c) The Employer shall have no liability (except as provided by law) for the payment of benefits other than the obligation to make contributions to the Trust Fund as provided in Section 4.02.

A separate trust agreement sets out the detailed provisions that apply with respect to the Trustee and the Trust Fund.

**4.02 Employer Contributions.** The Employer shall, from time to time, contribute to the Trust Fund such amounts as are estimated by the Actuary to be sufficient, based upon an actuarially sound basis, to provide the benefits under the Plan. Such contributions may be made in cash or in property which is an authorized investment of the Trust Fund (as provided in a separate trust agreement) or in a combination of cash and such property. Unless otherwise provided by the Employer at the time the contribution is made, all Employer contributions to this Plan and Trust Fund shall be conditioned on their being deductible in the Employer's fiscal year in which made, or in the preceding fiscal year.

**4.03 Employee Contributions.** Employees shall make a contribution equal to 3% of Compensation to the Plan. Such contribution shall be credited with interest at the rate of 6% per annum, compounded annually.

**4.04 Funding Agency's Acceptance.** The Funding Agency shall accept all contributions to the Fund, and shall administer and apply the same in accordance with the terms of this Plan. The Funding Agency shall be under no obligation to inquire into the correctness of the amount contributed and paid over to the Funding Agency nor shall the Funding Agency be under any duty to enforce the payment of the contributions to be made. The determination of the contributions shall be final and conclusive upon all persons.

**ARTICLE V -- STANDARD RETIREMENT BENEFIT**

**5.01 Standard Retirement Benefit.**

- (a) For anyone who became a Participant prior to January 1, 2013 and who has reached Normal Retirement Age, the Standard Retirement Benefit to be provided shall be a monthly pension payable in the Normal Form of Benefit for unmarried

Participants commencing the first day of the month next following his Normal Retirement Date, in a monthly amount equal to 2.5% times Average Compensation times Credited Service for Benefit Accrual Purposes.

- (b) The Standard Retirement Benefit for a Participant who became a Participant prior to January 1, 2013 but who retires at any age other than age 62 shall be the appropriate percentage from Table A times Average Compensation. For ages and years of Credited Service for Benefit Accrual Purposes other than those in Table A, the applicable percentages shall be interpolated to the nearest completed month.
- (c) For anyone who became a Participant on or after January 1, 2013, the Standard Retirement Benefit shall equal a percentage of the Employee's Average Compensation taken as of the preceding quarter year, as outlined in the following table, multiplied by years of Credited Service for Benefit Accrual Purposes:

<u>Age of Retirement</u>	<u>Fraction</u>
52	1.000
52 ¼	1.025
52 ½	1.050
52 ¾	1.075
53	1.100
53 ¼	1.125
53 ½	1.150
53 ¾	1.175
54	1.200
54 ¼	1.225
54 ½	1.250
54 ¾	1.275
55	1.300
55 ¼	1.325
55 ½	1.350
55 ¾	1.375
56	1.400
56 ¼	1.425
56 ½	1.450
56 ¾	1.475
57	1.500
57 ¼	1.525
<u>Age or Retirement</u>	<u>Fraction</u>
57 ½	1.550
57 ¾	1.575
58	1.600
58 ¼	1.625

58 ½	1.650
58 ¾	1.675
59	1.700
59 ¼	1.725
59 ½	1.750
59 ¾	1.775
60	1.800
60 ¼	1.825
60 ½	1.850
60 ¾	1.875
61	1.900
61 ¼	1.925
61 ½	1.950
61 ¾	1.975
62	2.000
62 ¼	2.025
62 ½	2.050
62 ¾	2.075
63	2.100
63 ¼	2.125
63 ½	2.150
63 ¾	2.175
64	2.200
64 ¼	2.225
64 ½	2.250
64 ¾	2.275
65	2.300
65 ¼	2.325
65 ½	2.350
65 ¾	2.375
66	2.400
66 ¼	2.425
66 ½	2.450
66 ¾	2.475
67 or later	2.500

**ARTICLE VI-- FORMS OF DISTRIBUTION**

**6.01 Normal Form of Distribution.**

- (a) **Normal Form of Distribution upon Retirement, Disability or Severance from Employment.** Unless an optional form of benefit is selected, an unmarried Participant's Vested Accrued Benefit will be paid in the form of a life annuity with a modified cash refund. The cash refund payable to the Participant's beneficiary shall be a single sum payment equal to the amount which remains after deducting from the participant's Employee Contributions plus interest to the Participant's retirement date, the sum of the monthly retirement benefits paid to the Participant prior to his death. The Normal Form of Distribution for a married Participant will be a Joint and 50% Survivor Annuity described in Section 6.02.
- (b) **Definitions.**
- (1) **Annuity Starting Date** means the first day of the first period for which an amount is paid as an annuity or any other form.
- (2) **Vested Accrued Benefit** means the value of the Participant's vested Accrued Benefit derived from Employer and Employee Contributions (including rollovers), whether vested before or upon death, including the proceeds of insurance contracts, if any, on the Participant's life. The provisions of this Section shall apply to a Participant who is vested in amounts attributable to Employer Contributions, Employee Contributions, or both, at the time of death or distribution.

## 6.02 **Forms of Benefit.**

- (a) If a Participant has elected not to receive his benefit as provided in Section 6.01 (Normal Form of Distribution), he may elect one of the following optional forms of benefit:
- (1) **Life Annuity With Minimum Number of Payments.** A monthly pension payable in an adjusted level monthly amount payable for a period certain of 120 months (not extending beyond the life expectancy of the Participant or the joint and last survivor expectancy of the Participant and his Beneficiary) and during the Participant's lifetime thereafter. The amount of monthly payments will be actuarially reduced from the Normal Form of Benefit as shown on Table C.
- (2) **Joint and Survivor Annuity.** A monthly pension payable during the Participant's lifetime in an adjusted level monthly amount with provision for continuing level monthly payments of 50%, 66 2/3% and 100% of such adjusted monthly amount for the lifetime of a contingent survivor designated by the Participant. The payment shall be the Actuarial Equivalent of the Normal Form of Benefit using the factors from Table B.
- (3) **Single Sum.** A single sum settlement if the Single Sum will be \$5,000 or less.

- (4) Refund of Employee Contributions. A refund of only Employee Contributions, plus interest. The Participant's Accrued Benefit shall be reduced to reflect the Actuarial Equivalent of such Employee Contributions withdrawn, and such Participant may elect to have his Accrued Benefit, as reduced, payable monthly for the duration of his lifetime under any of the optional forms of payment in this Section 6.02(a).
- (5) Social Security Adjustment. A temporary annuity that will provide monthly payments beginning effective on the Participant's retirement date and ending with the last monthly payment due before his death or the earliest date on which he could elect to receive his primary insurance benefit under Social Security, whichever occurs first. This option may be elected in combination with a Joint and 50% Survivor Annuity above.
- (b) Unless otherwise stated above, the value of any benefit under the terms of this Plan payable as a nondecreasing life annuity will be the Actuarial Equivalent of the Normal Form of Benefit for unmarried Participants. However, this Section (b) shall not apply to the extent it would cause the Plan to fail to satisfy the requirements of Article XII (Code Section 415 Limitations on Benefits) of the Plan.

The value of any distribution payable in a form other than a nondecreasing life annuity, if allowed by the Plan, will be determined according to the applicable assumptions specified in Article I (General Definitions) if not otherwise specified in the description of the form of distributions.

### **6.03 Rules Governing Election of Optional Forms.**

- (b) The Administrator shall prescribe uniform rules, procedures and forms, consistent with the provisions of this Article, with respect to Participants' elections, revocations or changes of optional forms of benefit and may require such medical evidence as it deems necessary and appropriate to determine which optional forms of benefit shall be available to each Participant.
- (c) The election by any Participant of an optional form of benefit shall be effective without any requirement of Administrator approval, but the election must comply with the provisions of Section 6.03(a).
- (d) Each Participant may revoke or change a prior election of an optional form of benefit prior to the commencement of such benefit, with the Administrator's written approval. A Participant who has effectively revoked or changed a prior election of an optional form of benefit may then elect to receive his benefit in the form described in Section 6.02 (Form of Distribution) without the Administrator's approval as long as the election complies with the provisions of Section 6.03(a).



- (e) Each Participant who does not elect an optional form of benefit shall be paid his benefit in the form described in Section 6.01 (Normal Form of Distribution).
- (f) Each Participant who has effectively elected an optional form of benefit shall be paid his benefit in such optional form.

**6.04 Commencement of Benefits.**

- (a) Unless the Participant elects otherwise, distribution of benefits will begin no later than the 60<sup>th</sup> day after the latest of the close of the Plan Year in which:
  - (1) The Participant attains age 65 (or Normal Retirement Date, if earlier);
  - (2) Occurs the 10<sup>th</sup> anniversary of the year in which the Participant commenced participation in the Plan; or
  - (3) The Participant terminates service with the Employer.
- (b) Notwithstanding the foregoing, the failure of a Participant to consent to a distribution while a benefit is immediately distributable shall be deemed to be an election to defer commencement of payment of any benefit sufficient to satisfy this Section.

A Participant's Accrued Benefit is immediately distributable if any part of the Accrued Benefit could be distributed to the Participant (or Surviving Spouse) before the Participant attains (or would have attained if not deceased) the later of his Normal Retirement Date or age 62.

- (c) If a Participant separates from service before satisfying the age requirement for early retirement, but has satisfied the service requirement, the Participant will be entitled to elect a reduced benefit upon satisfaction of such age requirement for early retirement.

**6.05 Cash Out of Small Benefits and Consent Required for Distribution of Benefits.**

- (a) Cash Out of Small Benefits. If a Participant terminates service, and the Participant's vested single sum Actuarial Equivalent of the Accrued Benefit derived from Employer and Employee contributions and any Rollover Contributions within the meaning of Code Sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(a)(16) is not greater than \$1,000, the Participant will receive a distribution of the vested portion of such single sum Actuarial Equivalent of the Accrued Benefit and the nonvested portion will be treated as a forfeiture. For purposes of this Section, if the Participant's vested single sum Actuarial Equivalent of the Accrued Benefit is \$0.00, the Participant shall be deemed to have received a distribution of such vested single sum Actuarial Equivalent of the Accrued Benefit.

**6.06 Direct Rollovers.**

(a) This Section 6.07 applies to distributions made on or after December 31, 2001. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section 6.07, a distributee may elect, at the time and in the manner prescribed by the Administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

(b) **Definitions.**

(1) **Eligible rollover distribution.** An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated Beneficiary, or for a specified period of 10 years or more; any distribution to the extent such distribution is required under Code Section 401(a)(9); and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to Employer securities).

A portion of the distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to (1) a traditional individual retirement account or annuity described in Code Section 408(a) or (b) (a "traditional IRA) or a Roth individual account or annuity described in Code Section 408A (a "Roth IRA"); or (2) to a qualified defined contribution, defined benefit or annuity plan described in Code Sections 401(a) or 403(a) or to an annuity contract described in Code Section 403(b), if such plan or contract provides for separate accounting for amounts so transferred (including interest thereon), including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(2) **Eligible retirement plan.** An eligible retirement plan is:

- (i) A qualified plan described in Code Sections 401(a) or 403(a);
- (ii) An annuity contract described in Code Section 403(b);
- (iii) An eligible plan under Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state;

- (iv) An individual retirement account or annuity described in Code Section 408(a) or 408(b); and
  - (v) a Roth individual retirement account described in Code Section 408A(b).
- (3) Distributee. A distributee includes an employee or former employee. In addition, the employee's or former employee's Surviving Spouse and the employee's or former employee's Spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code Section 414(p), are distributees with regard to the interest of the Spouse or former spouse.

A distributee includes the Participant's nonspouse designated beneficiary. In the case of a nonspouse beneficiary, the direct rollover may be made only to a traditional IRA or Roth IRA that is established on behalf of the designated beneficiary and that will be treated as an inherited IRA pursuant to the provisions of Code Section 402(c)(11). Also, in this case, the determination of any required minimum distribution under Code Section 401(a)(9) that is ineligible for rollover shall be made in accordance with Notice 2007-7, Q&A-17 and Q&A-18, 2007-5 I.R.B. 395.

- (4) Direct rollover. A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

**6.07 Rollovers by a Non-Spouse Designated Beneficiary.** A Beneficiary who (a) is other than the Participant's Spouse and (b) is considered to be a Designated Beneficiary under Code Section 401(a)(9)(F) (known as a "Non-Spouse Designated Beneficiary") may establish an individual retirement account under Code Section 408(a) or an individual retirement annuity under Code Section 408(b) (known as an "Inherited IRA") into which all or a portion of a death benefit (to which such Non-Spouse Designated Beneficiary is entitled) can be transferred in a direct trustee-to-trustee transfer (a direct rollover). Notwithstanding the above, any amount payable to a Non-Spouse Designated Beneficiary that is deemed to be a required minimum distribution pursuant to Code Section 401(a)(9) may not be transferred into such Inherited IRA.

The Non-Spouse Designated Beneficiary may deposit into such Inherited IRA all or any portion of the death benefit that is deemed to be an eligible rollover distribution (but for the fact that the distribution is not an eligible rollover distribution because the distribution is being paid to a Non-Spouse Designated Beneficiary). In determining the portion of such death benefit that is considered to be a required minimum distribution that must be made from the Inherited IRA, the Non-Spouse Designated Beneficiary may elect to use either the 5-year rule or the life expectancy rule, pursuant to Regulation §1.401(a)(9)-3, Q&A-4(c). Any distribution made pursuant to this Section is not subject to the direct

rollover requirements of Code Section 401(a)(31), the notice requirements of Code Section 402(f), or the mandatory withholding requirements of Code Section 3405(e).

If a Non-Spouse Designated Beneficiary receives a distribution from the Plan, then the distribution is not eligible for the "60-day" rollover rule, which is available to a Beneficiary who is a Spouse. If the Participant's Non-Spouse Designated Beneficiary is a trust, then the Plan may make a direct rollover to an IRA on behalf of the trust, provided the trust satisfies the requirements to be a Designated Beneficiary within the meaning of Code Section 401(a)(9)(E).

## ARTICLE VII – DISTRIBUTION OF BENEFITS

7.01 **Normal Retirement Benefit.** A Participant's employment shall terminate at his Normal Retirement Date unless he elects to continue employment until his Late Retirement Date. If the Participant elects to retire at his Normal Retirement Date rather than continuing employment, the Participant shall be entitled to his Accrued Benefit payable in the form provided in Article VI (Forms of Distribution), commencing on the first day of the month coincident with or next following his Normal Retirement Date.

7.02 **Late Retirement Benefit.** A Participant whose employment continues after his Normal Retirement Date shall not be entitled to receive any benefit under the Plan until his Late Retirement Date. At his Late Retirement Date, he shall be entitled to his Accrued Benefit determined as of his Late Retirement Date using Compensation for Benefit Determination Purposes and years of Credited Service for Benefit Accrual Purposes as of his Late Retirement Date.

Such late retirement benefit shall be payable in the form provided in Article VI (Forms of Distribution), commencing on the first day of the month coincident with or next following his Late Retirement Date.

7.03 **Early Retirement Benefit.** At a Participant's Early Retirement Date, he shall be entitled to the Actuarial Equivalent of his vested Accrued Benefit determined as of his Early Retirement Date. Such benefit shall be payable in the form provided in Article VI commencing on the first day of the month coincident with or next following his Early Retirement Date, or such later date as selected by the Participant.

7.04 **Disability Retirement Benefit.**

(a) At a Participant's Disability Retirement Date, he shall be entitled to the vested percentage of a benefit equal to 2.5% of his Average Compensation multiplied by years of Credited Service for Benefit Accrual Purposes determined as of his Disability Retirement Date. However, such benefit shall not exceed the Accrued Benefit calculated at age 62, assuming the Participant's Average Compensation and employment continued until such time. Such benefit shall be payable in the form provided in Article VI (Forms of Distribution) commencing on the first day of the month coincident with or next following his Disability Retirement Date.

(b) The Committee may require any recipient of a Disability Retirement Benefit, while under the age of 55, to undergo a medical examination. Such examination shall be made by a physician appointed by the Committee. The Committee shall determine upon the basis of such examination whether the recipient of disability benefits is still incapacitated, physically or mentally, for duty in the position held by him when retired or placed on disability.

(c) Any failure on the Participant's part to follow reasonable courses in medical care prescribed that would lead to return of duty will be cause for rejection of

application for Disability Retirement Benefits, as may be determined by the Committee.

- (d) If a Participant's employment is terminated due to Disability prior to 5 years of Credited Service for Vesting Purposes, the benefit will be considered a Severance Benefit.
- (e) Effective January 1, 2012, if a Participant qualifies for a Disability Retirement Benefit while performing Qualified Military Service, the Disability Retirement Benefit for that Participant will equal the amount that would have been provided under the Plan if the Participant had resumed employment and then became disabled if that benefit is greater than the benefit otherwise provided by the Plan.

#### 7.05 Death Benefit.

- (a) Death Prior to Commencement of Benefits. In the event of a Participant's death prior to commencing his benefits under the Plan, a death benefit shall be payable to his Spouse effective the first day of the month following the month in which the Participant's death occurs equal to the Actuarial Equivalent of the Participant's vested Accrued Benefit. The benefits shall continue until the last month prior to the death or remarriage of the spouse. Payment of benefits to the Spouse will be contingent upon periodic certification of being unmarried and the issuance of the Participant's death certificate to the Committee.

If there is no Surviving Spouse, or the Spouse remarries, then equal shares of the monthly retirement allowance will be payable to the surviving natural and/or adopted dependents of the deceased Participant provided such dependents are under the age of 21 years. Such shares of the monthly benefit will continue for each dependent until the last month prior to the dependent(s) attaining the age of 21 years. Payments to the dependent child(ren) will be contingent upon the issuance of the death certificate or remarriage certificate of the Spouse and the birth and/or adoption certificate of the dependent child(ren) to the Committee.

In the event of the death of a Participant who does not have a vested Accrued Benefit, who has no eligible Spouse or dependent children under age 21, or who was not employed by the Employer at the time of death and whose death occurred before retirement payments commenced, the benefit shall be the return of the Participant's Employee Contributions with interest.

Effective January 1, 2007, if a Participant dies while performing Qualified Military Service, the death benefit for that Participant will equal the amount that would have been provided under the Plan if the Participant had resumed employment and then died if that benefit is greater than the benefit otherwise provided by the Plan. In addition, the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan as if the Participant had resumed and then terminated employment on account of death.

- (b) **Death After Benefits Commence.** In the event of a Participant's death at any time after his benefit under the Plan has commenced, there shall be payable to his Beneficiary such benefit, if any, as may be payable under the form of benefit elected pursuant to Article VI (Forms of Distribution).

**7.06 Severance Benefit.**

- (a) At a Participant's Severance Date he shall be entitled to receive his vested Accrued Benefit payable in the form provided in Article VI (Forms of Distribution) commencing on the first day of the month coincident with or next following his Normal Retirement Date. The vested percentage shall be the percentage determined in Section 7.07.
- (b) In lieu of deferring commencement of benefits to his Normal Retirement Date as provided in Section 7.06(a) above, a Participant may elect to receive a reduced vested benefit commencing the first day of any month commencing on or after he attains age 55. The vested percentage shall be the percentage determined in Section 7.07 and benefit will be payable as provided in Article VI (Forms of Distribution).
- (c) If a Participant terminates prior to the completion of 5 years of Credited Service for Vesting Purposes, he shall not be entitled to any benefits under the plan except for a refund of his Employee Contributions, plus interest.

**7.07 Vesting.**

- (a) A Participant's Accrued Benefit is nonforfeitable upon the Participant's Normal Retirement Age.
- (b) Except as otherwise provided in this Section, the percentage of a Participant's Accrued Benefit which is nonforfeitable is determined upon the basis of his Credited Service for Vesting Purposes, and computed in accordance with the following schedule:

Years of Credited Service <u>For Vesting Purposes</u>	Vested Percentage <u>of Accrued Benefit</u>
Less than 5	0%
5 or more	100%

- (c) A Participant's Accrued Benefit derived from mandatory Employee contributions shall be 100% vested at all times.

**7.08 In-Service Distributions.** Except as allowed in Section 3.02 (Reemployment After Commencement of Benefits), no in-service distributions shall be allowed from the Plan.

**7.09 Forfeiture.** Any forfeiture arising from termination of the Participant's employment, death, or for any reason, will not be applied to increase the benefits any other Participant would otherwise receive under the Plan at any time prior to the termination of the Plan. Any amounts forfeited will be used as soon as possible to reduce Employer contributions under the Plan.

**7.10 Cost-of-Living Adjustment.** A Participant (or Spouse or designated Beneficiary) who is receiving monthly benefit payments due to Retirement, Death, Disability or Severance shall be entitled to a cost-of-living adjustment with respect to such benefits, as described in the following paragraphs. This Section shall only apply to benefits in payment status which begin after June 30, 1989. No adjustments are made to a Severance Benefit until payments commence.

As of July 1 each year, such monthly benefits shall be increased or decreased by an adjustment which shall be determined by dividing the CPI-U on March 31 of that calendar year by the CPI-U on April 1 of the previous calendar year. Such adjustment will be limited to a maximum of 3% in any year and shall be taken to the nearest 1/10%. The first adjustment is effective July 1, 1990.

The excess, if any, of the change in the CPI-U for an adjustment period over the maximum cost-of-living increase or decrease of 3.0% that is granted for that adjustment period will be retained in a cost-of-living "bank", which will be drawn against in future years to the extent that the change in CPI-U falls below the maximum allowable cost-of-living increase or decrease in future years.

In no event will any cost-of-living adjustment result in a benefit less than the amount in effect upon commencement of benefits.

**7.11 Forfeiture of Benefits Upon Conviction of a Felony.** If any Eligible Employee is convicted by a state or federal trial court of any felony under state or federal law for conduct arising out of or in the performance of his official duties, in pursuit of the office or appointment, or in connection with obtaining salary, disability retirement, service retirement, or other benefits, the following provisions shall apply:

- (a) The Eligible Employee shall forfeit all accrued rights and benefits under the Plan to the extent provided in (b) below and shall not accrue further benefits in the Plan, effective on the date of conviction.
- (b) The Eligible Employee shall forfeit all the retirement benefits earned or accrued from the earliest date of the commission of any felony described in this Section to the forfeiture date, inclusive. The retirement benefits shall remain forfeited notwithstanding any reduction in sentence or expungement of the conviction following the date of the Employee's conviction. Retirement benefits attributable to service performed prior to the date of the first commission of the felony for which the Employee was convicted shall not be forfeited as a result of this Section. For purposes of this subsection, "forfeiture date" means the date of the conviction.



- (c) If an Eligible Employee's conviction is reversed and that decision is final, the Employee shall be entitled to do either of the following:
- (1) Recover the forfeited retirement benefits as adjusted for the contributions received pursuant to (a) above.
  - (2) Redeposit those contributions and interest, as determined by the Plan's actuary and then recover the full amount of the forfeited benefits.

## ARTICLE VIII – ADMINISTRATION

**8.01 Administrator of the Plan.** The Plan shall be administered by a Committee. The Committee shall consist of at least three members appointed by the Board of Directors of the Employer. Such members shall hold office until resignation, death or removal by said Board of Directors.

Any person dealing with the Committee may rely on and shall be fully protected in relying on a certificate or memorandum, in writing, signed by any authorized member of the Committee, as evidence of any action taken or resolution adopted by the Committee.

**8.02 Resignation and Removal of Members.** Any member of the Committee may resign at any time by giving written notice to other members and to the Board of Directors of the Employer, effective as therein stated. Any member of the Committee may at any time be removed by the Board of Directors of the Employer.

**8.03 Appointment of Successors.** Upon death, resignation or removal of any member of the Committee, the Board of Directors of the Employer shall, at its next regular meeting or at a special meeting, if so desired, appoint by resolution a successor.

**8.04 Powers and Duties.** The Administrator shall have the power and duty to do all things necessary or convenient to effect the intent and purposes of this Plan and not inconsistent with any of the provisions hereof, whether or not such powers and duties are specifically set forth herein. Not in limitation, but in amplification of the foregoing, the Administrator shall have power to:

- (a) Provide rules and regulations for the administration of the Plan, and, from time to time, to amend or supplement such rules and regulations.
- (b) Construe the Plan which construction shall be final and binding.
- (c) Correct any defect, supply any omission, or reconcile any inconsistency in the Plan in such manner and to such extent as it shall deem expedient to carry the Plan into effect.
- (d) Determine all questions that may arise under the Plan including directions to and questions submitted by the Trustee on all matters necessary for it properly to discharge its powers and duties.
- (e) Delegate to such other parties as are appropriate all or any part of the responsibilities specifically required of the Administrator under the terms of the Plan.
- (f) The Administrator shall establish and carry out a funding policy consistent with the purposes of the Plan and the requirements of applicable law, as may be

appropriate from time to time. As part of such funding policy, the Administrator shall, from time to time, direct the Trustee to exercise its investment discretion so as to provide sufficient cash assets in an amount determined by the Administrator under the funding policy then in effect, to be necessary to meet the liquidity requirements for the administration of the Plan.

**8.05 Finality of Action.** Except as provided in Section 8.04, the acts and determinations of the Administrator within the powers conferred by the Plan shall be final and conclusive for all purposes of the Plan. The Employer, Employees, Participants, Beneficiaries, Trustee and all others having any interest under the Plan shall be bound thereby.

**8.06 Investment Powers.** The Funding Agency shall have the rights, duties and responsibilities for the investment of Plan assets; however, the Committee retains the right to direct the Funding Agency concerning the investment and reinvestment of the Plan assets held by the Funding Agency. The Funding Agency shall have no responsibility for the establishment or adequacy of the funding policy and method.

**8.07 Compensation and Expenses.** The authorized representatives of the Employer whose duty it shall be to administer this Plan, in accordance with this Article VIII, shall serve in such capacity without compensation, but shall be reimbursed for any expenditures incurred in the discharge of their administrative duties. Reasonable compensation or fees, as the case may be, of all officers, agents, actuaries, investment counsel, legal counsel or other persons retained or employed by the Employer shall, unless otherwise agreed to be paid by the Employer, be deducted from the Plan.

Provided, however, in the event expenses are incurred on behalf of an individual Participant with respect to a qualified domestic relations order or dissolution of marriage, that Participant shall be responsible for the payment of such expenses.

**8.08 Agent for Service of Legal Process.** Any member of the Committee may be designated as an agent for service of legal process.

**8.09 Records.** The Committee shall keep or cause to be kept a record of all of its proceedings and all such books, accounts, records or other data as may be necessary or advisable in its judgment for the administration of the Plan, and to properly reflect the affairs thereof. In addition, the latest copies of the Plan, or other instruments under which the Plan was established or is operated shall be made available for inspection at the primary location of the Employer to any Participant or beneficiary who so requests.

**8.10 Indemnification.** The Employer shall indemnify against liability all officers, agents, investment counsel, legal counsel or other persons retained or employed by the Employer to perform administrative duties in connection with the Plan, except liability arising from the gross negligence or willful misconduct in the performance of such duties. The preceding right of indemnification shall be in addition to any other right to which such persons may be entitled as a matter of law or otherwise.

## ARTICLE IX – AMENDMENT AND TERMINATION

### **9.01 Plan Sponsor May Amend Plan.**

- (a) The Plan Sponsor shall have the right, except as provided below, in its sole and final discretion, to amend the Plan at any time and from time to time to any extent which it may deem advisable; provided, however, that no amendment (other than an amendment required by the Internal Revenue Service as a condition for its approval of the Plan and Trust as qualifying under Code Sections 401(a) and 501(a)) shall retroactively increase the duties or responsibilities of the Trustee, the Employer or the Administrator without its written consent.

Notwithstanding the foregoing, a Participant's Accrued Benefit, early retirement benefit, retirement-type subsidy, or optional form of benefit may be reduced to the extent permitted under the Code or to the extent permitted under Treasury Regulations §§1.411(d)-3 and 1.411(d)-4.

- (b) Unless clearly stated otherwise in the amendment, only Participants with an Hour of Service after the effective date of the amendment will be affected by any provision in the amendment increasing the Participant's Accrued Benefit or vested percentage.

### **9.02 Termination.**

- (a) The Plan Sponsor shall have the right to terminate the Plan at any time. The Plan shall terminate upon the cessation of business operations by the Employer unless a successor employer continues the Plan and becomes a party to the Trust.
- (b) Upon termination of the Plan or partial termination with respect to a group of Participants, the rights of all Participants (or all those Participants who are members of the group of Participants who cease to participate in the Plan as a result of a partial termination) to any Accrued Benefits to the date of such termination, to the extent then funded, shall be nonforfeitable.
- (c) Subject to the election and consent requirements of Article VI (Forms of Distribution), upon termination of the Plan, the Administrator shall determine, and so direct the Trustee, (or, if the Administrator fails to make such determination, the Trustee shall determine) the method, from among the following methods, of discharging and satisfying all obligations (in the order of priorities specified in subsection (b)) on behalf of Participants:
- (1) By the combination of the Trust Fund and the payment therefrom of benefits as they become due in accordance with the provision of the Plan in effect immediately prior to its termination; or

- (2) By annuities payable through an annuity purchased from an insurance company; or
  - (3) By the liquidation and distribution of the assets of the Trust Fund; or
  - (4) By any combination of such methods.
- (d) After the satisfaction of all fixed and contingent liabilities under the Plan, any overpayments made by the Plan Sponsor into the Trust Fund as a result of erroneous actuarial computations shall be repaid to the Plan Sponsor. The Plan Sponsor retains the right to use excess assets to increase benefits provided to Participants under the Plan.

**9.03 Termination of Employer Participation.** If more than one employer participates in the Plan, each Adopting and Affiliated Employer shall have the right to terminate its participation in the Plan at any time. Written notification of such action shall be delivered to the Plan Sponsor and the Trustee, and the Plan with respect to such Employer shall be terminated as of the date of termination specified in such resolution. The provisions of Sections 9.02(b) and (c) shall apply to the Participants who are Employees of such terminating Employer, with the aggregate assets of the Trust Fund being used to determine the sufficiency to fully fund the Accrued Benefits of such Participants.

## ARTICLE X – MISCELLANEOUS

**10.01 Persons Under Legal Disability.** In the event that any benefit is payable to a minor or other person under legal disability, the Administrator, in its discretion, may determine that payment shall be made or applied for the benefit of such person, directly to such person or to the legal representative of such person or to some near relative of such person or directly for the support, maintenance or education of such person. The Trustee shall not be required to oversee the application by any third party of any payments made pursuant to this Section.

**10.02 Plan Sponsor's Responsibility Limited.** All benefits payable under the Plan shall be paid or provided for solely from the Fund, and the Plan Sponsor assumes no responsibility for the acts of the Committee or of the Funding Agency except as herein expressly provided, and shall not be liable for any losses of the Fund.

**10.03 Forms and Proofs.** Each Participant or Beneficiary eligible to receive any benefit hereunder shall complete such forms and furnish such proofs, receipts and releases as shall be required by the Trustee or the Administrator.

**10.04 Nondiversion.** Irrespective of anything contained in the Plan, as now expressed or hereafter amended, it shall be impossible for any part of the Trust Fund to be used for or diverted to any purpose not for the exclusive benefit of Participants or their Beneficiaries at any time prior to the satisfaction of all rights and liabilities, fixed and contingent, with respect to Participants or their Beneficiaries hereunder, either by the operation, amendment, revocation or termination of the Plan. No part of the Trust Fund shall be paid, distributed or made available to the Employer at any time, except as expressly provided by the Plan.

**10.05 Limitation of Rights and Obligations.** Neither the establishment nor maintenance of the Plan or Trust Fund, nor any provision or amendment thereof, nor the purchase of any insurance or annuity contract, nor any act or omission under or resulting from the operation of the Plan or Trust Fund shall be construed:

- (a) As conferring upon any Employee, Participant, Beneficiary, or any other person, firm, corporation or association, any right or claim against the Employer, the Trustee or Administrator, except to the extent that such right or claim shall be specifically and expressly provided in the Plan or provided by law; nor against any shareholder, officer, employee or director of the Employer.
- (b) As an agreement, consideration or inducement of employment or as affecting in any manner or to any extent whatsoever the rights or obligations of the Employer or any Employee to continue or terminate the employment relationship at any time.
- (c) As creating any responsibility or liability of the Employer, Trustee, or

Administrator for the validity or effect of the Plan or of any insurance or annuity contract or other investment at any time included in the Trust Fund.

- 10.06 **Treasury Approval.** The Plan is adopted and executed and Employer Contributions are made upon the express condition that the Plan and Trust shall be approved initially by the Internal Revenue Service as qualifying under Code Sections 401(a) and 501(a). In the event that the Internal Revenue Service shall fail or refuse to approve the Plan, the Plan Sponsor may revoke and terminate the Plan and direct the Trustee to return within 1-year of denial of qualification contributions theretofore made or to distribute the Trust Fund to the Plan Sponsor in cash, in kind, or in a combination of both, without regard to any prior allocations or accrued or vested rights which any Participant might otherwise have under the Plan; no rights or liabilities of the Employer, Trustee, Administrator, or any Participant or Beneficiary shall thereafter exist under the Plan; provided that the application for determination is made by the time prescribed by law for filing the Employer's return for the taxable year in which such Plan was adopted, or such later date as the Secretary of the Treasury may prescribe.
- 10.07 **No Liability Except for Gross Negligence or Willful Misconduct.** It is expressly understood and agreed by each Employee who becomes a Participant hereunder that, except for its gross negligence or willful misconducts, the Employer shall not be in any way subject to any suit or litigation, or to any liability for any cause or reason or thing whatsoever in connection with this Plan or its operation, and each Employee by becoming a Participant releases the Employer and all of their officers and agents from any and all liability or obligation except for their gross negligence or willful misconduct.
- 10.08 **Status of Funding Agency.** The Funding Agency shall not be required to take or permit to be taken any action contrary to the provisions of the Policy nor shall the Funding Agency be bound to allow any benefit or privilege to any person interested in the Policy or any other policy it has issued, unless such benefit or privilege is provided in the Policy or such other Policy as the case may be. The Funding Agency shall not be a party to this Plan for any purpose; nor shall it be required to question any act of the Employer hereunder; nor shall it be required to see that any action of the Employer is authorized by the Plan. With respect to any amount paid in accordance with the directions of the Employer, the Funding Agency shall be fully discharged from any and all liability to the Employer, any Employee or former Employee and their beneficiaries or contingent annuitants or any other interested person with respect to such payment.
- 10.09 **Actions or Proceedings Involving The Plan.** In any action or proceeding involving the Fund, or any property constituting part of all thereof, or the administration thereof or of the Plan, the Employer, the Committee, and the Funding Agency shall be the only necessary parties, and no Employees or former Employees of the Employer or their beneficiaries or any other person having or claiming to have an interest in the Fund or under the Plan shall be entitled to any notice of process.

Any judgment that may be entered in such action or proceeding which has been final shall be binding and conclusive on the parties thereto and upon all persons having or claiming to have an interest in the Fund or under the Plan.

**10.10 Construction and Law Governing.**

- (a) Words used herein in the masculine or feminine gender shall be construed as the feminine or masculine gender, respectively, where appropriate.
- (b) Words used herein in the singular or plural shall be construed as the plural or singular, respectively, where appropriate.
- (c) The Plan shall be construed, enforced and administered and the validity determined in accordance with applicable Federal law and the law of the State of California.
- (d) If any provision is determined to be void by any court of competent jurisdiction, the Plan will continue to operate, and, for the purposes of the jurisdiction of that court only, will be deemed not to include the provision determine to be void.

**10.11 Qualified Domestic Relations Order Procedure.**

- (a) All rights and benefits, including elections, provided to a Participant in this Plan shall be subject to the rights afforded to any "alternate payee" under a "Qualified Domestic Relations Order (QDRO)".
- (b) For purposes of this Section 10.11, "alternate payee", "Qualified Domestic Relations Order", and "earliest retirement age" shall have the meanings set forth under Code Section 414(p).
- (c) The Administrator may establish a written procedure to determine the qualified status of domestic relations orders and to administer distributions under such qualified orders. The Administrator shall determine whether an order meets the requirements of this Section within a reasonable period after receiving an order and the Committee shall notify the Participant and any alternate payee that an order has been received.
- (d) A domestic relations order that otherwise satisfies the requirements for a "QDRO" will not fail to be a QDRO:
  - (1) solely because the order is issued after, or revised, another domestic relations order or QDRO; or
  - (2) solely because of the time at which the order is issued, including issuance after the annuity starting date or after the Participant's death.

**ARTICLE XI – CODE SECTION 415 LIMITATIONS ON BENEFITS**

**11.01 Maximum Benefit Limitation.**



- (a) For purposes of this Plan, all provisions of Section 415 of the Code and the Treasury Regulations thereunder, as amended from time to time, are hereby incorporated by reference.
- (b) For Participants covered by both this Plan and any other defined benefit plan ever maintained by the Employer, employer-provided benefits under this Plan will be limited in proportion to the sum of all employer-provided benefits determined before applying any limitations, such that the sum of all employer-provided benefits does not exceed the limitations under Code Section 415.
- (c) Plan aggregation for 415 purposes will be determined as prescribed under Treasury Regulation Section 1.415(f)-1.

## ARTICLE XII – CODE SECTION 401(a)(9) DISTRIBUTION REQUIREMENTS

### 12.01 General Rules.

- (a) **Precedence.** The requirements of this Section shall take precedence over any inconsistent provisions of the Plan.
- (b) **Requirements of Treasury Regulations Incorporated.** All distributions required under this Section will be determined and made in accordance with Code Section 401(a)(9), including the incidental death benefit requirement in Code Section 401(a)(9)(C) and the Treasury Regulations Sections 1.401(a)(9)-2 through 1.401(a)(9)-9.
- (c) **Limits on Distribution Periods.** As of the first Distribution Calendar Year, distributions to a Participant, if not made in a single sum, may only be made over one of the following periods:
  - (1) The life of the Participant;
  - (2) The joint lives of the Participant and a Designated Beneficiary;
  - (3) A period certain not extending beyond the joint life and last survivor expectancy of the Participant and a Designated Beneficiary; or
  - (4) A period certain not extending beyond the joint life and last survivor expectancy of the Participant and a Designated Beneficiary.

### 12.02 Time and Manner of Distribution.

- (a) **Distributions During Participant's Lifetime.** The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date.
- (b) **Death of Participant Before Distributions Begin.** If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:
  - (1) If the Participant's Surviving Spouse is the Participant's sole designated beneficiary, then distributions to the Surviving Spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70½, if later.
  - (2) If the Participant's Surviving Spouse is not the Participant's sole designated beneficiary, then distributions to the designated beneficiary

will begin by December 31st of the calendar year immediately following the calendar year in which the Participant died.

- (3) If there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (4) If the Participant's Surviving Spouse is the Participant's sole Designated Beneficiary and the Surviving Spouse dies after the Participant but before distributions to the Surviving Spouse begin, then this Article XII, other than Section 12.02(b)(1), will apply as if the Surviving Spouse were the Participant.

For purposes of this Section 12.02(b) and Section 12.05, distributions are considered to begin on the Participant's Required Beginning Date (or, if Section 12.02(b)(4) applies, the date distributions are required to begin to the Surviving Spouse under Section 12.02(b)(1)). If annuity payments irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's Surviving Spouse before the date distributions are required to begin to the Surviving Spouse under Section 12.02(b)(1)), the date distributions are considered to begin is the date distributions actually commence.

- (c) **Form of Distribution.** Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the Required Beginning Date, as of the first distribution calendar year distributions will be made in accordance with Sections 12.03, 12.04 and 12.05. If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Code Section 401(a)(9) and the Regulations. Any part of the Participant's interest which is in the form of an individual account described in Code Section 414(k) will be distributed in a manner satisfying the requirements of Code Section 401(a)(9) and the Regulations that apply to individual accounts.

### **12.03 Determination of Amount to be Distributed Each Year.**

- (a) **General Annuity Requirements.** If the Participant's interest is paid in the form of annuity distributions under the Plan, payments under the annuity will satisfy the following requirements:
  - (1) The annuity distributions will be paid in periodic payments made at intervals not longer than one year;
  - (2) The distribution period will be over a life (or lives) or over a period certain not longer than the period described in Section 12.04 and 12.05;

- (3) Once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted;
- (4) Payments will either be nonincreasing or increase only as follows:
  - (A) By an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics;
  - (B) To the extent of the reduction in the amount of the Participant's payments to provide for a survivor benefit upon death, but only if the beneficiary whose life was being used to determine the distribution period described in Section 12.04 dies or is no longer the Participant's beneficiary pursuant to a qualified domestic relations order within the meaning of Section 414(p);
  - (C) To provide cash refunds of employee contributions upon the Participant's death; or
  - (D) To pay increased benefits that result from a Plan amendment.
- (b) **Amount Required to be Distributed by Required Beginning Date.** The amount that must be distributed on or before the Participant's Required Beginning Date (or, if the Participant dies before distributions begin, the date distributions are required to begin under Section 12.02(b)(1) or (2)) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually. All of the Participant's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Participant's Required Beginning Date.
- (c) **Additional Accruals After First Distribution Calendar Year.** Any additional benefits accruing to the Participant in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

#### **12.04 Requirements For Annuity Distributions That Commence During Participant's Lifetime.**

- (a) **Joint Life Annuities Where the Beneficiary Is Not the Participant's Spouse.** If the Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and a nonspouse beneficiary, annuity payments to be made on or after the Participant's Required Beginning Date to the designated beneficiary after the Participant's death must not at any time exceed the

applicable percentage of the annuity payment for such period that would have been payable to the Participant using the table set forth in Regulation Section 1.401(a)(9)-6, Q&A-2. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and a nonspouse beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the designated beneficiary after the expiration of the period certain.

- (b) **Period Certain Annuities.** Unless the Participant's Spouse is the sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Participant's lifetime may not exceed the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in Treasury Regulation §1.401(a)(9)-9 for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the Participant reaches age 70, the applicable distribution period for the Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in Treasury Regulation §1.401(a)(9)-9 plus the excess of 70 over the age of the Participant as of the Participant's birthday in the year that contains the annuity starting date. If the Participant's Spouse is the Participant's sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Participant's applicable distribution period, as determined under this Section 12.04(b), or the joint life and last survivor expectancy of the Participant and the Participant's Spouse as determined under the Joint and Last Survivor Table set forth in Treasury Regulation §1.401(a)(9)-9, using the Participant's and Spouse's attained ages as of the Participant's and Spouse's birthdays in the calendar year that contains the annuity starting date.

#### **12.05 Requirements For Minimum Distributions Where Participant Dies Before Date Distributions Begin.**

- (a) **Participant Survived by Designated Beneficiary and Life Expectancy Rule.** If the Participant dies before the date distribution of his interest begins and there is a designated beneficiary, the Participant's entire interest will be distributed, beginning no later than the time described in Section 12.02(b)(1) or (2), over the life of the designated beneficiary or over a period certain not exceeding:
- (1) Unless the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the Participant's death; or
  - (2) If the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year that contains the annuity starting date.

- (b) **No Designated Beneficiary.** If the Participant dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (c) **Death of Surviving Spouse Before Distributions to Surviving Spouse Begin.** If the Participant dies before the date distribution of his interest begins, the Participant's Surviving Spouse is the Participant's sole designated beneficiary, and the Surviving Spouse dies before distributions to the Surviving Spouse begin, this Section 12.05 will apply as if the Surviving Spouse were the Participant, except that the time by which distributions must begin will be determined without regard to Section 12.02(a).

#### **12.06 Definitions.**

- (a) **Designated Beneficiary** means the individual who is designated as the beneficiary under the Plan and is the designated beneficiary under Code Section 401(a)(9) and Regulation Section 1.401(a)(9)-4.
- (b) **Distribution Calendar Year** means a calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to Section 12.02.
- (c) **Life Expectancy** means the life expectancy as computed by use of the Single Life Table in Regulation Section 1.401(a)(9)-9.
- (d) **Required Beginning Date** means the April 1st of the calendar year following the later of:
- (1) The calendar year in which the Participant attains age 70½, or
  - (2) If the Participant is not a "5 percent owner" at any time during the Plan Year ending with or within the calendar year in which the Participant attains age 70½, then the calendar year in which the Participant retires.

#### **ARTICLE XIII – TRUST AND TRUSTEE**

**13.01 Trust Agreement.** Effective December 7, 1994, a Trust Agreement has been created and will be maintained for the purposes of the Plan. All contributions under the Plan will be paid into the trust fund. The trust fund will be held, invested and disposed of by the Funding Agency from time to time acting in accordance with the Trust Agreement. All

benefits payable under the Plan will be paid from the trust fund and benefits shall be limited to the amounts held in the trust fund.

**13.02 Trustee.** The Employer shall appoint a bank or trust company or an individual or individuals to act as Funding Agency under the Trust Agreement. The Funding Agency shall serve at the pleasure of the Employer and its powers and responsibilities shall be set forth in the Trust Agreement. No person who receives full-time pay from the Employer shall receive compensation paid by the trust fund, except for reimbursement of expenses properly incurred.

**13.03 Compensation and Expenses of Trustee.** The Trustee shall deduct from and charge against Plan assets any taxes paid by it which may be imposed upon the Plan or the income thereof, or which the Funding Agency is required to pay, upon or with respect to the interest of any person herein.

The reasonable expenses incurred in the administration of the Plan shall be deducted from Plan assets, unless the Employer agrees to pay such expenses, including reasonable legal and actuarial expenses.

#### **EXECUTION PAGE**

I certify that the foregoing is a true and exact copy of the SUNLINE TRANSIT AGENCY NON-UNION RESTATED EMPLOYEES RETIREMENT SYSTEM as adopted by the Employer on \_\_\_\_\_, \_\_\_\_\_, 20\_\_.

SUNLINE TRANSIT AGENCY

By: \_\_\_\_\_

Title: \_\_\_\_\_

**Table A**  
**Service Retirement Allowance as a Percentage of**  
**Average Compensation**

Credited Service for Benefit Accrual	Age at Retirement																													
	65 or Purposes 55	56	57	58	59	60	61	62	63	64	older																			
1*			1.2%	1.4%	1.6%	1.8%	2.0%	2.1%	2.3%	2.5%	2.8%	3.2%	3.6%																	
2*	2.5	2.8	3.2	3.6	3.9	4.3	4.6	5.0	5.6	6.3	7.0 3*	3.7	4.3	4.8	5.3															
		5.9	6.4	7.0	7.5	8.5	9.5	10.4 4*	5.0	5.7	6.4	7.1	7.8	8.6	9.3															
							10.0	11.3	12.6	13.9																				
	5.6	7.1	8.0	8.9	9.8	10.7	11.6	12.5	14.1	15.8	17.4	6 7.5	8.6	9.6	10.7	11.8	12.9	13.9	15.0	17.0	18.9	20.9	7 8.7	10.0	11.2	12.5	13.7	15.1		
	16.2	17.5	19.8	22.1	24.4	8 10.0	11.4	12.9	14.3	15.7	17.1	18.6	20.0	22.6	25.3	27.9														
9			11.2	12.8	14.4	16.0	17.7	19.3	20.9	22.5	25.5	28.4	31.4																	
10			12.5	13.7	15.1	16.6	18.3	20.3	22.5	25.0	27.9	31.1	34.9																	
11			13.7	15.1	16.6	18.3	20.2	22.3	24.7	27.5	30.6	34.3	38.4																	
12			15.0	16.4	18.1	19.9	22.0	24.3	27.0	30.0	33.4	37.4	41.9																	
13			16.2	17.8	19.6	21.6	23.8	26.4	29.2	32.5	36.2	40.5	45.4																	
14			17.5	19.2	21.1	23.2	25.7	28.4	31.5	35.0	39.0	43.6	48.9																	
15			18.7	20.5	22.6	24.9	27.5	30.4	33.7	37.5	41.8	46.7	52.4																	
16			20.0	21.9	24.1	26.6	29.3	32.4	35.6	40.0	44.6	49.8	55.9																	
17			21.2	23.3	25.6	28.2	31.2	34.5	38.2	42.5	47.4	52.9	59.3																	
18			22.5	24.7	27.1	29.9	33.0	36.5	40.5	45.0	50.2	56.1	62.8																	
19			23.7	26.0	28.6	31.5	34.8	38.5	42.7	47.5	52.9	59.2	66.3																	
20			24.9	27.4	30.1	33.2	36.7	40.6	45.0	50.0	55.7	62.3	69.8																	
21			26.2	28.8	31.6	34.9	38.5	42.6	47.2	52.5	58.5	65.4	73.3																	
22			27.4	30.1	33.1	36.5	40.3	44.6	49.5	55.0	61.3	68.5	76.8																	
23			28.7	31.5	34.7	38.2	42.2	46.6	51.7	57.5	64.1	71.6	80.3																	
24			29.9	32.9	36.2	39.8	44.0	48.7	54.0	60.0	66.9	74.7	83.8																	
25			31.2	34.2	37.7	41.5	45.8	50.7	56.2	62.5	69.7	77.9	87.3																	
26			32.4	35.6	39.2	43.2	47.7	52.7	58.5	65.0	72.4	81.0	90.0																	
27			33.7	37.0	40.7	44.8	49.5	54.8	60.7	67.5	75.2	84.1	90.0																	
28			34.9	38.3	42.2	46.5	51.3	56.8	63.0	70.0	78.0	87.2	90.0																	
29			36.2	39.7	43.7	48.1	53.2	58.8	65.2	72.5	80.8	90.0	90.0																	
30			37.4	41.1	45.2	49.8	55.0	60.8	67.5	75.0	83.6	90.0	90.0																	
31			38.7	42.5	46.7	51.5	56.8	62.9	69.7	77.5	86.4	90.0	90.0																	
32			39.9	43.8	48.2	53.1	58.7	64.9	72.0	80.0	89.2	90.0	90.0																	
33			41.2	45.2	49.7	54.8	60.5	66.9	74.2	82.5	90.0	90.0	90.0																	
34			42.4	46.6	51.2	56.4	62.3	69.0	76.5	85.0	90.0	90.0	90.0																	
35			43.7	47.9	52.7	58.1	64.2	71.0	78.7	87.5	90.0	90.0	90.0																	

\*Benefits for years of Credited Service for Benefit Accrual Purposes 1-4 are payable only in cases of transfer from the Union Plan where additional years of Credited Service for Vesting Purposes have resulted in the satisfaction of minimum vesting requirements.



**Table B**

**Joint and Survivor Option Adjustments  
(for all ages use nearest birth date)**

**Age of Participant When Pension Benefits Begin  
and Percent of Benefit Continued to Surviving Beneficiary**

Beneficiary's Age When Compared to Participant's Age	55 to 59			60 to 64			65 to 69		
	100%	66-2/3%	50%	100%	66-2/3%	50%	100%	66-2/3%	50%
18 to 22 years younger	77.1%	83.5%	87.1%	71.7%	79.2%	83.5%	65.6%	74.1%	79.3%
13 to 17 years younger	79.1	85.0	88.3	74.2	81.2	85.2	68.8	76.8	81.5
8 to 12 years younger	81.4	86.8	89.8	77.2	83.6	87.2	72.5	79.8	84.1
3 to 7 years younger	84.1	88.8	91.3	80.6	86.2	89.3	76.9	83.3	86.9
2 years younger to 2 years older	86.9	90.9	93.0	84.3	89.0	91.5	81.5	86.9	89.8
3 to 7 years older	89.8	92.9	94.6	88.0	91.7	93.6	86.1	90.3	92.5
8 to 12 years older	92.5	94.8	96.1	91.3	94.1	95.5	90.1	93.2	94.8
13 to 17 years older	94.7	96.4	97.3	94.1	96.0	97.0	93.3	95.4	96.5
18 to 22 years older	96.5	97.6	98.2	96.1	97.4	98.0	95.6	97.0	97.7

**Table C**

**Optional 10 Year Pension Payments Certain and Continuous Pension  
For Life Thereafter As a Percentage of Lifetime  
Pension Benefits Otherwise Payable**

(use employee's nearest age at retirement)

Age of

<u>Retiring Employee</u>	<u>Percentage</u>
55	97.0%
56	96.7
57	96.3
58	95.9
59	95.4
60	94.9
61	94.3
62	93.7
63	92.9
64	92.1
65	91.1
66	90.1
67	89.0
68	87.8
69	86.5
70	85.1